

A Study on Real Property Ownership and Real Property Tax Compliance by Gender/Group in Mandaue City, CY 2008*



I. INTRODUCTION

This study is conducted in compliance with the National Tax Research Center's (NTRC) Annual Gender and Development (GAD)¹ Plan and Budget Work Program which shall be submitted to the Philippine Commission on Women (PCW)² for monitoring and evaluation.

The GAD Plan seeks to address gender issues requiring government agencies including local government units (LGUs) to undertake programs, projects and activities with the use of public funds that address the needs and uphold the rights of women. The PCW serves as the oversight body on women's concern. It acts as the catalyst for gender mainstreaming, authority on women's concerns, and lead advocate of women's empowerment, gender equity, and gender equality in the country. One of the programs of the Commission is the conduct of policy studies and gender analysis of priority policy issues.

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¹ The GAD Budget provision mandates all government agencies and instrumentalities including LGUs to allocate a minimum of five percent (5%) of their total appropriations for GAD programs and projects. This policy has since been incorporated annually in the General Appropriations Act (GAA). <http://en.wikipedia.org>

² It was formerly known as the National Commission on the Role of Filipino Women (NCRFW), which was established on January 7, 1975 through [Presidential Decree No. 663](#). The NCRFW was then renamed [Philippine Commission on Women](#) (PCW) on August 14, 2009 with the enactment of Republic Act (RA) No. 9710, otherwise known as the [Magna Carta of Women \(MCW\)](#). <http://en.wikipilipinas.org>

The NTRC, through its involvement in the Land Administration and Management Project (LAMP)³ has been working with various local government units (LGUs) in the country in the conduct of tax policy studies particularly on real property tax (RPT) with the end in view of recommending reforms to improve revenue collection from this source.

One of the LGUs which the NTRC-LAMP has partnered with is Mandaue City. The city has just recently revised its Real Property Schedule of Market Values (SMV) for taxation purposes and is currently deliberating on various tax policy options which the city may adopt in view of the abrupt increases in property values brought about by the updating of its land values.

This study on real property ownership and real property tax compliance by gender aims to provide useful baseline information for the city policy makers in formulating appropriate RPT options and in recommending measures that will improve property compliance and other gender programs.

It is to be noted that property owners are counted individually regardless of the number of real property units they owned. It is also important to cite that the database used in this study is limited to only 25 barangays out of 27 as the assessment rolls of Barangay Looc and Cabancalan were not available as of this writing.

I. REAL PROPERTY OWNERS IN MANDAUE CITY

Real property units (RPU) consisting of land parcels, buildings and other improvements and machinery in 25 barangays in Mandaue City are owned mostly by individuals and by only a few corporations.

In 2008, there were a total of 36,526 property owners of taxable and exempt RPUs, more than half of them are spouses (53%); females (19%); males (18%), corporations including real estate developers (5%) and multiple owners who are mostly heirs of certain RPUs (3%). The remaining are owners of religious and government properties, including unidentified property owners. **(Table 1)**

³ The LAMP is a long-term commitment of the Philippine government to alleviate poverty and to sustain economic growth by improving the security of tenures and by fostering efficient land markets through an equitable real property valuation and taxation system.

**Table 1. REAL PROPERTY OWNERS IN MANDAUE CITY,
BY GENDER /GROUP:
CY 2008**

Gender/Groups	Number of Property Owners	% Dist
TOTAL	36,526	100.00%
Males	6,752	18.49%
Females	6,991	19.14%
Spouses	19,471	53.31%
Multiple Owners	978	2.68%
Corporations	1,843	5.05%
Others	491	1.34%

By barangay, Banilad has the most number of property owners at 3,216 or 8.80%, of which, 1,698 were spouses; 613 males; 581 females, 205 corporations, 98 multiple owners and 21 other owners. Next are barangays Canduman with 2,578 owners or 7.06% of the total; Casuntingan with 2,117 owners (5.80%); Tabok with 2,112 owners (5.78%); Subangdaku with 2,087 owners (5.71%); and Labogon with 2,061 owners (5.64%).

On the other hand, the barangay with the least number of property owners is Barangay Casili with only 507 owners, composed of 287 spouses, 62 males, 117 females, 13 corporations, 11 multiple owners and 17 other owners. Barangays Tawason and Mantuyong also have few property owners with 581 and 587, respectively.

