

# **Analysis of the 2016-2020 Revenue Performance of Local Business Taxes under Sections 143 and 151 of the Local Government Code of 1991, As Amended\***

## **I. INTRODUCTION**

Article X, Section 5 of the 1987 Constitution vests in each local government unit (LGU) the power to create its own sources of revenue and to levy taxes, fees and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy. Republic Act (RA) No. 7160, otherwise known as the “Local Government Code (LGC) of 1991”, as amended, enumerates the taxing power as well as the limitations for each level of LGU.

One of the main sources of revenue for the local government is the local business tax (LBT), which is imposed on all trades or commercial activities regularly engaged in as a means of livelihood or with a view to profit (Section 131, LGC of 1991, as amended).

This paper aims to review and analyze the revenue performance of the LBT under Sections 143 and 151 of the LGC of 1991, as amended, for the period 2016-2020.

## **II. BUSINESS TAXES IN THE PHILIPPINES**

The LBT, one of LGUs’ main sources of income, is imposed pursuant to Sections 143 and 151 of the LGC of 1991, as amended, local revenue codes, and other ordinances as determined by the concerned LGUs. Thus, cities and municipalities may enact and adopt their own revenue codes applicable to different business classes and prescribe the appropriate rates subject to the limitations imposed under the LGC of 1991, as amended.

Provinces and municipalities are allocated with distinct business taxes, while cities may impose business taxes that may be imposed by the provinces and municipalities (Salvador, 2010). Provincial business taxes include the following:

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- a. Tax on business of printing and publication at a rate not exceeding 50% of 1% of the gross annual receipts for the preceding calendar year. In case of newly started business, the tax shall not exceed 1/20 of 1% of the capital investment (Section 136 of the LGC of 1991, as amended); and
- b. Tax on a business enjoying franchise at a rate not exceeding 50% of 1% of the gross annual receipts for the preceding calendar year. In case of a newly started business, the tax shall not exceed 1/20 of 1% of the capital investment (Section 136 of the LGC of 1991, as amended).

Section 143 of the LGC of 1991, as amended, focuses on the business taxes that only municipalities and cities can levy. (See Table 1.)

**Table 1**

*Business Taxes Imposed by Municipalities and Cities*

Taxes	Tax base based on gross sales or receipts	Tax rate
On manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers and compounders of liquors, distilled spirits, and wines;	Less than P10,000 to less than P6,500,000	P165 to P24,375
	P6,500,000 or more	37% of 1%
On wholesalers, distributors, or dealers;	Less than P1,000 to less than P2,000,000	P18 to P10,000
	P2,000,000 or more	50% of 1%
On exporters and those engaged in essential commodities <sup>1</sup> ;	-	Not exceeding ½ of the rates under subsection (a), (b), and (d) of Section 143 of the LGC of 1991, as amended

<sup>1</sup> As enumerated in Section 143 (c) of the LGC of 1991, as amended, the essential commodities are the following: (i) Rice and corn; (ii) Wheat or cassava flour, meat, dairy products, locally manufactured processed or preserved food, sugar, salt and other agricultural marine and fresh water products whether on their original state or not; (iii) Cooking oil and cooking gas; (iv) Laundry soap, detergent and medicine; (v) Agricultural implements, equipment and post-harvest facilities, fertilizers, pesticides and other farm inputs; (vi) Poultry feeds and other animal feeds; (vii) School supplies; and (viii) Cement.



Taxes	Tax base based on gross sales or receipts	Tax rate
On retailers;	P400,000 or less	2%
	More than P400,000	1%
On contractors and other independent contractors;	Less than P5,000 to less than P2,000,000	P27.50 to P11,500
	P2,000,000 or more	50% of 1%
On banks and other financial institutions (FIs);	Gross receipts of the preceding calendar year	Not exceeding 50% of 1%
On peddlers; and	-	Not exceeding P50 per peddler annually
On other businesses not specified in the LGC of 1991, as amended.	-	Not exceeding 2% of gross sales or receipts of the preceding calendar year

*Note.* The cities and Pateros, the lone municipality in Metropolitan Manila Area (MMA), may levy taxes at rates not exceeding 50% of the maximum rate imposed by municipalities.

