

Republic of the Philippines
PROVINCE OF ZAMBOANGA DEL SUR
Municipality of Dumingag

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OFFICE OF THE SB SECRETARY

Excerpt FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG
BAYAN OF DUMINGAG, ZAMBOANGA DEL SUR HELD AT THE
MUNICIPAL SESSION HALL ON January 29, 2001.

OFFICERS/MEMBERS:	POSITION	PRESENT	ABSENT	OB
Hon. Nacianceno M. Pacalioga, Jr.	Vice Mayor, Presiding Officer	/	—	—
Hon. Michael F. Morpos	SB Member	—	/	—
Hon. Juliet E. Rojas	SB Member	/	—	—
Hon. Zacarias P. Tangalin	SB Member	/	—	—
Hon. Day Linda L. Go	SB Member	/	—	—
Hon. Wellie M. Geographia	SB Member	/	—	—
Hon. Phimalindo G. Doromal	SB Member	/	—	—
Hon. Inocencio T. Faunillan	SB Member	/	—	—
Hon. Ma. Olga R. Tumamak	SB Member	—	/	—
Hon. Nita T. dela Torre	Ex-Officio Member	—	/	—
Hon. Libertine R. Mantos	Ex-Officio Member	/	—	—
Mr. Alejandro R. Estillore	SB Secretary	/	—	—

Ordinance No. 7, s. 2001

"AN ORDINANCE GRANTING TAX INCENTIVES TO INVESTORS OF PRODUCTIVE BUSINESS ENTERPRISES IN THE MUNICIPALITY OF DUMINGAG, PROVINCE OF ZAMBOANGA DEL SUR."

WHEREAS, the Municipality of Dumingag, belongs to the fourth (4th) class and is indispensable to be improved economically;

WHEREAS, more on the sources of income of the residents depend on self-employment through farming and small business which the per capita income is too low;

WHEREAS, to help raise the per capita income of the people, the Local Government Unit (LGU) shall initiate for industrialization in order to generate employment opportunities, considering that there are more unemployed graduates, skilled and unskilled young people in the municipality; and

WHEREAS, any capitalist is encouraged by this LGU to invest a productive business enterprise that shall be established in the municipality in order to generate employment and by attracting and convincing them, tax incentives shall be granted to such investors.

BE IT ORDAINED BY THE SANGGUNIANG BAYAN OF DUMINGAG, ZAMBOANGA DEL SUR IN SESSION ASSEMBLED :

Section 1. TITLE -This Ordinance shall be known as "THE DUMINGAG BUSINESS TAX INCENTIVES ORDINANCE OF 2000."

Section 2. DECLARATION OF BASIC POLICY - It is hereby declared the policy of the Municipality of Dumingag to enhance economic prosperity, social justice and promote full employment among its residents. Towards this end, the municipality shall :

(a) develop, adopt and promulgate measures to promote favorable business environment whereby business investors are encouraged to invest in the

municipality resulting to generation of employment opportunities and improved living conditions of the constituents; and

- (b) exercise its authority to grant tax exemptions, incentives or reliefs pursuant to Section 192 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991.

SECTION 3. DEFINITION OF TERMS - For purposes of this Ordinances, the following terms shall mean :

- (a) *Productive Business Enterprises* - entities primarily engaged in production, processing, or manufacturing of products or commodities or other productive enterprises considered as priority project/s by the duly approved Municipal Development Plan as certified by Municipal Planning and Development Office (MPDO). It excludes enterprises engaged principally in professional services, retailing, wholesaling or trading of commodities, products or merchandise.
- (b) *Professional Services* - refers to services rendered in connection with the exercise of a profession, vocation or occupation duly licensed by the government.
- (c) *Business Incentives Certificates* - is a certificate issued to an investor authorizing the same to established and operate a productive business enterprise and be entitled to incentives granted by this Ordinance.
- (d) *Initial Capitalization* - all kinds of properties, real or personal, owned by applicant and directly used for the Productive Business Enterprise at the start of normal business operation.
- (e) *Normal Business Operation* - the actual operation of the productive, manufacturing, processing or other main business activity as indicated in the Business Incentives Certificate.
- (f) *Industrial Estate* - a zone or area declared and duly approved by the Sangguniang Bayan as an industrial estate in accordance with the Zoning Ordinance of the municipality.

SECTION 4. REGISTRATION OF ELIGIBLE ENTERPRISE - The processes and requirements for registration shall be:

- (a) *PLACE OF REGISTRATION* - The Office of the Municipal Treasurer shall process the registration of applicants for business incentives.
- (b) *FUNCTIONS OF MUNICIPAL TREASURER IN REGISTRATION* - To receive all applications and process the same as expeditiously as possible, consistent with the government policy embodied in Republic Act No. 6713. Otherwise known as the Code of Conduct and Ethical Standards for Government Officials and Employees. To maintain a registry of Business Incentives Grantees and enter all relevant information regarding approved application in the registry.
- (c) *ELIGIBLE TO REGISTER* - Any person, natural or juridical, partnership or association or corporation having the qualifications herein below enumerated, may apply for availment of business incentives, to wit :
 - 1. The applicant should engage solely in productive business enterprise activities as understood for in paragraph (a), Section 3 hereof.
 - 2. The proposed business enterprise shall have initial capitalization of not less than ONE HUNDRED FIFTY THOUSAND PESOS (150,000.00) and shall be labor-intensive with an initial employment of at least four (4) workers. Provided that failure of grantee to actually comply with such requirements at the commencement of normal business operation shall be the ground for revocation of the incentives and privileges granted herein.
- (d) *REQUIREMENTS FOR REGISTRATION* - The applicant for business incentives is required to submit the following :

