



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SIXTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO SESSION HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON MAY 19, 1994

PRESENT:

Hon. Benjamin F. Tugonon,	Vice-Mayor & Presiding Officer
Hon. Sotero M. Pepito,	Majority Floor Leader, Kagawad
Hon. Jose B. Conejos,	Assistant Majority Floor Leader, Kagawad
Hon. Celso P. Adolfo,	Kagawad
Hon. Sixto T. Pongos,	Kagawad
Hon. Benjamin B. Lladoc,	Kagawad
Hon. Mariano Y. Corro,	Kagawad
Hon. Nestor C. Penserga,	Kagawad
Hon. Claudio P. Larrazabal,	Kagawad
Hon. Jose C. Alfaro, Jr.,	Kagawad
Hon. Alfredo F. Capahi,	Kagawad
Hon. Fernando P. Parrilla,	ABC President, Ex-Officio, Kagawad
Hon. Angelyn R. Paca,	SK Fed. Pres., Ex-Officio, Kagawad

ABSENT:

RESOLUTION NO. 91

EXPLANATORY NOTE

WHEREAS, Article X, Section 5 of the 1987 Constitution of the Republic of the Philippines grants to each local government unit the power to create its own sources of revenues 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. Such taxes, fees and charges shall accrue exclusively to the local governments;

WHEREAS, Section 137 in relation to Section 151 of Republic Act 7160, otherwise known as the Local Government Code of 1991, empowers cities to impose a tax on businesses enjoying a franchise;

WHEREAS, this sanggunian has already passed an Ordinance prescribing the guidelines for the granting of franchises;

WHEREFORE, on joint motion of Chairman Alfredo F. Capahi and the Members of the Committee on Ways and Means, jointly seconded by mga Kagawad Benjamin B. Lladoc and Mariano Y. Corro; be it

RESOLVED, to adopt:

TAX ORDINANCE NO. 94-06

AN ORDINANCE IMPOSING A TAX ON FRANCHISE HOLDERS
IN THE CITY OF ORMOC.

Be it ordained by the Sangguniang Panlungsod ng Ormoc in regular session assembled, that:

SECTION 1. Title. This Ordinance shall be known and cited as the "FRANCHISE TAX ORDINANCE OF THE CITY OF ORMOC".

SECTION 2. Franchise Tax. (a) Notwithstanding any exemption granted by any law or other special law, any person, corporation, partnership or association operating a business enjoying a franchise shall pay a tax at the rate of fifty (50%) percent of one percent (1%) of the annual gross receipts, which shall include both cash sales and sales on account realized during the preceding calendar year within the territorial jurisdiction of the City of Ormoc;

(b) The term "businesses enjoying franchise" shall not include holders of certificates of public convenience for the operation of public utility vehicles for the reason that such certificates are not considered as franchises.

(c) In the case of a newly started business, the tax shall be one-twentieth (1/20) of one (1%) percent of its capital investment. In the succeeding calendar year, regardless of when the business started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereof, as provided for in paragraph (a) hereof.

The capital investment to be used as basis of the tax of a newly started business as herein provided shall be determined in the following manner.

(1) In the locality where the principal office of the business is located, the paid-up capital stated in the articles of incorporation, in the case of corporations, or in any similar document in case of other types of business organizations or enterprises, shall be considered as the capital investment.

(2) Where there is a branch or sales office which commences business operations during the same year as the principal office but which is located outside the territorial jurisdiction of Ormoc City, the paid-up capital referred to above shall be reduced by the amount of capital investment made for the said branch or sales office.

(3) Where the newly started business is a branch or sales office commencing business operations at a year later than that of the principal office, capital investment shall mean the total funds invested in the branch or sales office.

SECTION 3. Time and mode of payment of tax. (a) The tax imposed herein maybe paid without interest in four (4) equal installments, within the first twenty (20) days of JANUARY, APRIL, JULY and OCTOBER, following the end of the preceding calendar year; provided, that if the amount due shall be paid in full within the first twenty (20) days of January following the end of the calendar year, a ten (10%) percent discount thereof shall be granted to the taxpayer.

(b) In the case of a newly started business, the owner or operator thereof shall pay in full the corresponding tax prescribed herein before he starts to operate his business.

(c) When the business subject to the franchise tax is closed within the year, the tax due thereon shall be paid in full within twenty (20) days after such cessation of business.

SECTION 4. Surcharges and Penalties on Unpaid Taxes. If the tax provided herein is not paid with the time prescribed, the same shall be subject to a surcharge of twenty-five (25%) percent thereof, and an interest of two (2%) percent per month of the unpaid taxes, until such amount is fully paid but in no case shall the total interest on the unpaid amount or portion thereof exceeds thirty-six (36) months.

SECTION 5. Separability clause. Should any provision, section or part of this Ordinance be adjudged or declared illegal or unconstitutional by any court of competent jurisdiction, such judgment shall not affect or impair the remaining provisions, sections or part which shall continue to be in force and effect.

SECTION 6. Repealing clause. All ordinances or provisions thereof which are inconsistent with this Ordinance are hereby repealed or modified accordingly.

SECTION 7. Effectivity. This Ordinance shall take effect upon its approval.

Within ten (10) days after the approval of this Ordinance, copies thereof shall be posted in at least two (2) conspicuous and publicly accessible places.

ENACTED, May 19, 1994.

RESOLVED, FURTHER, to furnish copies of this Ordinance, one each, to the Honorable City Mayor, Eufrocino M. Codilla, Sr., the City Treasurer, both in Ormoc City, and to all others concerned;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution-tax ordinance.

BENJAMIN F. TUGONON
Vice-Mayor & Presiding Officer

ATTESTED:

FOR AND IN THE ABSENCE
OF THE CITY SECRETARY:

Sumalinog
HERMOGENA P. SUMALINOG
Board Secretary II

APPROVED:

EUFROCINO M. CODILLA, SR.
City Mayor

✓ 23-94
(Date)