While RPUs in all barangays are mostly owned by couples, female property owners outnumber male property owners in 16 out of the 25 barangays in the city. (**Table 2**)

**Table 2. REAL PROPERTY OWNERS IN MANDAUE CITY
BY GENDER/GROUP AND BY BARANGAY:
CY 2008**

Barangays	Male	Female	Spouse	Multiple Owners	Corporations	Others	Total	% Dist
Total	6,752	6,991	19,471	978	1,843	491	36,526	100.00%
1. Alang-alang	301	303	957	39	107	5	1,712	4.69%
2. Bakilid	168	161	481	28	68	4	910	2.49%
3. Banilad	613	581	1698	98	205	21	3,216	8.80%
4. Basak	244	267	748	21	50	12	1,342	3.67%
5. Cambaro	154	210	567	20	39	9	999	2.74%
6. Canduman	504	536	1283	55	94	106	2,578	7.06%
7. Casili	62	117	287	11	13	17	507	1.39%
8. Casuntingan	523	496	916	59	105	18	2,117	5.80%
9. Centro (Pob)	125	163	396	28	40	4	756	2.07%
10. Cubacub	136	204	596	22	22	21	1,001	2.74%
11. Guizo	358	254	428	26	60	4	1,130	3.09%
12. Ibabao-Estancia	300	299	773	45	91	3	1,511	4.14%
13. Jagobiao	231	210	714	24	41	21	1,241	3.40%
14. Labogon	349	357	1220	55	63	17	2,061	5.64%
15. Maguikay	292	313	1092	55	107	13	1,872	5.13%
16. Mantuyong	187	136	229	12	21	2	587	1.61%
17. Opao	200	219	726	39	37	26	1,247	3.41%
18. Pagsabungan	274	313	1107	26	62	28	1,810	4.96%
19. Pakna-an	275	333	1032	69	76	25	1,810	4.96%
20. Subangdaku	466	430	893	70	219	9	2,087	5.71%
21. Tabok	304	380	1235	73	83	37	2,112	5.78%
22. Tawason	81	110	311	17	19	43	581	1.59%
23. Tingub	187	131	238	15	51	7	629	1.72%
24. Tipolo	256	258	859	37	112	23	1,545	4.23%
25. Umapad	162	210	685	34	58	16	1,165	3.19%

II. REAL PROPERTY TAX COLLECTIONS IN MANDAUE CITY

A. Annual RPT Collection (Basic and SEF)

Total RPT collection, consisting of the basic RPT and additional levy for the Special Education Fund (SEF) amounted to P 145.86 million in 2008. Of this amount, corporate taxpayers contributed 69%; spouses, 18%; male property owners, 7%; female property owners, 5%; and the remaining 1%, by multiple owners. As may be noted, while there are only few corporate property owners, in terms of the annual RPT, they contributed the bulk of the collection since commercial and industrial real properties owned by corporations are generally bigger land parcels and buildings and a number of taxable machinery and equipment. Moreover, the assessment levels of commercial and industrial properties are higher than residential properties. (**Table 3**)

**Table 3. RPT COLLECTION IN MANDAUE CITY, BY GENDER/GROUP:
CY 2008
(In Million Pesos)**

Gender/Groups	Total RPT Collection	% Dist
Total	145.86	100.00%
Males	10.05	6.89%
Females	7.28	4.99%
Spouses	25.70	17.62%
Multiple Owners	1.92	1.32%
Corporations	100.87	69.15%
Others	0.35	-

It is also noted that while there were more female property owners than male property owners, the latter contributed about 7% of the total collection as against the 5% contribution of the female property owners.

By barangay, the highest RPT collections in 2008 were recorded in Tipolo and Subangdaku, contributing about ₱ 25.85 million and ₱ 21.98 million, respectively. In particular, corporate property owners in these barangays, where prominent commercial and industrial establishments (e.g. Coca Cola Bottlers Corporation, San Miguel Corporation and Cebu Parkmall) are located, shared RPT payments of ₱ 22.97 million and ₱ 16.95 million, respectively. **(Table 4)**

