IMPLEMENTING GUIDELINES ON REAL PROPERTY TAX AND OTHER LOCAL TAXES PURSUANT TO THE LOCAL GOVERNMENT CODE OF 1991. REPUBLIC ART 7160

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I
Legal Basis

R.A. No. 7160 otherwise known as the Local Government Code of 1991 (The code), authorized the Local Government Units (LGUs) to Impose and to collect real estate tax and other local taxes.

Simultaneously, Sec. 193 and 234 of the Code withdrew all exemption and privileges from payment of local taxes and real estate tax, including those that were granted under the special charters of government corporations.

Pursuant thereto PPA becomes subject to the real estate tax and other local taxes applicable to the nature of its business, effective January 1, 1992.

II
The Tax Due to the Local Government Unis (LGUs) and the Administration Thereof

A. Real Estate Tax

1. Subjected ot the Real Estate Tax are the real estate properties owned by the Authority Identified as follows:

1.1

Land covering the port area, including the reclaimed area, but excluding areas being utilized occupied by the National Government Agencies which by nature are tax exempt.

1.2

Roads and pavements, causeways, wharves and piers, slips, Ro-Ro ramp, bulkhead, sea wall.

1.3

Buildings and other vertical structures, such as office/administrative buildings, warehouses, transit sheds, passenger terminals, canteen, guardhouses, public toilets, guesthouses/quarters, amenities.

1.4

Other port facilities such as Perimeter Fence and others.

2. The tax governance authority of the LGU -. The taxing authority of the LGU covers the real estate properties which are physically located/ situated within its respective territorial Jurisdiction.

The payment and documentation for real estate tax or issues and inquiries related thereto, shall therefore be settled, coordinated and/or addressed to the respective LGU governing the area where the specific property being taxed is situated or located.

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3. The essential tax documents and the administration thereof - The following documents are essential in deriving the correct tax liability:

3.1

The REAL ESTATE TAX DECLARATION CERTIFICATE (RETDC) under the name of the Philippine Ports Authority which states the assessed value established by the LGU.

3.2

The Realty Tax Assessment which states the computation of the basic tax and Special Education Fund Tax, if any.

Tax Assessment of leased properties shall be under the name of the lessee pursuant to Sec. 205 (d) RA 7160.

3.3 The City/Municipal Ordinance containing the applicable real estate tax rate and other pertinent regulations.

The acquisition, verification, maintenance and safekeeping of the documents shall be administered as follows:

3.4

The respective PMOs shall prepare reconciled SCHEDULE OF TAXABLE REAL PROPERTIES (covering those being administered, leased, utilized, and the non-operating real property), specifying therein the description, location and area measurement. Leased properties shall be identified and the name of the lessee shall be properly indicated. This shall be endorsed to the respective LGU governing the listed properties, for issuance of RETDC.

The PMO shall submit to the supervising PDO the following:

- copy of the schedules endorsed to the LGUs
- the original taxpayer's copy of the RETDC issued by the LGU with the corresponding Municipal/City Ordinance
- an abstract of the total estimated Real Estate Tax

3.5 The PDOs shall process the above documents for the following purpose:

a. to ensure that all the taxable properties being supervised are properly covered by the original taxpayer's copy of RETDC.

b. to validate the data contained in the RETDC, especially the area measurement and the assessed value of the properties, which should not be more than assessment levels prescribed in Section 218 of the Code, applied to the Sound Value of the assets based on the latest appraisal..

c. to validate the tax used in the Abstract Estimate and the mathematical accuracy thereof

The PMOs and PDOs shall ensure that the xerox copies of the same set are kept in their files for reference.

3.6

The FLAMS - Treasury Department shall be the official custodian of the original Taxpayer's copies of (he RETDCs and the corresponding City/Municipal Real Estate Tax Ordinances.

The FLAMS Office shall revalidate the RETDCs to ascertain that assessed values were reasonably established and that the submitted documents covered all the taxable properties of the Authority.

3.7

Henceforth, the RETDCs for newly acquired real estate properties and any of the documents already on file or

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under custodianship, shall be reported by the PMOs and within 15 days from date of acquisition or effectivity of the revision. The same validation and safeguarding process shall be undertaken on the newly secured/revised documents.

