



Republic of the Philippines
CITY COUNCIL
City of Manila

REGULAR SESSION NO. 49

10TH CITY COUNCIL

Begun and held in the City Council on Tuesday,
the twenty-seventh day of September, Two Thousand Sixteen

ORDINANCE NO. 8516

AN ORDINANCE REPEALING THE SECOND PERIOD INCREASE OF REAL PROPERTY TAX SCHEDULED TO TAKE EFFECT ON FISCAL YEAR 2017 STATED UNDER SECTION 3 (d) OF ORDINANCE NO. 8330, ENTITLED: "THE 2014 GENERAL REVISION OF REAL PROPERTY ASSESSMENTS AS AMENDED BY ORDINANCE NO. 8375"

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PREAMBLE

WHEREAS, City Ordinance No. 8330, was passed into law on December 3, 2013 and took effect on January 1, 2014;

WHEREAS, the passage of City Ordinance No. 8330, was done as per ordered by the Department of Finance through the Bureau of Local Government and the Commission on Audit;

WHEREAS, Section 3 (d) of Ordinance No. 8330 was amended by Ordinance No. 8375 on December 4, 2014, to wit:

"SEC. 3. The Department of Assessment shall adopt the newly approved schedules specified in Section 1 hereof: PROVIDED, that:

d. The amount of tax to be paid by virtue hereof shall in no case be lower than the tax imposed thereon in 2013. Any tax increase, as a consequence of this Ordinance, shall be staggered into Two (2) periods of payments at the rate of 60% and 40% for the first period (2014 to 2016) and the second period (2017), provided that the said rates are based on the incremental values of real properties. However,

i. For the first payment period (2014 to 2016), the total amount of tax to be paid on Land, Buildings and other structures and machineries used for residential, commercial and industrial shall in no case be more than double of the tax imposed for 2013 of the same real property;

ii. For the second payment period (2017) and succeeding years, the total amount of tax to be paid shall in no case exceed by 150% of the tax imposed for 2013;

iii. It is understood therefore that the herein staggered relief pursuant to Section 192 of R.A. 7169, Ibid, shall be applied only for a period of Two (2) payment periods from the effectivity hereof."

WHEREAS, in the implementation of said ordinance, the Real Property Tax collection considerably increased. Additional revenues for the city was realized increasing the funds in the City's Coffers and Treasury;

WHEREAS, in the implementation of the 1st period increase in real property tax, which is the SIXTY PERCENT (60%) thereof, the considerable increase in tax collection enabled and capacitated the City Government of Manila to pay and settle its debt obligation. The previous debt servicing payments done by the city throughout the years are already eradicated;

WHEREAS, the implementation of said increase had its consequential results likewise, with our people. It is likewise a fact that additional taxes are additional burden to our paying public. "Too much of the taxes may kill the Horse that delivers the Hay" as they say. Thus, as the year 2017 fast approaches, the start of the 2nd period stated in City Ordinance No. 8375 would likewise be implemented soon if no legislative action will be taken. Another tax increase, the 40% increase stated in City Ordinance No. 8330, would be suffered by the public;

WHEREAS, there is a need to reconsider the impending implementation of the 2nd period of increase (40%) in Real Property Tax in the year 2017: NOW, THEREFORE,

Be it ordained by the City Council of Manila, in session assembled, *THAT*:

SECTION 1. It is by principle of law that taxes is each and everyone's obligation to the government. It is every individual's participation in sustaining and maintaining our government's costs. Tax is the lifeblood of our government. Without it, there can be no funding for the public services our government provides. It is an inherent power of the government wherein it can create its own sources of revenues by law.

The power of taxation by our government is exercised at this instance not as an exercise of police power where it can be told as "flexing of its muscles and showing of its strength". Rather, the increase in the Real Property Tax stated in City Ordinance No. 8330 is called for by reason of the impending debts and obligations of the City Government that it needs to settle as soon as possible because of its detrimental effects on the public services that the City Government of Manila provides to its people.

As the increase stated in City Ordinance No. 8330 was halved into two (2) periods, the 1st and 2nd, and the 1st period was implemented and imposed last January 2014, the propriety and necessity of implementing the 2nd period is herein determined.

As stated in the preceding paragraphs, in the implementation of the 1st period increase, the City's coffers were infused with additional funds due to the increase in the collection of real property tax. With these increase, the City Government was able to settle its debts and has removed most of its debt servicing allocations.

Maintaining the rate of taxes without implementing the 2nd period of increase by 2017 would not be detrimental for the City Government of Manila. Considering that there is no more debt servicing in its funds, the City Government of Manila can now allocate its funds for the improvement further of its projects and programs without further burdening the public of additional real property tax.

Thus, the portion in City Ordinance No. 8330 as amended by City Ordinance No. 8375 where there is a 2nd period of implementation increasing the real property tax by 40% of the rates prescribed under City Ordinance No. 8330 is hereby **REPEALED**. Section 3 (d) of said ordinance is hereby amended and changed into, to wit:

"SEC. 3:

d. The amount of tax to be paid by virtue hereof shall in no case be lower than the tax imposed thereon in 2013. Any tax increase, as a consequence of this Ordinance, shall be at the rate of 60% provided that the said rates are based on the incremental values of real properties. However,

i. The total amount of tax to be paid on Land, Buildings and other structures and machineries used for residential, commercial and industrial shall in no case be more than double of the tax imposed for 2013 of the same real property;"


SEC. 2. Effectivity Clause. - This Ordinance shall take effect immediately upon its approval.

This Ordinance was finally enacted by the City Council of Manila on January 10, 2017.

PRESIDED BY:


MARIA SHEILAH "Honey" LA LUNA-PANGAN, MD, FPDS
Vice-Mayor and Presiding Officer
City Council, Manila


ATTESTED:


LUCH R. GEMPIS, JR.
City Government Department Head III
(Secretary to the City Council)

APPROVED BY HIS HONOR, THE MAYOR, ON 26 January 2017.


JOSEPH EJERCITO ESTRADA
Mayor
City of Manila

ATTESTED:


EDWARD S. SERAPIO
City Government Department Head III
(Secretary to the Mayor)