RESOLUTION NO. 2986, S-2021

A RESOLUTION ADOPTING DILG-DOF-ARTA JOINT MEMORANDUM CIRCULAR NO. 2021-01 ON THE OMNIBUS GUIDELINES ON THE SUSPENSION OF LGU IMPOSITION AND COLLECTION OF FEES AND TAXES RELATIVE TO THE TRANSPORT OF GOODS AND PRODUCTS

WHEREAS, Section 133 of the Local Government Code of 1991 provides the common limitations on the taxing powers of local government units (LGUs), which include various fees, taxes and other charges on transporting goods carried into or out of, or passing through, their respective territorial jurisdictions;

WHEREAS, DILG earlier issued Memorandum Circular No. 2018-133 directing LGUs to suspend the imposition and collection of fees and taxes relative to the transport of goods and products. However, the DILG still receives reports and complaints that some LGUs impose fees, taxes and other charges on the transportation of goods and products in their territorial jurisdiction;

WHEREAS, on April 28, 2021, DILG, together with DOF and ARTA, signed Joint Memorandum Circular No. 2021-01 on the Omnibus Guidelines on the Suspension of LGU Imposition and Collection of Fees and Taxes Relative to the Transport of Goods and Products, which seeks to reiterate DILG Memorandum Circular No. 2018-133;

WHEREAS, the full implementation of the JMC will support and assist the country’s logistics sector during this time of pandemic;

WHEREAS, the City of Mandaluyong commits to uphold the law, and promotes and supports the logistics industry to thrive in their business.

NOW, THEREFORE, on motion duly seconded, the Sangguniang Panlungsod of Mandaluyong, in session assembled, RESOLVES, as it hereby RESOLVES to adopt DILG-DOF-ARTA Joint Memorandum Circular No. 2021-01 on the Omnibus Guidelines on the Suspension of LGU Imposition and Collection of Fees and Taxes Relative to the Transport of Goods and Products.

RESOLVED, that a copy of this Resolution be furnished to the Office of the City Mayor, City Business Permit and Licensing Department, City Treasury Department, and City Traffic and Parking Management Department for their information and immediate dissemination.
ADOPTED on this 24th day of May, 2021 in the City of Mandaluyong.

I HEREBY CERTIFY THAT THE FOREGOING RESOLUTION WAS ADOPTED AND APPROVED BY THE SANGGUNIANG PANLINGSOD OF MANDALUYONG IN A REGULAR SESSION HELD ON THE DATE AND PLACE FIRST ABOVE GIVEN.

MA. TERESA S. MIRANDA
Sanggunian Secretary

ATTESTED BY:

ANTONIO DLS SUVA
City Vice Mayor &
Presiding Officer

APPROVED:

CARMELITA A. ABALOS
City Mayor

Date: MAY 3, 2021
OMNIBUS GUIDELINES ON THE SUSPENSION OF LGU IMPOSITION AND COLLECTION OF ILLEGAL FEES AND TAXES RELATIVE TO THE TRANSPORT OF GOODS AND PRODUCTS

1.0 Background

1.1. DILG Memorandum Circular (MC) No. 2018-133 or the Omnibus Guidelines on the Suspension of LGU Imposition and Collection of Illegal Fees and Taxes Relative to the transport of Goods and Products has been issued to provide concerned stakeholders with a set of guidelines relating to previous issuances on the said issue and reiterate the provision stated therein. However, the DILG is continuously receiving complaints on some LGUs who impose fees, taxes, and other charges on the transportation of goods and products carried into or out of, or passing through the territorial jurisdictions of these LGUs in the guise of sticker fee, discharging fee, delivery fee, market fee, toll fee and/or mayor’s permit fee, among others.

1.2. Section 133 of the Local Government Code (LGC) of 1991 provides the common limitations on the taxing powers of local government units (LGUs), which include various fees, taxes and other charges on transporting goods carried into or out, or passing through, their respective territorial jurisdictions.

1.3. Article 287 of the Implementing Rules and Regulations of the LGC authorized the Secretary of Finance to formulate and prescribe the procedures and guidelines under Rule XXX (Local Government Taxation), and Section 2, paragraph 3 of Executive Order (EO) No. 292 mandates the DOF to supervise the revenue operations of all LGUs; and Section 43 of EO No. 127 mandates the Bureau of Local Government Finance (BLGF) of the DOF to assist in the formulation and implementation of policies on local government revenue administration and fund management, and to provide consultative services and technical assistance to the local governments on local taxation.
1.4. Section 5 of Republic Act (RA) No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 mandates all offices and agencies which provide government services and implement regulations to undergo regulatory impact assessment to establish if the proposed regulation they seek to implement does not add undue regulatory burden and cost to these agencies and the applicants or requesting parties.

