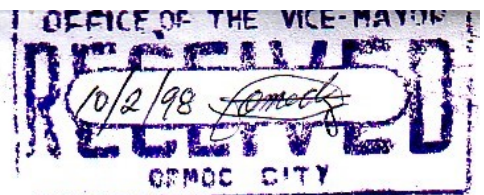
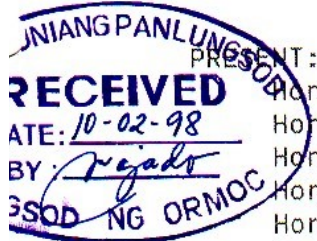


REPUBLIKA NG PILIPINAS
SANGGUNANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE EIGHTH
SANGGUNANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNANG PANLUNGSOD
BUILDING ON OCTOBER 01, 1998



PRESENT:

Hon. Benjamin B. Lladoc,	Kagawad, Acting Presiding Officer
Hon. Nepomuceno P. Aparis I,	Kagawad, Assistant Floor Leader
Hon. Dennis Y. Capuyan,	Kagawad
Hon. Mariano Y. Corro,	Kagawad
Hon. Sotero M. Pepito,	Kagawad
Hon. Alfredo F. Capahi,	Kagawad
Hon. Jose C. Alfaro, Jr.,	Kagawad
Hon. Claudio P. Larrazabal,	Kagawad
Hon. Fernando P. Parrilla,	Ex-Officio, Kagawad, Chapter President, Liga ng mga Barangay ng Ormoc
Hon. Chiqui B. Labagala,	Ex-Officio, Kagawad, SK Federation President

OUT ON OFFICIAL BUSINESS:

Hon. Celso P. Adolfo,	(O.B. - Manila), Vice Mayor & Presiding Officer
Hon. Eduardo P. Tan,	(O.B. - Manila), Kagawad

ABSENT:

Hon. Jose S. Serafica,	Kagawad, Floor Leader
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RESOLUTION NO. 98-61

A RESOLUTION DEFINING THE STAND OF THIS SANGGUNIAN THAT THE REPRESENTATION AND TRANSPORTATION ALLOWANCES (RATA) GRANTED TO PUBLIC OFFICIALS AND EMPLOYEES SHALL NOT BE CONSIDERED COMPENSATION SUBJECT TO THE WITHHOLDING TAX BECAUSE THEY ARE IN FACT REIMBURSEMENT FOR EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES BASED ON THE PRONOUNCEMENTS OF AUTHORITATIVE AND COMPETENT GOVERNMENT OFFICIALS.

WHEREAS, some officials and employees of the City Government of Ormoc have been granted Representation and Transportation Allowances (RATA) based on existing laws:

WHEREAS, these RATAs granted to these City Officials and employees have never been subject to withholding taxes as these were NOT considered COMPENSATION based on the ruling, opinion and pronouncement of authoritative and competent officials of the Government of the Republic of the Philippines, namely:

1) Then BIR Commissioner Jose U. Ong, in his letter dated April 15, 1991 to Executive Director, Postal Office, stated: "X X X. However, amounts paid specifically either as advances or reimbursement for transportation, representation or entertainment and other bonafide ordinary and necessary expenses incurred or reasonably expected to be incurred by the employee in the performance of his duties ARE NOT COMPENSATION SUBJECT TO WITHHOLDING. X X X" (Emphasis supplied)

2) The Secretary of Budget and Management in his letter dated March 8, 1991 to the Office of the BIR Commissioner confirmed that "RATA is in fact a reimbursement for the expenses incurred in the performance of one's duties rather than as an ADDITIONAL COMPENSATION and THEREFORE ARE NOT COMPENSATION SUBJECT TO WITHHOLDING," pursuant to the provision of Section 2 (2) (c) of Revenue Regulations No. 12-86 (Emphasis supplied)

3) The Chairman of the Commission on Audit on May 2, 1991 issued Commission on Audit Memorandum No. 91-709 to the effect that "RATA is deemed EXCLUDED from GROSS COMPENSATION INCOME, and hence, SHOULD NOT BE SUBJECT TO WITHHOLDING TAX." (Emphasis supplied)

WHEREAS, Republic Act No. 8424, otherwise known as the TAX REFORM ACT OF 1997 does not contain any provision which in any way change, affect or modify the foregoing pronouncements of the above-named government officials that excluded representation and transportation allowances (RATA) from gross compensation income and therefore not subject to withholding tax, and consequently, must be maintained, upheld and applied with the same force and vigor to the present.

FOREGOING PREMISES CONSIDERED, on motion presented by Kagawad Mariano Y. Corro, Chairman, Committee on Ways and Means, severally seconded by mga Kagawad Sotero M. Pepito, Alfredo F. Capahi and Dennis Y. Capuyan; be it

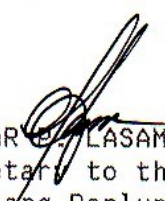
RESOLVED, AS IT IS HEREBY RESOLVED, to pass a resolution DEFINING THE STAND OF THIS SANGGUNIAN THAT THE REPRESENTATION AND TRANSPORTATION ALLOWANCES (RATA) GRANTED TO PUBLIC OFFICIALS AND EMPLOYEES SHALL NOT BE CONSIDERED COMPENSATION SUBJECT TO THE WITHHOLDING TAX BECAUSE THEY ARE IN FACT REIMBURSEMENT FOR EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES BASED ON THE PRONOUNCEMENTS OF AUTHORITATIVE AND COMPETENT GOVERNMENT OFFICIALS;

ADOPTED, 1 October 1998.


RESOLVED, FURTHER, to furnish copies of this resolution, one each to The Revenue District Officer ESTRELLA S. LOPEZ, Revenue District No. 89, Ormoc City, The Honorable City Mayor, Eufrocino M. Codilla, Sr., The City Auditor, Mrs. Oda F. Nuez; The City Administrator, Mr. Vicente Redoña, The City Legal Officer, Atty. Cleto L. Evangelista, Jr., The City Accountant, Mrs. Rosalinda S. Muyuela, The City Budget Officer, Mrs. Elena S. Aviles, and other offices concerned.

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


OSCAR B. LASAM
Secretary to the
Sangguniang Panlungsod

ATTESTED:


BENJAMIN B. LLADOC
Kagawad
Acting Presiding Officer