4. Provision for the Tax Budget

4.1

The budget for real estate tax and the additional Special Education Fund (SEF) tax shall be provided on the following real estate properties of PPA:

a. on the properties being used or operated by PPA, based on the prorata time/area usage.

b. on the unutilized or non-operating properties.

No lax budget shall be provided on properties that are being leased in whole or the portion thereof, and those occupied by the non-taxable agencies of the national government.

4.2

The PMOs shall estimate the tax budget starting the Budget Year 1993 and every year thereafter, using the attached format of Abstract of Estimate. This shall be endorsed to the PDOS for revalidation in the same process as in Sec. II, 3.4 and for District consolidation to be endorsed to the FLAMS. Treasury Department not later than 15th day of August preceeding the Budget Year.

4.3

Treasury Department shall ascertain the accuracy and completeness of the Abstract Estimates and for incorporation to the budget proposal of the Dpeartment.

4.4

The Yearly Budget estimate shall be computed based on the assessed values and applicable tax rates derived from the latest file of RETDCs and LGU Ordinances.

5. The payment of Real Estate Tax and additional Special Education, Fund Tax If any

5.1

Pursuant to Sec. 250 of the Code, the realty tax is due for quarterly payment on or before the following dates:

1st Quarter

-

March 31

2nd Quarter

-

June 30

3rd Quarter

-

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September 30

4th Quarter

-

December 31

5.2 The PMOs shall:

a. secure from the governing LGUs, the Realty Tax Assessments covering the four quarters of the year.

b. reconcile the assessments figures against the estimated figures In the Abstract for endorsement to the supervising PDOS.

c. furnish all the lessees of their tax assessment/obligation and collect the tax share of the lessees who jointly operates a taxable property or require proof of tax payment from lessee of a whole property.

5.3

The PDOS shall account for the completeness of the tax assessments, ascertain the accuracy of the computation and submit lo the AGM-FLAMS: Treasury Department, not later than Feb. 15 of the Budget Year, the request of cash bank transfer of the confirmed tax payable by the District.

5.4

Treasury Department shall reallocate lo the PDOS the approved tax budget based on their confirmation of the quarterly tax payable, which shall be funded through bank Transfer to the respective bank accounts of the PDOs.

5.5

The PDOs shall provide the required tax fund for their supervised PMOs.

5.6

The PMOs shall deliver lo the respective LGU the payment of the tax assessments including those collected from joint sharing lessees and shall compile all evidences of tax payments (both direct payments and those paid by the individual lessees).

B. Business Tax

1. Pursuant to Section 143 of the Code, the gross receipts of the Authority on PPA's share on Arrastre and Stevedoring and the gross receipts from non-traditional revenue shall be subject to business tax.

2. Gross receipts arising from the use of government facilities are not subject to local business tax pursuant to ruling dated September 29, 1992 and April 27, 1992 as follows:

2.1 Harbor/Anchorage Fee
2.2 Berthing Charges
2.3 Usage Fee
2.4 Wharfage Fee
2.5 Storage Fee
2.6 Lay-up Fee
2.7 Harbor Pilot's Fee
2.8 Lease Rental

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3. Provision for Tax Budget The PMOs shall estimate the tax budget starting budget year 1993 and every year thereafter to be included in their yearly budget proposal.

4. Report of Receipts and payment of Business Tax to LGUs - the collecting PMOs/PDOs/HO shall file their respective quarterly actual collections of revenues subject to business tax and pay to the LGU every 20th day of each subsequent quarter.

Corresponding Authority to Pay (ATP) shall be used for Inter-PMO collections.

C. Community Tax

In accordance with Section 158 of the Code, every corporation shall pay an annual Community Tax of P500.00 and an annual additional tax which in no case shall exceed P 10,000.00.

Treasury Department shall see to it that payment of Community Tax is made on due date (NLT last day of February) as required.

Ill
Monitoring of Tax Payments

A Schedule of Taxes Paid for the year shall be submitted annually by the PMOs to the Office of the AGM-FLAMS not later than January 31 of each year with the following column headings:

1. Name of Payee
2. Address
3. TIN/Barangay
4. Kind of Tax
5. Period Covered
6. Tax Base/Assessed Value
7. Amount of Tax Paid
8. Official Receipt Number
9. Date Paid

For your guidance and compliance.

Adopted: 31 Dec. 1992

(Sgd.) ROGELIO A. DAYAN
General Manager

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