

LIFTING THE 10% MANDATORY RESERVE IMPOSED ON THE INTERNAL REVENUE ALLOTMENT OF LOCAL GOVERNMENT UNITS UNDER ADMINISTRATIVE ORDER NO. 372, SERIES OF 1997

ADMINISTRATIVE ORDER NO. 40, December 07, 1998

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WHEREAS, Section 4 of Administrative Order No. 372, Series of 1997, withheld the amount equivalent to 10 percent of the Internal Revenue Allotment (IRA) to local government units (LGUs) effective January 1, 1998;

WHEREAS, the mandatory retention of the 10 percent IRA under A.O. No 372 has significantly affected the financial capacity of LGUs;

WHEREAS, the LGUs require the full amount of their IRA shares to include the 10 percent that the national government has withheld to fully exercise its functions and complete the implementation of the projects and activities programmed for 1998;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1. The Department of Budget and Management shall release the full amount equivalent to 10 percent of the Internal Revenue Allotment to LGUs that was withheld under Section 4 of A.O. No. 372, 1997.

SECTION 2. This Administrative Order shall take effect immediately.

DONE in the City of Manila this DEC. 7[th], in the year of our Lord nineteen hundred and ninety eight.

(Sgd.) JOSEPH EJERCITO ESTRADA
President of the Philippines

By the President:
(Sgd.) RONALDO B. ZAMORA
Executive Secretary

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