1.5. Section 1 of Administrative Order No. 23, series of 2020 directs all offices and agencies covered by RA No. 9485, as amended by RA No. 11032, to eliminate overregulation in government processes.

2.0 Purpose

2.1. Together with the Anti-Red Tape Authority (ARTA) and the Department of Finance-Bureau of Local Government Finance (DOF-BLGF), this Joint Memorandum Circular (1) reiterates provisions of DILG Memorandum Circular No. 2018-133 to emphasize the limitations mandated by the Local Government Code of 1991 on the taxing powers of LGUs, particularly various fees, taxes and other charges on transporting goods carried into or out, or passing through, their respective territorial jurisdictions; and (2) provides additional directives for regulation on the part of ARTA, and provision of technical assistance to LGUs on the part of DOF-BLGF.

3.0 Scope/Coverage

3.1. All Provincial Governors, City and Municipal Mayors, Local Sanggunians, Punong Barangays, DILG Regional Directors, DILG Field Officers, and all others concerned.

3.2. All concerned government offices and agencies including local government units, that provide services covering business and non-business-related transactions pursuant to Section 3 of RA No. 11032.

3.3. All BLGF Central and Regional Directors; All Provincial, City and Municipal Treasurers and Assistant Treasurers.

4.0 Policy Content and Guidelines

4.1. Pursuant to Section 133 of the LGC, all local chief executives are enjoined to:
4.1.1. Refrain from enforcing any existing ordinance authorizing the levy of fees and taxes on inter-province transport of goods or merchandise, regulatory fees in local ports, and other additional taxes, fees or charges in any form upon the transport of goods or merchandise. These include taxes, fees, and charges and other impositions upon goods carried into or out of, or passing through, the territorial jurisdictions of local government units in the guise of charges for wharfage, tolls for bridges or otherwise, sticker fee, discharging fee, delivery fee, market fee, toll fee, entry fee, and/or mayor’s permit fee, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise. (This does not include taxes, fees, and charges on passengers passing through the territorial jurisdiction of an LGU, which was inadvertently included as a subject of a prohibited imposition under DILG MC No. 2017-23).

4.2. All policies, issuances, ordinance, or resolutions inconsistent with this JMC shall be subject to repeal or amendment consistent with DILG-ARTA Joint Memorandum Circular 2019-01 dated December 11, 2019, entitled "Guidelines on the Regulatory Reform for LGUs in Pursuant to the Ease of Doing Business and Efficient Government Service Delivery Act of 2018".

4.3. All existing ordinances of LGUs imposing pass-through fees on goods, as well as those which provide for imposition of taxes, fees and charges in any form on transported goods and products, shall undergo Regulatory Impact Assessment (RIA) pursuant to Section 5, RA No. 11032.

4.4. Further, local government units are directed to strictly observe DILG MC No. 2008-112, s. 2008, particularly on the exemption from truck ban, to wit:

"Exemptions on the Truck Ban:

Trucks and delivery vans carrying rice and other perishable items such as fish, vegetables, dairy and poultry products and frozen meat products, animal feeds, and export goods; xxxx"

5.0 Roles and Responsibilities of Implementing Agencies

5.1. Department of the Interior and Local Government (DILG)

5.1.1. All DILG Regional Offices are enjoined to cause the submission of the following:
5.1.1. Local ordinances on the imposition of toll fees and other fees for the use of access roads in .pdf format, to be submitted through Document Management System for information and reference of the Bureau of Local Government Supervision (BLGS) and for review of the Legal and Legislative Liaison Service (LLLS); DILG-BLGS shall then furnish ARTA and DOF-BLGF copy of the reviewed local ordinance by DILG-LLLS for monitoring; and

5.1.1.2. Updated Regional Summary Form, to be filled out using the prescribed format, which is available in a Google Drive platform. A separate memorandum/advisory by BLGS shall be issued for the access link of the said Google Drive. There is no need to download the forms, filling out of the monitoring report forms are to be done online. (Item 5.1.1.2)

5.1.1.3. The Regional Summary Form shall be updated and submitted, not later than June 30, 2021, if necessary. No new ordinance shall be passed thereafter violating the provisions stipulated in this Memorandum Circular.

5.1.2. The DILG Bureau of Local Government Development (DILG-BLGD) shall:

5.1.2.1. In coordination with DOF-BLGF, provide technical assistance to LGUs in the updating and/or amending of their local revenue code pursuant to DILG DOF-BLGF JMC No. 2012-01.

5.1.3. The DILG Bureau of Local Government Supervision (DILG-BLGS) shall:

5.1.3.1. Develop a new system which will monitor the progress and implementation of this JMC. Further, they shall monitor and consolidate the submission of the Regional Summary Form submitted by the DILG Regional Offices (Item 5.1.1.2.)