Tax rates vary depending on the type of business and are primarily based on their gross sales or receipts from the preceding year. For manufacturers, wholesalers, exporters, and contractors, graduated tax rates are applied. A percentage tax is imposed for gross sales or receipts in excess of a specified threshold. Meanwhile, a two-tiered percentage tax rate is imposed on retailers, and a single fixed rate for banks and other financial institutions (Section 143 of the LGC of 1991, as amended). However, the tax rates imposed by the municipality in the MMA may levy taxes at rates that shall not exceed 50% of the maximum rates.

On the other hand, cities may levy the taxes, fees, and charges imposed by the provinces and municipalities, provided that the taxes, fees, and charges levied and collected by highly urbanized and independent component cities shall accrue to them and distributed in accordance with the provisions of the Code. Rates imposed by the city may exceed the maximum rates allowed for municipalities by not more than 50%, except for professional and amusement tax rates.

Municipalities and cities may also impose a tax on any business not specifically mentioned in the LGC of 1991, as amended, including those which are subject to the value-added tax (VAT) or percentage tax under the National Internal Revenue Code (NIRC) of 1997,

as amended, provided that the rate does not exceed 2% of the gross sales or receipts of the preceding calendar year.

The Bureau of Local Government Finance (BLGF) Memorandum Circular (MC) No. 001-2020 further clarifies the imposition of the LBT for newly started businesses. These are the following:

- a. Cities and Municipalities - newly started business entities shall not be subject to and/or liable to the payment of initial LBT. They shall only be subject to the payment of business permits and other regulatory fees and charges (BLGF Opinion, 2012).
- b. Provinces and Cities – for newly started businesses on printing and publication, and businesses enjoying a franchise, they may impose a tax based on capital investment as prescribed by and implemented through a duly enacted tax ordinance of the concerned LGU (Sections 136, 137, and 151 of the LGC of 1991, as amended).

Likewise, the Circular specifies the following as exempted from paying the LBT:

- a. Businesses engaged in the production, manufacturing, refining, distribution, or sale of oil, gasoline, and other petroleum products;
- b. All cooperatives duly registered with the Cooperative Development Authority; and
- c. Non-stock, non-profit educational institutions.

The payment of business taxes may differ based on several cases (Section 146 of the LGC of 1991, as amended), to wit:

- a. The taxes imposed under Section 143 shall be payable for every separate or distinct establishment or place where business subject to the tax is conducted, and one line of business does not become exempt by being conducted with some other businesses for which such tax has been paid. The tax on a business must be paid by the person conducting the same;
- b. In cases where a person conducts or operates two or more of the businesses mentioned in Section 143 of the Code subject to the same tax rate, the tax shall be computed on the combined total gross sales or receipts of the said two or more related businesses; and
- c. In cases where a person conducts or operates two or more businesses mentioned in Section 143 of the Code, which are subject to different tax rates, each business's gross sales or receipts shall be reported separately to compute the tax due from each business.



The payment of the LBT accrues on January 1 of each year and is payable annually, not later than January 20, or quarterly, within 20 days of the first month of the quarter. There are also surcharges and penalties for unpaid taxes: 25% surcharge if not paid on time, plus 2% interest per month of the unpaid taxes, fees, and charges, including a surcharge (maximum of 36 months or 72%).

The LBT computation depends on the tax base, i.e., gross sales or receipts, and not based on the gross revenue. This was clarified in the case by *Ericsson Telecommunications Inc. v. City of Pasig (2007)*, wherein a clear distinctive line was drawn between gross receipts and gross revenues. Section 131 of the LGC of 1991, as amended, states that gross receipts include the total amount of money or its equivalent representing the contract price, compensation, or service fee, including the amount charged or materials supplied with the services and the deposits or advance payments actually or constructively received during the taxable quarter for the services performed or to be performed for another person excluding discounts if determinable at the time of sales, sales return, excise tax, and VAT. Meanwhile, gross revenues are defined as the money or its equivalent actually or constructively received, including the value of services rendered or articles sold, exchanged, or leased, the payment of which is yet to be received (*Ericsson Telecommunications v. City of Pasig, 2007*).