**Table 4. RPT COLLECTION IN MANDAUE CITY BY GENDER/GROUP
AND BY BARANGAY:
CY 2008
(In Thousand Pesos)**

Barangays	Male	Female	Spouse	Multiple Owners	Corporation	Others	Total	Percent
Total	10,048	7,284	25,704	1,922	100,866	35	145,859	100.00%
1. Alang-alang	411	254	993	36	4,863	-	6,557	4.50%
2. Bakilid	437	327	689	45	3,877	-	5,375	3.68%
3. Banilad	1,506	859	3,769	209	7,911	-	14,254	9.77%
4. Basak	365	192	576	16	577	-	1,727	1.18%
5. Cambaro	174	104	505	3	1,779	-	2,565	1.76%
6. Canduman	680	395	1,382	125	3,376	-	5,957	4.08%
7. Casili	26	73	118	0	87	-	304	0.21%
8. Casuntingan	488	396	1,292	110	3,619	-	5,907	4.05%
9. Centro (Pob)	157	128	408	17	1,811	2	2,524	1.73%
10. Cubacub	95	79	349	8	445	-	976	0.67%
11. Guizo	214	305	636	68	1,627	-	2,850	1.95%
12. Ibabao-Estancia	311	256	890	41	4,465	13	5,976	4.10%
13. Jagobiao	158	52	524	8	4,023	-	4,765	3.27%
14. Labogon	153	208	1,048	51	2,150	-	3,610	2.47%
15. Maguikay	651	414	1,810	109	4,136	-	7,120	4.88%
16. Mantuyong	307	40	462	54	1,058	-	1,922	1.32%
17. Opao	389	29	500	11	1,903	-	2,833	1.94%
18. Pagsabungan	110	346	887	35	2,391	4	3,772	2.59%
19. Pakna-an	358	535	1,194	208	3,979	-	6,273	4.30%
20. Subangdaku	943	995	2,656	428	16,952	4	21,979	15.07%
21. Tabok	338	381	1,719	90	3,377	-	5,906	4.05%
22. Tawason	47	34	454	9	210	-	754	0.52%
23. Tingub	411	66	624	67	2,210	-	3,378	2.32%
24. Tipolo	1,098	363	1,301	102	22,974	11	25,848	17.72%
25. Umapad	223	450	918	72	1,064	-	2,727	1.87%

B. Tax Collections from Property Transfer Transactions

1. Number of Property Sellers, By Gender/Group: CY 2008

In 2008, about 195 property owners sold their property, majority of whom are male owners (72); followed by spouse sellers (57); female sellers (55) and corporate sellers (11). (Table 5)

**Table 5. NUMBER OF PROPERTY SELLERS, BY GENDER/GROUP:
CY 2008**

Gender/Groups	Number of Property Sellers	Total Number of Property Owners	Ratio of Sellers to Total Owners
Total	195	35, 526	0.55%
Males	72	6,752	1.07%
Females	55	6,991	0.79%
Spouses	57	19,471	0.29 %
Multiple Owners	-	978	-
Corporations	11	1,843	0.60%
Others	-	491	-

It will be noted that the proportion of those who transacted were very small in relation to the total number of property owners. This only reflects the strong attachments of Mandaueños to their landholdings and other types of property just like any other Pinoy. In particular, spouses hold on to their property as these are the most valuable assets they can give or leave to their children or loved ones.

2. Tax Collections from Sale of Real Property

The estimated tax collection from transfer transactions amounted to ₱ 25.89 million in 2008. The substantial portion of this amount or ₱ 19.19 million was sourced from the capital gains tax. The remaining amounts were from the documentary stamp tax (₱ 5.28 million) and creditable withholding tax (₱ 1.42 million).

Of the total ₱ 25.89 million estimated tax collection, ₱ 10.15 million (or almost 40%) was contributed by spouses; ₱ 7.88 million (or more than 30%) by male property owners; ₱ 5.96 million (or about 23%) by females owners; and only ₱ 1.90 million (or more than 7%) by corporations which are mainly real estate developers subject to the creditable withholding tax. It will be noted that while fewer couples sold their property holdings than male owners did, spouses contributed more in terms of the amount of taxes, maybe because their properties are bigger in size or more valuable than the properties of male owners. **(Table 6)**

**Table 6. ESTIMATED TAX COLLECTION FROM SALE OF REAL PROPERTY,
BY GENDER/GROUP AND BY TYPE OF TAXES ON
TRANSFER TRANSACTIONS:
CY 2008
(In Millions)**

Gender/Group	Capital Gains Tax	Documentary Stamp Tax	Withholding Tax	Total	% Dist
Total	19.19	5.28	1.42	25.89	100.00%
Males	6.30	1.58		7.88	30.44%
Females	4.77	1.19		5.96	23.02%
Spouses	8.12	2.03		10.15	39.20%
Corporations		0.48	1.42	1.90	7.34%

