

REPUBLIKA NG PILIPINAS
SANGGUNANG PANLUNGSOD
LUNGSOD NG ORMOG

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
SANGGUNIANG PAMBUNSA NG ORmoc HELD AT THE HONORABLE
PLACIDO ENECIO SESSION HALL, SANGGUNIANG PAMBUNSA
BUILDING ON SEPTEMBER 5, 1991

PRESENT:

Hon. Nepomuceno P. Aparis I,
Hon. Gregorio A. Yrastorza, Jr.,
Hon. Eufrocino C. Codilla, Jr.,
Hon. Celso P. Adolfo,
Hon. Bixto T. Pongos,
Hon. Arnulfo C. Salazar,
Hon. Jose B. Conejos,
Hon. Rodolfo L. Rivilla, Jr.,
Hon. Benjamin F. Tugonon,
Hon. Antero T. Fiel,
Hon. Celso P. Porcadilla,
Hon. Edgar Z. Palugod, ABC
Hon. Nelson DL Geneston, Indust

Vice-Mayor & Presiding Officer	Kagawad
Kagawad, Floor Leader	Kagawad
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ident,	Kagawad
Labor Sector, Rep.	Kagawad

ABSENT:

None.

RESOLUTION NO. 102

A RESOLUTION EARNESTLY REQUESTING THE HONORABLE SECRETARY OF THE DEPARTMENT OF FINANCE TO EXEMPT FROM WITHHOLDING TAX THE PERSONNEL ECONOMIC RELIEF ALLOWANCE (PERA) GRANTED TO GOVERNMENT EMPLOYEES.

WHEREAS, the Honorable Sangguniang Panlungsod ng Ormoc is in receipt of Resolution No. 052 s. 1991 from the City Council of Dapitan, Dapitan City, re requesting the Secretary of the Department of Budget & Management to reconsider DBM Circular No. 1 (8.0) dated 28 June 1991, on subjecting to withholding tax the Personnel Economic Relief Allowance (PERA) granted to government personnel, to not to subject the same to withholding tax;

WHEREAS, this august Body strongly believes that, aside the Budget Secretary, the Secretary of Finance also plays a great role on the exemption or not of PERA from withholding tax deductions;

WHEREAS, to emphasize our contention that PERA is tax-free, hereunder is cited an authoritative source, the Honorable Justice Secretary Franklin Drilon in his commentaries about PERA in relation to RATA:

GOVERNMENT ALLOWANCE IS NOT TAXABLE
(Manila Bulletin - Tuesday, July 9, 1991 Issue)

The Department of Justice (DOJ) has ruled X X X that the \$500.00 monthly Personnel Economic Relief Allowance (PERA) given to LOW-SALARIED government employees is not subject to tax.

Justice Secretary Franklin Drilon said the PERA is similar to the non-taxable Representation and Transportation Allowance (RATA) given to government officials.

Drilon said the intent of law to equate PERA with RATA "is quite clear from the provisions of the 1991 budget and its implementing budget circular."

"The 1991 budget expressly denies the grant of PERA to those employees already receiving RATA, and adds the qualification that if the amount of RATA received by employees is less than P500.00, they shall receive the difference."

"From these provisions, the intent to consider the two allowances, PERA and RATA, on the same plane and in the same light is very evident." Drilon said.

"An obvious absurdity would happen if PERA were subjected to withholding tax although RATA is tax-free, when both kinds of allowances are intended as reimbursements for overhead expenses which officials and employees incur in the performance of their duties." Drilon added.

NOW, THEREFORE, on motion of Kagawad Sixto T. Pongos, Chairman, Committee on Finance, jointly seconded by mga Kagawad Arnulfo C. Salazar and Celso P. Porcadilla; be it

RESOLVED, to pass a resolution EARNESTLY REQUESTING THE HONORABLE SECRETARY OF THE DEPARTMENT OF FINANCE TO EXEMPT FROM WITHHOLDING TAX THE PERSONNEL ECONOMIC RELIEF ALLOWANCE (PERA) GRANTED TO GOVERNMENT EMPLOYEES;

ENACTED, September 5, 1991.

RESOLVED, FURTHER, to furnish copies of this resolution each to the Honorable Secretary, Department of Finance, Manila, with Special Copy to Her Excellency, President Corazon C. Aquino, Malacanang, Manila; Honorable Secretary, Department of Budget & Management, Manila; Honorable Acting Secretary, Department of Justice, Manila; Honorable Carmelo J. Locsin, Congressman, 4th District - Leyte; Honorable Ma. Victoria L. Locsin, City Mayor, Ormoc City, and all the mga Sangguniang Panlungsod for indorsement and support.

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.

ATTESTED:

OSCAR LASAM
City Secretary

ATTESTED AS APPROVED:

OSCAR LASAM
City Secretary

NEPOMUCENO P. APARIS I
Vice-Mayor
& Presiding Officer

APPROVED:

MARIA VICTORIA L. LOCSIN
City Mayor

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