Thus, to compute the business taxes, the following steps must be followed:

- a. Classify the business; in the case of a newly-started business entity, it is exempted from several taxes as mentioned above in BLGF MC No. 001-2020;
- b. Group different activities according to the respective clusters. Different business activities are subject to different tax rates and should be reported separately;
- c. Determine gross sales/receipts for all business activities within the same cluster and consolidate; and
- d. Compute the tax due for each cluster using the tax rate imposed under the local tax ordinance.

The number of business establishments for each business type in the country leads to certain complexities in collecting the LBT. For instance, several businesses in different locations pay taxes only to the LGU, where the principal office is located. Thus, creating inequities since no LBT is charged against branches of the said business located in other jurisdictions. According to the *International Tax Glossary (1992)*, the situs of the tax, or the situs rule, is the provision of the tax law setting out the factors which determine where the particular asset is situated or deemed to be situated for tax purposes. The definition indicates how the concerned LGU should monitor whether a particular business is paying its taxes in the correct location.

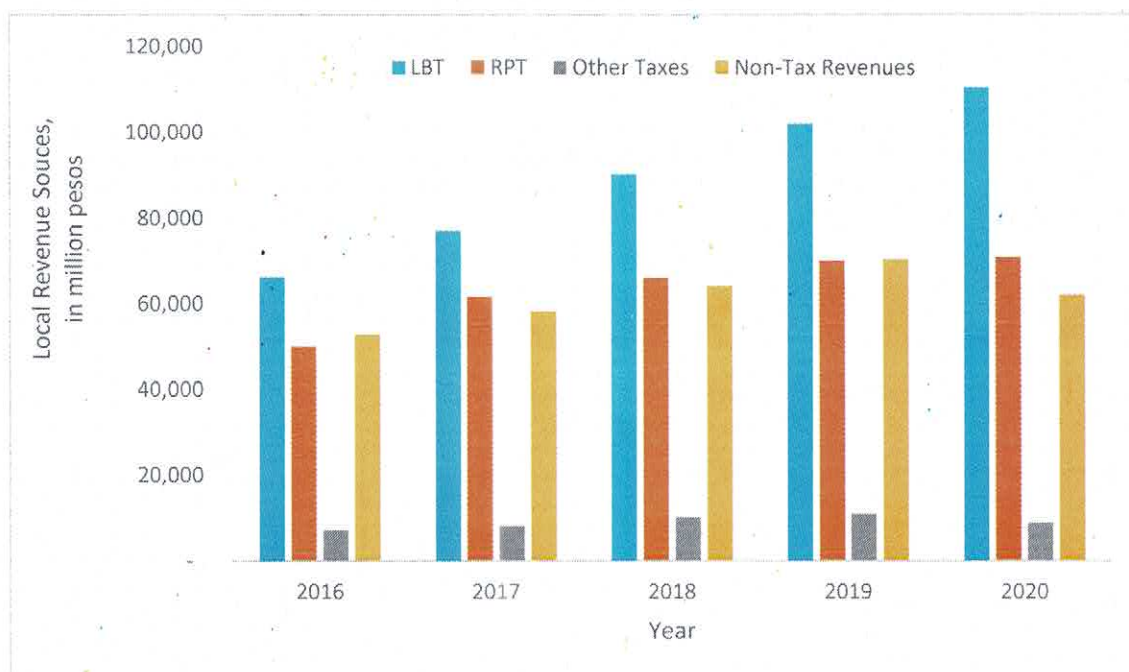
### III. ANALYSIS OF THE LBT REVENUE PERFORMANCE, 2016-2020

The revenue collections of LGUs from local sources relatively increased from 2016 to 2020, with the LBT having higher collections than property taxes. The LBT collections increased at an annual average rate of 13.10%, which was greater than that of property taxes (9.34%), and other local taxes (1.35%). (See Annex A.) While the real property tax (RPT) is a stable source of local revenue, the LBT revenue exceeded the RPT revenue substantially. This may be due to the outdated schedule of market values of several LGUs.

