

REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
Lungsod ng Ormoc



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE TENTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE SANGGUNIANG
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON DECEMBER 09, 2004



PRESENT:

Hon. Fe S. Lladoc, City Councilor, (Temporary Presiding Officer)
Hon. Jose S. Serafica, City Councilor, Minority Floor Leader
Hon. Manuel T. Fiel, City Councilor, Assist. Minority Floor Leader
Hon. Eduardo P. Tan, City Councilor
Hon. Claudio P. Larrazabal, City Councilor, Majority Floor Leader
Hon. Mariano Y. Corro, City Councilor
Hon. Gregorio A. Yrastorza, Jr., City Councilor
Hon. Sotero M. Pepito, City Councilor
Hon. Jose C. Alfaro, Jr., City Councilor
Hon. Ruben R. Capahi, City Councilor
Hon. Cheryl L. Alfaro, (Sick Leave), Ex-Officio City Councilor,
SK Federation President

ABSENT:

Hon. Nepomuceno P. Aparis I, (O.B. - Manila), Vice Mayor &
Presiding Officer
Hon. Emeterio Y. Larrazabal, Jr., (Sick Leave), Ex-Officio,
City Councilor, Chapter President, Liga ng mga Barangay ng Ormoc

PRELIMINARY STATEMENT

Before this august Body is a request from the City Treasurer of Ormoc for the passage of an Ordinance "requiring payment of One Thousand (P1,000.00) Pesos before the issuance of Certificate of Authority to defray the administrative costs of registering and monitoring the BMBE's per Section 7 of Implementing Rules and Regulations of R.A. 9178, otherwise known as the "Barangay Micro Business Enterprise (BMBE's) Act of 2002" and Section 5, paragraph 2 of Department Order No. 17-04 of the Department of Finance dated April 4, 2004 which states, "The Office of the City Treasurer shall issue the Certificate of Authority (CA) promptly and free of charge, unless a fee therefore, not exceeding One Thousand Pesos (P1,000.00) is imposed by the LGU concerned through a properly enacted ordinance."

Under the aforementioned law, business enterprises which are registered as BMBE are exempt from income tax for income arising from the operations of the enterprise, and likewise exempt from the coverage of the Minimum Wage Law. However, to be considered as Barangay Micro Business Enterprise, its total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00).

FOREGOING PREMISES CONSIDERED, on motion of City Councilor Mariano Y. Corro, Chairman, Committee on Ways and Means, severally seconded by City Councilors Gregorio A. Yrastorza, Jr., Jose C. Alfaro, Jr. and Sotero M. Pepito; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to enact:

TAX ORDINANCE NO. 2004-001

AN ORDINANCE IMPOSING A FEE TO DEFRAY THE ADMINISTRATIVE COST OF REGISTERING AND MONITORING THE BARANGAY MICRO BUSINESS ENTERPRISES (BMBE's).

BE IT ORDAINED, BY THE TENTH SANGGUNIANG PANLUNGSOD NG ORMOC, in Session assembled, that:

SECTION 1. This Ordinance shall be known and cited as the BARANGAY MICRO BUSINESS ENTERPRISES (BMBE's) Implementing Ordinance.

SECTION 2. The registration of BMBE's shall be governed by the provisions of Rep. Act No. 9178, otherwise known as the "Barangay Micro Business Enterprises (BMBE's) Act of 2002, the Implementing Rules and Regulations issued by the Department of Trade and Industry (Dept. Adm. Order No. 01, Series of 2003), Memorandum Circular No. 2003-172 of DILG, and Department Order No. 17-04, dated April 20, 2004 of the Department of Finance.

SECTION 3. The Office of the City Treasurer of Ormoc shall register BMBE's and issue a CERTIFICATE OF AUTHORITY (CA) to enable the BMBE to avail of incentives under Rep. Act No. 9178; Provided that only one Certificate of Authority shall be issued for each BMBE in particular barangay.

SECTION 4. As authorized under the BMBE Law and its implementing rules and regulations, the Office of the City Treasurer of Ormoc, may charge a fee, in order to defray the administrative cost of registering and monitoring the BMBE, based on the value of the total assets of the BMBE applicant, exclusive of the value of the land on which the particular business entity's office, plant and or equipment are situated, as follows:

- a) value of assets not more than ONE MILLION PESOS (P1,000,000.00), the fee is P300.00;
- b) value of assets more than ONE MILLION PESOS (P1,000,000.00), but not more than TWO MILLION PESOS (P2,000,000.00), the fee is P600.00;
- c) value of assets more than TWO MILLION PESOS (P2,000,000.00) but not more than THREE MILLION PESOS (P3,000,000.00), the fee is P1,000.00

The foregoing fee shall be collected for new and renewal registration of BMBE's.

SECTION 5. Definition of Terms -

- a) BARANGAY MICRO BUSINESS ENTERPRISE (BMBE) - shall refer to any business entity or enterprise engage in the production, processing or manufacturing of products or commodities, including agro-processing, trading and service, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated shall not be more than THREE MILLION PESOS (P3,000,000.00)

subject to review and upward adjustment by the SMED Council as mandated under Republic Act 6977, as amended by Republic Act 8289.

A BMBE shall include any individual owning such business entity enterprise, partnership, cooperative, corporation, association or other entity incorporated and/or organized and existing under Philippine Laws, and registered with the Office of the Treasurer of the city or municipality in accordance with the Implementing Rules and Regulations issued by DTI.

SERVICE shall exclude those rendered by any one, who is duly licensed by the government after having passed a government licensure examination, in connection with the exercise of one's profession.

- b) CERTIFICATE OF AUTHORITY - is the certificate issued granting the authority to the registered BMBE to operate and be entitled to the benefits and privileges accorded thereto.
- c) REGISTRATION - refers to the inclusion of BMBE in the BMBE Registry of the City.

SECTION 6. If any provision or part thereof, is held invalid or unconstitutional, the remainder not otherwise affected shall remain valid and subsisting.

SECTION 7. Existing ordinance or part thereof which are inconsistent with this Ordinance are hereby amended, modified, superseded or repealed accordingly.

SECTION 8. This Ordinance shall take effect on January 1, 2005 after it shall been posted and published as required by law.

ENACTED, December 09, 2004.

RESOLVED, FURTHER, to furnish copies of this Ordinance, a copy each, to His Honor, City Mayor Eric C. Codilla; The City Administrator, The City Treasurer, The City Director, DILG, The Ormoc City Chamber of Commerce, The Filipino Retailers, and others concerned, all in Ormoc City.

CARRIED UNANIMOUSLY.

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

ATTESTED:

[Signature]
FE S. LLADOC
City Councilor
(Temporary Presiding Officer)

[Signature]
OSCAR LASAM
Secretary to the
Sangguniang Panlungsod

APPROVED:

[Signature]
ERIC C. CODILLA
City Mayor
12/10/04
Date