III. REAL PROPERTY TAX COMPLIANCE/COLLECTION EFFICIENCY IN MANDAUE CITY

A. Number of Property Owners Who Paid their RPT Vis-à-vis Potential Number of Taxpayers

There were a total of 27,845 taxable property owners included in the 2008 Assessment Roll that were processed, of which 15,032 owners or 54% paid their RPT (basic and SEF) in 2008. Note that the total number of taxable property owners excludes those with property holdings with zero assessed value. By gender/group, corporations were the most compliant where almost 64% of them paid their RPT dues. This was followed by spouses with 56% RPT compliance ratio; females with 54% RPT compliance ratio; and multiple owners with 51% RPT compliance ratio. Male property owners lagged behind with only 49% RPT compliance ratio. The over-all RPT compliance ratio of 54% in Mandaue City is very low which implies that only half of the potential taxpayers actually paid their RPT obligations. This is despite the fact that the burden of the tax was deemed very low considering that the SMV has not been revised for more than two decades. (**Table 7**)

B. RPT Collections Vis-à-vis RPT Collectibles

Of the total RPT collectibles of ₱217.05 million in Mandaue City, ₱145.86 million was collected in 2008, indicating a collection efficiency of about 67%. By gender/groups, higher collection efficiency was posted among spouses, as 73% of the RPT collectibles from spouses were collected. This could be traced from the benefits among spouses of having a partner for additional financial support to pay

the tax. Corporations, female property owners and multiple owners ranked second, third and fourth, with RPT collection efficiencies of 68%, 67% and 66%, respectively. Among male property owners, only about 63% of RPT collectibles were collected from them. (Table 8)

**Table 7. REAL PROPERTY TAX COMPLIANCE RATIO IN MANDAUE CITY,
BY GENDER/GROUP:
CY 2008**

Gender/Groups	Number of Taxable Property Owners *	Number Who Paid the RPT	RPT Compliance Ratio
Total	27,845	15,032	54%
Males	4,543	2,244	49%
Females	5,262	2,844	54%
Spouses	14,909	8,349	56%
Multiple Owners	825	424	51%
Corporations	1,828	1,165	64%
Others	478	6	1%

* Excludes owners holding properties with zero assessed value.

**Table 8. REAL PROPERTY TAX COLLECTION EFFICIENCY IN MANDAUE CITY, BY GENDER/GROUP:
CY 2008
(In Million Pesos)**

Gender/Groups	Actual Collection	RPT Collectibles	RPT Collection Efficiency
Total	145.86	217.05	67%
Males	10.05	15.98	63%
Females	7.28	10.83	67%
Spouses	25.70	35.24	73%
Multiple Owners	1.92	2.90	66%
Corporations	100.87	149.18	68%
Others	0.35	2.91	1%

IV. CONCLUSION AND RECOMMENDATIONS

The findings of the study show that spouses have higher compliance ratio than male and female property owners which implies that they are more conscious of their RPT payment obligations and that they have a bigger financial base from which to source their payment. On the other hand, female property owners proved to be more compliant than male property owners. It is also noted that despite the fact that corporate property owners generally have more capacity to pay than individual taxpayers, there are many who do not comply with their RPT obligations. The over-all compliance ratio is low despite the fact that the burden of the tax was deemed very low considering that the SMV has not been revised for more than two decades.

In terms of RPT payments, the city was able to collect more RPT relative to the RPT collectibles from spouses than from male and female property owners, indicating the benefits of having a partner for additional finances for tax payments. Over-all, it was also revealed that a sizeable amount still remains uncollected from property owners. Had these amounts been collected the city would have more funds to finance its basic public services and infrastructure projects.

The expected revenue from the revised property values for RPT purposes will only be realized if the property owners will pay religiously their tax obligations. In this regard, along with the revised SMV, the city officials may consider the following measures to improve tax compliance and maximize the revenue potential of the RPT:

- a. Draw up a list of the top 100 taxpayers and closely monitor their RPT payments. For unpaid accounts, notices of delinquencies should be immediately sent to ensure achievement of revenue targets.
- b. Set up basic RPT information as to gender/groups for easy monitoring and determination of the corresponding tax compliance and/or tax burden levels.
- c. Intensify tax campaigns in schools to promote awareness among students, teachers and parents of their benefits from the SEF that accrues to the Local School Board to finance construction, repair and maintenance of school buildings and other education-related expenses.
- d. Involve the barangays in tax information drives. Make the people aware of their tax obligations and make known to them the basic public services and infrastructure projects that are funded out of the RPT.
- e. Continuously update and clean the property assessment database; and prepare and analyze summary assessment reports for better RPT policy formulation.