It is observed that the LGU collection of the LBT increased steadily with annual aggregate revenue of P66.38 billion in 2016 to P110.74 billion in 2020; incurring a P44.35 billion increase in five years. In comparison, the RPT grew from P49.97 billion in 2016 to P70.86 billion in 2020, increasing by only P20.89 billion for the same period. (See Figure 1.) The collections from other taxes and non-tax revenues also decreased in 2020. The growth rate of the other local revenue sources also declined for the said year. (See Annex A.) The decline in revenue collections may be due to the drop in the number of industry groups in the formal sector of the economy. The top three industry groups are restaurants and mobile food service activities; short-term accommodation activities; and beverage serving activities (2020 ASPBI, 2020). This also meant a decrease in employment in the industry.

**Figure 1**

*LGU Revenue Collection from Local Sources, Calendar Years (CYs) 2016-2020 (In million pesos)*



*Note.* Basic data gathered from the BLGF.



## Analysis of the Revenue Performance of the LBT by Source and Region

In terms of revenue by source, cities comprised more than half of the LBT collections, with a significantly huge gap against the collection of municipalities and provinces. (See **Table 2.**) Provinces had meager LBT collections since they only impose few business taxes as compared to cities and municipalities.

**Table 2**

*Total LBT Revenue of LGUs by Source, CYs 2016-2020 (In million pesos)*

	2016	2017	2018	2019	2020	Average
Provinces	1,290.84	1,390.77	1,675.66	1,783.40	1,815.29	1,591.19
Cities	55,136.52	64,859.87	75,769.21	85,729.56	93,073.03	74,913.64
Municipalities	9,956.30	10,982.65	12,919.28	14,544.59	15,847.81	12,850.12

*Note.* Gathered from the BLGF. Data as of November 5, 2021.

The average LBT collection of cities for 2016 to 2020 reached P74.91 billion, whereas municipalities only contributed P12.85 billion. The reason for the wide gap in the average LBT collections is that cities are the central hub for most businesses. As such, LBT collections of cities would be extensive compared to municipalities. Also, under the LGC of 1991, as amended, cities can impose higher tax rates than municipalities.

In terms of collection by cities, the National Capital Region (NCR) held the highest record of LBT collection compared to the other regions, followed by Region IV-A (CALABARZON) then Region VII. For municipalities, CALABARZON took the lead, with Region III and Region I. Obviously, there was a significant variance in the total LBT collection of cities within regions. Specifically, the NCR and CALABARZON had an approximately P38.67 billion difference in collections. (See Table 3.) The disparity in the collections between regions may be attributed to the high profits of businesses within the cities in the NCR and improvements in tax policy and processes (BLGF, 2021).

**Table 3***Average Collections of LBT per Region, CYs 2016-2020 (In million pesos)*

<b>Region</b>	<b>Cities</b>	<b>Municipalities</b>
NCR	47,610.55	37.57
CAR	336.47	253.78
Region I	735.70	1,106.08
Region II	487.64	685.03
Region III	3,187.22	2,678.40
Region IV-A	8,942.17	3,298.19
Region IV-B	386.05	420.98
Region V	750.44	533.87
Region VI	1,715.03	709.92
Region VII	4,400.95	672.33
Region VIII	494.13	275.85
Region IX	570.89	169.49
Region X	1,571.52	513.19
Region XI	2,649.27	387.15
Region XII	620.98	394.21
Region XIII	403.10	626.17
BARMM	51.54	87.88
<b>Total</b>	<b>74,913.64</b>	<b>12,850.12</b>

*Note.* Gathered from the BLGF. Data as of November 5, 2021.

The newly enacted Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) following plebiscites in Western Mindanao in 2019 may explain the low collection of the BARMM region, Region XIII, and other affected regions in the area. Basilan, Lanao del Sur, Maguindanao, Sulu, Tawi-Tawi, Cotabato City, and a special geographic area in Cotabato City, formerly under Region XIII, were transferred to the BARMM. There are only three component cities, 116 municipalities, and 2,590 barangays in the BARMM. However, it is commendable that the BARMM already collected P59 million from the LBT despite being a newly-created region and smaller compared to other regions.

