

# Drawbacks in Resource Mobilization of Municipalities

# Real Property Taxes

- Outdated SMV
  - Local officials' failure to approve
  - Some Assessors' low commitment
- Conduct of general revision is irregular
  - No budget for the GR
  - Huge amount of potential revenue were foregone
  - Many inaccurate taxpayers' address

# Real Property Taxes

- No regular tax mapping is conducted
  - Many new improvements, machineries, etc are not assessed
  - Real property uses are not updated
  - TDs with no existing improvements
- Records management
  - Topsy-turvy records
  - Notice of Assessments were not served on time

# Real Property Taxes

- For the Local Treasury Part
  - Lack of personnel
  - Small portion of taxpayers are notified and served with billing
  - Manual billing, collection, recording
  - RPTARs are not updated (some PTO has no RPTARs)
  - No follow-up is done on delivered bills
  - Negative effect of condonation of penalties (amnesty)
  - No auction is conducted on delinquent properties
  - Limited budget

# Business Tax

- Incorrect declared nature of business
- Incorrect declaration of gross sales
- “negative Impact” of the “zero contact” policy & online submission of application for business permit under RA 11032
- NO EBA is conducted or small percentage of businesses are examined
- LGU is unable to close unlicensed business establishments

# Business Tax

- Interference of local officials
- No business tax map is maintained
- Insufficient number of personnel
- Lack of technical knowledge
- Assessment of business tax are done in BPLO in several LGUs
- Potential collection of tax on contractors are foregone

# Fees and Charges

- Outdated LRC
- Copied and/or “modelled” LRC
- Irregular revision of LRC
- Inexperienced TWG members
- LRC updating not a priority legislation
- Fees and Charges are not rationalized

# Fees and Charges

- Sandbagging in target setting
- ANNEX J in DTP of some LGUs were not seriously prepared, monitored, and evaluated



# Fees and Charges – Weight and Measures

- Lack of technical knowledge
- Some impositions are not collected
- No regular inspection or calibration is conducted
- No profile of measuring instruments in the MTO

# Fees and Charges – Large Cattle Registration

- Fees are not rationalized
- No apprehensions are conducted
- No penalties are imposed

# Fees and Charges – Building Permit & others Imposed by the MEBO

- Fees are not rationalized
- Other impositions like permit to excavate & temporary use of sidewalks, alleys, plazas, and other open spaces are not imposed
- No regular inspection is conducted
- Irregular apprehensions are conducted
- No penalties are imposed

# Fees and Charges – MTOP

- Fees are not rationalized
- Some impositions are not collected
- Many colorum tricycles
- No regular apprehensions is conducted
- No penalties are imposed

# Fees and Charges – Sanitary Permit and Inspection

- Fees are not rationalized
- Some LGUs are not collecting inspection fees
- Irregular inspection of establishments
- No apprehensions are conducted
- Not consistent in the implementation of penalties
- Lack of personnel

# Fees and Charges – Permit on Occupation or Calling not Requiring Govt Examination

- Only few Municipalities are imposing and collecting

# Fees and Charges – Stall Rental

- Fees and charges are not rationalized
- Huge amount of delinquencies
- Issues on accuracy of records
- Letting delinquent stallholders to renew business permit
- Market committee as constraints in the speedy adjudication of stalls
- Conflict of interest of LGU officials and employees

# Fees and Charges – MENRO Clearance and other fees

- Rates are not rationalized (Inspection fee is not imposed)
- RPT clearance is not required
- Very low rates on garbage collection fee
- No stringent apprehensions on violators
- Low rates in Tipping Fees



# Fees and Charges – Slaughterhouse Fees

- Rates and impositions are not rationalized
- Some potential impositions
- Slaughtering of animals outside the abattoir
- Concerns on staffing
- Insufficient budget
- Abattoir's Low standard

# Others

- No Revenue Generation Plan
- Revenue Generation is usually left to LT and or few personnel in the LGU
- Organizational/Structural defect in several LGUs
- Failure in evaluation and monitoring on revenue centers
- Other LGU regular income are place under TRUST accounts
- Potential collection in the sale of waste materials

# Remedies. . . .

- Planning
  - LFC to initiate
  - Mapping of potential revenue sources
  - Dialog with local officials and stakeholders, especially the revenue centers
  - Local Treasurers to exert efforts in generating revenues
- Revision of Revenue Code, Economic Enterprise Code, Schedule of FMV
- Rationalization of Fees and Charges

# Remedies. . . .

- Rationalization of Investment and Incentive Code
- Acquire advanced computer systems
- Improve and update taxpayers' records
- Exposure to other LGUs with good practices
- Capacity development of key personnel especially those handling technical jobs
- INNOVATE

THANK YOU FOR BEING ATTENTIVE