5.1.3.2. Cause the issuance of a supplemental Memorandum to its Regional Offices providing for the guidelines in performing its functions under this Section.
5.1.4. The DILG Legal and Legislative Liaison Service (DILG-LLLS) shall:

5.1.4.1. Cause the validation of all existing local ordinance and verify if any provisions stated therein violate the abovementioned guidelines, it be directly or indirectly, and recommend appropriate legal actions relative thereto.

5.1.4.2. After validation by the DILG-LLLS, show-cause orders shall be issued to violating LGUs, copy furnished the Office of the Ombudsman, ARTA, DOF-BLGF, and/or the Higher Sanggunian, as applicable.

5.2. Anti-Red Tape Authority (ARTA)

5.2.1. ARTA shall conduct its own regulatory review of the subject ordinance, upon receipt of the copy of the LGUs' response to DILG-LLLS' show-cause order. The result of such regulatory review shall then be submitted to DILG-LLLS and to the concerned LGU; and

5.2.2. Assist the DILG in the strict implementation of this JMC, and in case of violation, to investigate and file appropriate charges with recommendation for preventive suspension of erring government officials.

5.3. Department of Finance - Bureau of Local Government Finance (DOF-BLGF)

5.3.1. The DOF-BLGF shall disseminate this JMC through its Regional Offices to all Provincial, City and Municipal Treasurers, and others concerned within their respective jurisdictions for their information and guidance;

5.3.2. Monitor compliance of the local treasurers during the conduct of local treasury evaluations; and

5.3.3. In coordination with DILG-BLGD, provide technical assistance to LGUs in the updating and/or amending of their local revenue code pursuant to DILG-DOF JMC No. 2012-01.

5.4. Joint Oversight Committee

5.4.1. There is also hereby created a Joint Committee composed of representatives from DILG-BLGD, DOF-BLGF, ARTA,
and public and private stakeholders' representatives, which is tasked to monitor the implementation of this JMC. The public and private stakeholders' representatives shall be identified and nominated upon a public consultation to be conducted by DILG, DOF-BLGF, and ARTA.

6.0 Penal Provision

6.1. Non-compliance with this Joint Memorandum Circular shall be dealt with in accordance with pertinent laws, rules, and regulations.

6.2. Non-complying LGUs may be subjected to fact-finding investigation and then results may be forwarded to the appropriate judicial body for action.

6.3. Non-compliance with, or a finding of violation of, any provisions of RA No. 11032 in relation to any pertinent laws, rules, and regulations, shall be subject to investigation by ARTA.

7.0 Repealing Clause

7.1. All administrative orders, issuances, resolutions, instructions and rules and regulations or parts thereof which are inconsistent with this Joint Memorandum Circular are hereby deemed repealed or modified accordingly.

8.0 References

8.1. RA No. 7160 or the Local Government Code of 1991
8.2. DILG MC No. 2006-70, Suspension of LGU Imposition and Collection of Illegal Fees and Taxes
8.3. DILG MC No. 2009-76, Reiterating Strict Compliance to Pertinent Laws, Rules and DILG Circulars Prohibiting LGUs from Charging Fees on Passing through Vehicles, Especially Those Carrying Agricultural Goods and Products and Exempting Such Vehicles from Truck Ban Implementation
8.4. DILG MC No. 2011-122, Reiteration of DILG Memorandum Circulars on the Suspension of LGU Imposition and Collection of Pass-through Fees
8.5. DILG MC No. 2011-151, Suspension of LGU Imposition and Collection of Illegal Fees and Taxes
8.6. DILG MC No. 2018-133, or the Omnibus Guidelines on the Suspension of LGU Imposition and Collection of Illegal Fees and Taxes relative to the Transport of Goods and Products
8.7. Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018
8.9. Executive Order No. 292 or the Administrative Code of 1987
8.10. Executive Order No. 127, s. 1987 or the Reorganization Act of the Ministry of Finance

9.0 Effectivity

9.1. This Joint Memorandum Circular shall take effect immediately.

10.0 Feedback

10.1. For related queries, kindly contact the DILG-Bureau of Local Government Development at Tel. No. (02) 8876-3454 local 4101 or the DILG-Bureau of Local Government Supervision at Tel No. (02) 8876-3454 local 4210 to 11.

11.0 Approving Authority

*Signature*

ATTY. ERNESTO V. PEREZ, CPA
Deputy Director general, ARTA

ATTY. ANTONETTE C. TIONKO
Undersecretary, DOF
Undersecretary, DOF

Approved by:

EDUARDO M. ANO
Secretary, DILG

ATTY. JEREMIAH B. BELGICA, REB, EnP
Director General, ARTA

CARLOS G. DOMINGUEZ
Secretary, DOF

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