In terms of the top performers, the NCR ranked first in LBT collections for CYs 2016-2020 with an average of P47.65 billion, contributing more than half of the aggregate LBT collections for the 5-year period. (See Table 4.)



**Table 4**

*Top 3 and Bottom 3 Regions in LBT Collection, CYs 2016-2020 (In million pesos)*

<b>Top 3</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average</b>
NCR	35,097.35	40,703.56	47,755.68	54,654.86	60,029.12	47,648.11
Region IV-A	9,214.57	11,022.70	13,129.89	14,257.49	14,890.00	12,502.93
Region III	4,899.64	5,530.23	6,135.32	7,121.12	8,143.63	6,365.99
<b>Bottom 3</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average</b>
CAR	527.02	592.12	623.94	675.86	693.02	622.39
Region IX	599.70	684.28	770.40	829.33	924.03	761.55
Region VIII	589.52	702.46	784.66	897.05	1,011.31	797.00
BARMM	158.58	72.30	62.29	230.35	187.96	142.30

*Note.* Gathered from the BLGF. Data as of November 5, 2021.

Notwithstanding, Region IV-A being the second highest collector of LBT in the country, a considerable huge gap is evident compared to the NCR. This indicates that most businesses are located in the NCR. The location of most of the principal offices in the NCR further explained the upsurge of the LBT collection in the said region. Good governance initiatives also help LGUs improve local revenue generation.

On the other hand, the Cordillera Administrative Region (CAR) collected the lowest LBT among the regions, despite some of its places being famous as tourist destinations. The thriving businesses in Baguio, especially during the festive season, failed to increase the LBT in CAR. This may be due to the fact that there are only two cities in the CAR, that are collecting the bulk of revenues, as compared to other regions with more than two cities. Also, the effects of the frost that occurs during the early months of the year may cause some concern on the vegetable production in the region. Frost, or 'andap' in the local language, is a yearly occurrence in the months of January of February. The drop in temperature may have a negative impact on vegetable production, which in turn may lower the LBT collection of the region.

### **Cities' LBT Revenue Performance in Selected Regions**

From Table 5, it is apparent that the NCR cities were among the highest collectors of the LBT. The top three collecting regions were NCR, Region IV-A, and Region III, while the lowest collecting regions were CAR, Region IX, and Region VIII. A huge disparity in collection amongst cities in the top 3 and bottom 3 collecting regions was observed.

**Table 5**

*LBT Collection of Selected Cities in the Top 3 and Bottom 3 Regions, CYs 2016-2020  
(In million pesos)*

<b>Top 3</b>	<b>Average</b>	<b>Bottom 3</b>	<b>Average</b>
<b>NCR</b>		<b>CAR</b>	
Quezon City	11,175.82	Baguio City	315.84
Makati City	8,106.43	Tabuk City	20.63
Pasig City	5,653.99		
<b>Region IV-A</b>		<b>Region IX</b>	
Santa Rosa City	1,821.67	Zamboanga City	414.52
Calamba City	1,196.69	Pagadian City	80.43
Batangas City	721.13	Dipolog City	55.63
<b>Region III</b>		<b>Region VIII</b>	
Angeles City	583.57	Tacloban City	198.94
San Fernando City	543.39	Ormoc City	113.26
Meycauayan City	516.82	Calbayog City	58.16

*Notes.* Excluding BARMM because it was only collected separately last 2019 and 2020.

Gathered from the BLGF. Data as of November 5, 2021.

Overall, Quezon City had the highest LBT collection, followed by Makati City then Pasig City, which indicates that most principal offices and/or large corporations are located in major cities. One of the factors that had led to the higher collection of these cities was that the local revenue codes of these densely-populated cities adopted and imposed the higher rates allowed for cities under the LGC of 1991, as amended. On the other hand, Baguio City and Tabuk City are the only cities located in the CAR. Thus, it is fairly admissible that revenue collection was considerably minimal since the weight of the LBT collected fell mainly upon them.

