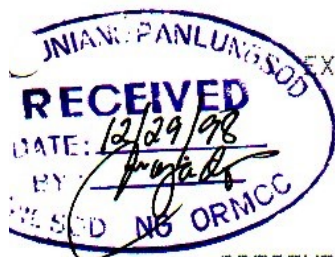
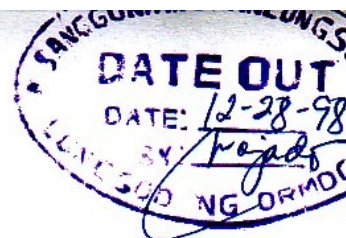


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE EIGHTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON DECEMBER 23, 1998 IN LIEU OF
DECEMBER 24, 1998

PRESENT:

Hon. Celso P. Adolfo,	Vice Mayor & Presiding Officer
Hon. Jose S. Serafica,	Kagawad, Floor Leader
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

ABSENT:

Hon. Benjamin B. Lladoc,	(Sick Leave),	Kagawad
Hon. Eduardo P. Tan,	(Sick Leave),	Kagawad

RESOLUTION NO. 98-132

A RESOLUTION RESPECTFULLY URGING THE HONORABLE SECRETARY OF FINANCE, EDGARDO V. ESPIRITU, THROUGH THE HONORABLE COMMISSIONER OF INTERNAL REVENUE, BEETHOVEN L. RUALO, TO EXEMPT FROM THE PAYMENT OF INCOME TAX, AND CONSEQUENTLY FROM WITHHOLDING, THE MONETIZED LEAVE CREDITS NOT EXCEEDING THIRTY (30) DAYS OF GOVERNMENT OFFICIALS AND EMPLOYEES, THEREBY AMENDING THE CORRESPONDING PROVISIONS OF REVENUE REGULATIONS NOS. 2-98 AND 3-98.

WHEREAS, the Civil Service Commission and the Department of Budget and Management, jointly issued Circular No. 1 series of 1991, copy of which is hereto attached, promulgating the RULES AND REGULATIONS GOVERNING THE MONETIZATION OF LEAVE CREDITS OF GOVERNMENT OFFICIALS AND EMPLOYEES;

WHEREAS, Section 1 of the aforementioned Circular No. 1, states: "Leave laws are special legislations which had been enacted to promote the physical and mental well-being of public servants and should be responsive with the times and be interpreted reasonably in favor of the employee. Monetization of leave credits aims to: a) Provide necessary additional funds to finance the education, health or other emergency expenses of the employees, or any member of his family by allowing him to monetize portion of his accumulated vacation leave credits; (b) Allow the employee to continue reporting for work and be paid his salary for services actually rendered even if he chooses to monetize his vacation leave; (d) Authorize the payment of the monetized leave credits;"

WHEREAS, on September 6, 1991, then BIR Deputy Commissioner, Eufracio D. Santos, in his reply to a query made by Undersecretary Romeo P. Solis of the Department of Budget and Management, on whether or not the monetized vacation leave credits are subject to withholding tax, has stated that, "x x x the ten-day monetized leave credits do not constitute as additional compensation to the employee; hence, the same shall be exempt from income tax and consequently from withholding pursuant to Section 2 of Revenue Regulations No. 12-86." citing therein the noble objectives of leave laws as provided for in Section 1 of the aforementioned Circular No. 1; (Copy of aforementioned letter hereto attached)

WHEREAS, on June 25, 1997, the Civil Service Commission and the Department of Budget and Management, issued Joint Circular No. 2-97 copy hereto attached, which allows "to monetized a maximum of thirty (30) days vacation/service credits" of government officials and employees;

WHEREAS, BIR Revenue Regulations Nos. 2-98 and 3-98, under "DE MINIMIS" benefits which are exempt from the fringe benefit tax, include only, among others, (1) Monetized unused vacation leave credits of employees NOT EXCEEDING TEN (10) DAYS DURING THE YEAR; hence, in excess thereof would now be liable to income tax;

WHEREAS, to impose a tax on the excess of the ten (10) days monetized unused vacation leave would defeat the benevolent objectives of leave laws as cited-above, and would be prejudicial to the interest of government officials and employees who would like to monetize their unused vacation leave, especially during these times of devaluation of our pesos, and the skyrocketing of prices of prime commodities;

FOREGOING PREMISES CONSIDERED, on MASS MOTION of the BODY;

RESOLVED, AS IT IS HEREBY RESOLVED, to pass a resolution RESPECTFULLY URGING THE HONORABLE SECRETARY OF FINANCE, EDGARDO V. ESPIRITU, THROUGH THE HONORABLE COMMISSIONER OF INTERNAL REVENUE, BEETHOVEN L. RUALO, TO EXEMPT FROM THE PAYMENT OF INCOME TAX, AND CONSEQUENTLY FROM WITHHOLDING, THE MONETIZED LEAVE CREDITS NOT EXCEEDING THIRTY (30) DAYS OF GOVERNMENT OFFICIALS AND EMPLOYEES, THEREBY AMENDING THE CORRESPONDING PROVISIONS OF REVENUE REGULATIONS NOS. 2-98 AND 3-98;

ADOPTED, 23 December 1998.

RESOLVED, FURTHER, to furnish copies of this resolution, one each to Honorable Edgardo V. Espiritu, Secretary of Finance, Honorable Beethoven L. Rualo, Commissioner of Internal Revenue, Honorable Eufrocino M. Codilla, Sr., City Mayor of Ormoc, Mrs. Estrella S. Lopez Revenue District Officer, Ormoc City, Mrs. Rosalinda S. Muyuela, City Accountant, Mrs. Florenda S. Bragas, Human Resource Management Officer and other Offices concerned.

CARRIED UNANIMOUSLY.

Res. No. 98-132

I HEREBY CERTIFY to the correctness of the foregoing resolution.

OSCAR LASAM
Secretary to the
Sangguniang Panlungsod

ATTESTED:

CELSO P. ADOLFO
Vice Mayor & Presiding Officer

APPROVED:

EUFROCINO M. CODILLA, SR.
City Mayor

12/28/98
(Date)