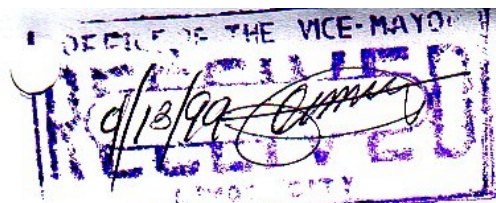
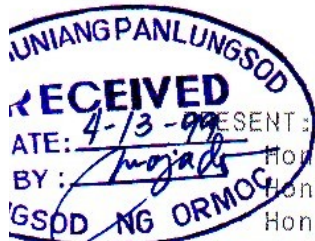


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



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 APRIL 08, 1999



PRESENT:
Hon. Celso P. Adolfo, City Vice Mayor & Presiding Officer
Hon. Jose S. Serafica, City Councilor, Floor Leader
Hon. Nepomuceno P. Aparis I, City Councilor, Assistant Floor Leader
Hon. Mariano Y. Corro, City Councilor
Hon. Sotero M. Pepito, City Councilor
Hon. Alfredo F. Capahi, City Councilor
Hon. Eduardo P. Tan, City Councilor
Hon. Jose C. Alfaro, Jr., City Councilor
Hon. Claudio P. Larrazabal, City Councilor
Hon. Fernando P. Parrilla, Ex-Officio, City Councilor,
Chapter President, Liga ng mga Barangay ng Ormoc
Hon. Chiqui B. Labagala, Ex-Officio, City Councilor,
SK Federation President

ABSENT:

Hon. Benjamin B. Lladoc, (Deceased), City Councilor
Hon. Dennis Y. Capuyan, (Forced Leave), City Councilor

RESOLUTION NO. 99-51

A RESOLUTION RESPECTFULLY REQUESTING HON. BEETHOVEN L. RUALO, COMMISSIONER OF THE BUREAU OF INTERNAL REVENUE, CLARIFICATION ON THE INCOME TAXABILITY OF THE ADDITIONAL COMPENSATION ALLOWANCE (ACA) GRANTED UNDER ADMINISTRATIVE ORDER NO. 53 DATED MAY 17, 1993 RELATIVE TO THE LETTER DATED MARCH 22, 1999 OF RDO ESTRELLA S. LOPEZ ADDRESSED TO THE CITY TREASURER OF ORMOC, COPY OF WHICH IS HERETO ATTACHED FOR READY REFERENCE, AND REQUESTING FURTHER, FOR AN EARLY REPLY HEREON.

WHEREAS, the letter dated March 22, 1999 of RDO Estrella S. Lopez addressed to the City Treasurer of Ormoc, photocopy of which is hereto attached for ready reference, was indorsed to this august body;

WHEREAS, paragraph 1.2 of Administrative Order No. 53, reads: "Extend the same privilege to the rest of the personnel of the government, which shall partake of an allowance and NOT SUBJECT to GSIS, HDMP Fund premiums and INCOME DEDUCTIONS PENDING ITS FORMAL INTEGRATION INTO THE BASIC PAY OF SUBJECT GOVERNMENT PERSONNEL"; (Emphasis supplied)

WHEREAS, the additional compensation allowance (ACA) enjoyed by the City Officials and Employees of Ormoc has not been formally integrated into their basic pay, up to the present;

WHEREAS, aforequoted paragraph 1.2 of Administrative Order No. 53 explicitly states that the additional compensation allowance (ACA) is "NOT SUBJECT to x x x and INCOME DEDUCTIONS PENDING ITS FORMAL INTEGRATION INTO THE BASIC PAY OF SUBJECT GOVERNMENT PERSONNEL." hence, its integration into the basic pay is a condition sine qua non for its income taxability;

WHEREAS, Administrative Order No. 53 granting the additional compensation allowance (ACA) partakes of a "social legislation" hence, must be accorded a liberal interpretation in favor of the recipients, thereof;

WHEREAS, the additional compensation allowance (ACA) has been enjoyed by the government employees since 1993, and since then, was never subject to income tax deduction;

WHEREAS, to subject the additional compensation allowance (ACA) to income tax deduction would defeat the very purpose for which it was given, and would be an additional financial burden to government employees, especially during these times when they are suffering from the effects of recession;

FOREGOING PREMISES CONSIDERED, on motion of Councilor Mariano Y. Corro, Chairman, Committee on Ways and Means, severally seconded by Councilors Mariano Y. Corro, Claudio P. Larrazabal and Chiqui B. Labagala, be it;

RESOLVED, AS IT IS HEREBY RESOLVED, to pass a RESOLUTION RESPECTFULLY REQUESTING HON. BEETHOVEN L. RUALO, COMMISSIONER OF THE BUREAU OF INTERNAL REVENUE, CLARIFICATION ON THE INCOME TAXABILITY OF THE ADDITIONAL COMPENSATION ALLOWANCE (ACA) GRANTED UNDER ADMINISTRATIVE ORDER NO. 53 DATED MAY 17, 1993 RELATIVE TO THE LETTER DATED MARCH 22, 1999 OF RDO ESTRELLA S. LOPEZ ADDRESSED TO THE CITY TREASURER OF ORMOC, COPY OF WHICH IS HERETO ATTACHED FOR READY REFERENCE, AND REQUESTING FURTHER, FOR AN EARLY REPLY HEREON;

ADOPTED, April 08, 1999.

RESOLVED, further to furnish copies of this Resolution, one each to Hon. Beethoven L. Rualo, Commissioner of the Bureau of Internal Revenue, Metro Manila; BIR Regional Director, Jaime B. Santiago, Tacloban City; BIR RDO, Estrella S. Lopez, Ormoc City; Hon. Eufrocino M. Codilla, Sr., City Mayor of Ormoc; Ormoc City Accountant, Rosalinda S. Muyuela, Ormoc City Budget Officer, Elena S. Aviles, DILG City Director, Rodolfo Torcende, City Administrator Vicente Redoña, City Legal Officer, Cleto L. Evangelista, Jr., Human Resource Management Officer Florenda S. Bragas and other Offices concerned.

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.

OSCAR LASAN
Secretary to the
Sangguniang Panlungsod

ATTESTED:

CELSO P. ADOLFO
City Vice Mayor & Presiding Officer