Aside from the broadening of the tax base, LGUs are generally given greater leeway in fixing their tax rates appropriate to their jurisdiction. Thus, is it not surprising to see the different tax rates and coverage of LGUs, which may explain why certain LGUs have higher revenue collections than others. The case of the LGUs in the NCR would be a prime example. Even if the NCR is composed mostly of cities and only one municipality, the rates of their taxes differ significantly, seen even in the range of the tax rates on manufacturers and wholesalers. (See Annexes C and D.)

In the category of manufacturers, the cities of Manila, Mandaluyong, Muntinlupa, and Valenzuela have a broader tax base. Valenzuela has gross receipts amounting to less than P10,000 to P100,000,000 and above, with the rates based on a compounding increase. On the other hand, Parañaque City has the lowest tax of P165 with a gross receipt of less than P10,000.



In the case of wholesalers, the tax base ranges from gross receipts with less than P1,000 to P20,000,000 and above, with the latter amount set by Valenzuela City alone; other cities have P2,000,000 or more as their limit. On the other hand, Makati City exempts those with gross receipts less than P50,000 from paying the LBT.

### **Limitations and Future Changes in LBT Collections**

The most common problem observed in the collection of LBT is the lack of manpower of the LGUs. There are numerous business establishments in one area alone, and the tracking and validation of books of accounts of each business prove to be a task that LGUs encounter during the tax payment period. The budgetary constraints that may cause low priority in hiring personnel can also be a reason for the low revenue collections of select LGUs.

Additionally, while most LGUs accrue an impressive revenue from the LBT, some LGUs still showed nominal collection from the said tax. This may be due to some LGUs' dependence on the internal revenue allotment (IRA). A closer look at the total revenue generated by the LGUs shows that the IRA contributes significantly as an external source of revenue. (See Annex B.) It is assumed that the Mandanas Ruling (2018) will continue to have an impact on how the LGUs will dispense with the increase of their shares from the national government or the Allotment to Local Government Units in January 2022. Based on previous studies, the LGUs' dependence on the IRA impacted their revenue collections from local sources (Orijola, 2019).

It is noted that the enactment of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act in 2021, may help local governments achieve fiscal autonomy. The law grants a longer period of incentives for registered business enterprises (RBEs) that will locate outside of the NCR. This feature of the law is intended to disperse economic activities to the countryside to promote more inclusive growth. This may have some noteworthy impact on future LBT collections.

## **IV. CONCLUSION AND RECOMMENDATIONS**

The LBT generates significant revenues for the LGUs. For 2016-2020, the average revenues therefrom increased and showed significant growth on revenues derived from LBT. Several regions have been established as the main collectors of the tax and will probably continue to do so in the future. Cities, in particular, are the leaders in collecting the tax. However, some collect virtually little to none but can still improve with proper legislation and efficient service of the local governments. Appropriately, recognizing where to collect from the various business establishments should be the main focus of the LGUs to benefit the most from this revenue source.

On the other hand, one of the difficulties in the imposition of the LBT is establishing the true gross sales/receipts of the businesses. The limited number of personnel that verifies or validates the books of accounts hinders all the businesses' extensive fields of investigation in their respective jurisdictions. This contributes to the lower efficiency of local government service and should be addressed immediately.

With the passage of the CREATE Act in 2021, a dispersal of economic activities in the countryside is expected due to a longer period of incentives for RBEs that will locate outside the NCR. This may finally lead to the greater fiscal autonomy that most LGUs seek. This would also help the affected LGUs recover from the adverse fiscal impact of the COVID-19 pandemic and would be a relevant and timely measure toward economic recovery. Specifically, the measure will entail various benefits in the long run, including job creation in the countryside, as the law promotes investments in areas outside the MMA.