1. Application form in duplicate signed by the owner or manager of the applying entity; and
 2. One (1) picture of the owner in case of proprietorship and manager in case of other types business entity.
- (e) REGISTRATION FEE - Applicant shall, upon approval of application, pay the registration fee of ONE HUNDRED FIFTY PESOS (150.00) to the municipal treasurer.
- (f) APPROVAL OF APPLICATION FOR REGISTRATION AND ISSUANCE OF THE BUSINESS INCENTIVES CERTIFICATE - The application for registration shall be acted upon by the registration office within twenty four (24) hours from receipt of complete registration requirements and recommended to the Sangguniang Bayan for approval. The Business Incentives Certificate shall be issued immediately to the investor upon approval of the application, duly signed by the Municipal Treasurer and attested by the Municipal Mayor.
- (g) DURATION OF BUSINESS INCENTIVES CERTIFICATES - In general, the Business Incentives Certificate shall be valid for a period of three (3) years from date of registration without renewal except for business enterprises located within the Industrial Estate as defined in paragraph (f) of Section 3 hereof, which shall be valid for ten (10) years from date of registration without renewal.

SECTION 5. REVOCATION OF AUTHORITY TO AVAIL OF INCENTIVES AND CHANGE OF ADDRESS AND OWNERSHIP - The causes of revocation or cancellation of authority to avail a business incentives and the process for change of address and ownership of business enterprise, to wit :

- (a) REVOCATION OR CANCELLATION OF BUSINESS INCENTIVES CERTIFICATE - The Business Incentives Certificate may be duly revoked, cancelled or suspended by the Sangguniang Bayan upon recommendation by the Municipal Treasurer based on the following grounds :
1. by voluntary surrender of the Business Incentives Certificate ;
 2. by death of the registered owner, in case of single proprietorship, unless there is transfer of ownership in accordance with paragraph (c) of this Section;
 3. by failing to comply with the initial capitalization and employment requirement upon the start of normal business operation as provided for in sub-paragraph 2, paragraph (c) of Section 4 hereof.
 4. by violation of any provision of this Ordinance and the terms and conditions of the Business Incentives Certificate ;
 5. by engaging in activities which are not considered as productive business enterprise as defined in paragraph (a) of Section 3 hereof, and
 6. by failure to commence operation within one (1) year from date of registration.
- (b) NOTIFICATION FOR CHANGE OF ADDRESS - Registered business enterprises transferring their location shall notify the Office of the Municipal Treasurer for such change of address.
- (c) CHANGE OF OWNERSHIP - The registered productive business enterprises shall report to the Office of the Municipal Treasurer any change in the status of its ownership structure and shall surrender the original copy of the Business Incentives Certificate for notation of such transfer.

SECTION 6. BENEFITS AND PRIVILEGES - Grantees for business incentives shall have the following benefits and privilege :

- (a) Enterprises located outside of the Industrial Estate for a period of three (3) years from date of registration.

1. TAX INCENTIVES - registered business enterprises shall be entitled to the following tax incentives ;

- (i) Fifty percent (50%) reduction of Tax on Business imposed under Revised Municipal Revenue Code of 1999
- (ii) Fifty percent (50%) reduction of Tax on Billboards, Signboards and Advertisements imposed under Revised Municipal Revenue Code of 1999.
- (iii) Fifty percent (50%) reduction of Tax on for Delivery Trucks imposed under Municipal Revenue Code of 1998.

(b) Enterprises located within the Industrial Estate.

1. TAX EXEMPTION AND INCENTIVES - registered business enterprises shall be entitled to exemption and incentives, to wit :

- (i) (i) Exemption from payment of taxes referred to sub-paragraphs (i), (ii) and (iii), paragraph 1 (a), Section 6 of this Ordinances, for the first five years from date of registration.
- (ii) Tax incentives referred to sub-paragraphs (i), (ii) and (iii), paragraph 1 (a), Section 6 of this Ordinance, for the years from sixth (6th) to ten (10th) year from date of registration.

SECTION 7. SEPARABILITY CLAUSE - Any part or provision of this Ordinance which may be declared to be invalid or unconstitutional, the other parts or provisions not affected by such declaration shall remain to be in full force and effect.

SECTION 8. REPEALING CLAUSE - Any previous resolution or ordinance inconsistent hereof is hereby modified, repealed or superseded accordingly.

SECTION 9. EFFECTIVITY - This Ordinance shall be take effect upon its approval.

ATTESTED :


A. R. ESTILLORE
SB Secretary

CERTIFIED CORRECT :


NACIANCENO M. PACALIOGA, JR.
Municipal Vice Mayor
Presiding Officer

APPROVED :


EDGARDO G. JAMERO
Municipal Mayor