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**Annex A**

*Growth Rate of Total Revenue of Local Government Units, by Source (CYs 2016-2020) (In percent)*

Source	2016-2017	2017-2018	2018-2019	2019-2020	Average
<b>TOTAL REVENUE</b>	11.08	13.79	7.18	13.00	11.26
<b>I. Local Sources</b>	16.29	12.46	9.82	-0.40	9.54
<b>A. Tax Revenues</b>	18.96	13.35	9.91	3.98	11.55
1. Real Property Taxes	23.23	7.24	6.07	1.16	9.43
a. GF	22.79	7.34	5.93	2.95	9.75
b. SEF	23.67	7.14	6.20	-0.57	9.11
2. Tax on Business	16.34	17.00	12.94	8.50	13.70
3. Other Taxes	13.51	24.68	7.97	-19.68	6.62

*Note.* From BLGF Data as of November 5, 2021.

**Annex B**

*Percent Distribution of Total Revenue of Local Government Units, by Source, CYs 2016-2020  
(In percent)*

<b>Source</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average</b>
<b>TOTAL REVENUE</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>I. Local Sources</b>	32.41	33.93	33.53	34.36	30.29	32.81
<b>A. Tax Revenues</b>	22.70	24.31	24.21	24.83	22.85	23.79
1. Real Property Taxes	9.17	10.18	9.59	9.49	8.50	9.34
a. Basic	4.53	5.01	4.73	4.67	4.26	4.62
b. SEF	4.64	5.17	4.86	4.82	4.24	4.72
2. Tax on Business	12.19	12.76	13.12	13.83	13.28	13.10
3. Other Taxes	1.34	1.37	1.50	1.51	1.07	1.35
<b>B. Non-Tax Revenues</b>	9.71	9.62	9.32	9.53	7.44	9.02
1. Regulatory Fees	2.03	2.09	2.15	2.16	1.72	2.02
2. Service/User Charges	2.63	2.82	2.91	3.06	2.31	2.74
3. Income from Economic Enterprise	3.96	3.83	3.46	3.35	2.51	3.35
4. Other Income Receipts	1.09	0.88	0.80	0.95	0.89	0.92
<b>II. External Sources</b>	67.59	66.07	66.47	65.64	69.71	67.19
A. Internal Revenue Allotment	62.92	63.20	60.55	61.90	61.89	62.02
B. Share from National Wealth	0.38	0.22	0.31	0.32	0.37	0.32
C. Share from ECOZONES (RA 7227)	0.75	0.91	0.95	0.94	0.72	0.85
D. Share from EVAT	0.03	0.05	0.07	0.05	0.05	0.05
E. Share from PAGCOR/PCSO/Lotto	0.17	0.16	0.18	0.10	0.03	0.12
F. Share from Tobacco Excise Tax (RA 7171)	1.86	0.40	3.22	1.37	0.96	1.55
G. Extraordinary Receipts/Grants/Donations/Aids	1.11	0.64	0.47	0.40	5.09	1.72
H. Other External Revenue Sources	0.38	0.49	0.73	0.57	0.62	0.57

*Note.* From BLGF Data as of November 5, 2021.

Other External Revenue Sources = Inter-Local Transfers+Others on Other Shares from National Tax Collections



## Annex C

*LBT Rates on Manufacturers, assemblers, re-packers, processors, or manufacturers of any article of commerce of whatever kind or nature of LGUs in Metro Manila (In pesos)*

LGU	Tax Base	Range	LGU	Tax Base	Range
<b>Caloocan City</b>	Less than 50,000 to 20,000,000 and above	1,361 to 82,940 + 27.5% of 1% in excess of 20M	<b>Parañaque City</b>	Less than 10,000 to 6,500,000 or more	165 to 37 ½% of 1%
<b>Las Piñas City</b>	Less than 50,000 to 6,500,000 or more	907.50 to 26,812.50 + 41.25% of 1% in excess of 6.5M	<b>Pasay City</b>	Less than 10,000 to 6,500,000 or more	272.80 to 55% of 1%
<b>Makati City</b>	Less than 50,000 to 6,500,000 or more	Exempt to 34,125 + 52.5% of 1% over 6.5M	<b>Pasig City</b>	Less than 50,000 to excess of 6,500,000	1,271.05 to 56.25% of 1%
<b>Malabon City</b>	Less than 10,000 to 100,000,000 or more	247.50 to The tax at 100M + 22.5% of 1%	<b>Pateros</b>	Less than 10,000 to 6,500,000 or more	250 to 55% of 1%
<b>Mandaluyong City</b>	Less than 30,000 to 50,000,000 and above	673 to 249,246 + 27.5% of 1%	<b>Quezon City</b>	Less than 10,000 to 6,500,000 or more	269.50 to 55% of 1%
<b>Manila City</b>	Less than 50,000 to 100,000,000 and above	1,089 to 306,968.75 + 11% of 1% in excess of 100M	<b>San Juan City</b>	Less than 10,000 to 6,500,000 or more	198 to 50% of 1%
<b>Marikina City</b>	Less than 10,000 to 6,500,000 or more	181.50 to 41 ¼% of 1%	<b>Taguig City</b>	Less than 1,000,000 or more than 1,000,000	12,500 +45% of 1% of amount in excess of 1,000,000
<b>Muntinlupa City</b>	From 50,000 to 100,000,000 and above	1,452 to 228,937.50 + 10% of 1%	<b>Valenzuela City</b>	Less than 10,000 to 100,000,000 and above	289.89 to 281,839.25 + 12.078825% of 1% in excess of 100M
<b>Navotas City</b>	Less than 10,000 to 50,000,000 and above	173 to 26,873 + 25% of 1% for every 100k or fraction thereof			

*Note.* From various city ordinances.

**Annex D**

*LBT Rates On wholesalers, distributors, or dealers of any article of commerce of whatever kind or nature of LGUs in Metro Manila (In pesos)*

LGU	Tax Base	Range	LGU	Tax Base	Range
<b>Caloocan City</b>	Less than 50,000 to 2,000,000 and above	1,089 to 16,500 + 33% of 1% in excess of 2M	<b>Parañaque City</b>	Less than 1,000 to 2,000,000 or more	19 to 50% of 1%
<b>Las Piñas City</b>	From 40,000 to 2,000,000 or more	726 to 11,000 + 55% of 1% in excess of 2M	<b>Pasay City</b>	Less than 1,000 to 2,000,000 or more	29.70 to 82.5% of 1%
<b>Makati City</b>	Less than 50,000 to 2,000,000 or more	Exempt to 11,000 + 55% of 1% in excess of 2M	<b>Pasig City</b>	Less than 50,000 to in excess of 2,000,000	1,016.40 to 75% of 1%
<b>Malabon City</b>	Less than 1,000 to 10,000,000 or more	27 to Tax at 10M + 30% of 1% for every 1M or fraction thereof in excess of 10M	<b>Pateros</b>	Less than 10,000 to 2,000,000 or more	280 to 75% of 1%
<b>Mandaluyong City</b>	Less than 10,000 to 2,000,000 and above	286 to 15,301 + 55% of 1%	<b>Quezon City</b>	Less than 1,000 to 2,000,000 or more	29.70 to 66% of 1%
<b>Manila City</b>	Less than 50,000 to 5,000,000 and above	1,089 to 35,750 + 22% of 1% in excess of 5M	<b>San Juan City</b>	Less than 1,000 to 2,000,000 or more	21.60 to 70% of 1%
<b>Marikina City</b>	Less than 1,000 to 2,000,000 or more	19.80 to 55% of 1%	<b>Taguig City</b>	Less than 1,000,000 to more than 1,000,000	1% to 10,000 + 30% of 1% of amount in excess of 1,000,000
<b>Muntinlupa City</b>	From 50,000 to 2,000,000 or more	1,190 to 12,000 + 50% of 1% over 2M	<b>Valenzuela City</b>	Less than 1,000 to 20,000,000 and above	28.98 to 74,888.72 + 16.1051% of 1% in excess of P20M
<b>Navotas City</b>	Less than 1,000 to 3,000,000 and above	19 to 12,500 + 25% of 1% for every 100k or fraction thereof			

*Note.* From various city ordinances.