

ADMINISTRATIVE ORDER NO. 260

**DIRECTING THE SANGGUNIAN OF ALL CITIES AND MUNICIPALITIES TO ENACT A LOCAL TAX ORDINANCE LEVYING A COMMUNITY TAX PURSUANT TO SECTION 156 OF REPUBLIC ACT NUMBERED SEVENTY-ONE HUNDRED AND SIXTY, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991**

WHEREAS, under the provisions of Section 156 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991 (hereinafter referred to as the Code), the residence tax levied and administered by the National Government pursuant to Section 38 of the Local Tax Code (Presidential Decree No. 231, as amended) has been transformed from a national tax to a local tax;

WHEREAS, under said Section 156 of the Code, a new tax, known as the community tax, may be levied and collected by cities and municipalities; and

WHEREAS, a local tax ordinance should be enacted by the sanggunians of all cities and municipalities imposing said community tax before the same can be collected and a community tax certificate therefor be issued accordingly;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The sanggunians of all cities and municipalities, including those comprising the Metropolitan Manila Area, shall enact, effective as of 1 January 1992, their respective tax ordinances levying the community tax at the following schedules:

A. For individual taxpayers -

1. Basic tax - P5.00
2. Additional tax of not exceeding P5,000.00 for the following:
  - a. Gross receipts or earnings derived from business during the preceding year - P1.00 for every P1,000.00
  - b. Salaries or gross receipts or earnings derived from the exercise of profession or the pursuit of any occupation during the preceding year - P1.00 for every P1,000.00
  - c. Income from real property during the preceding year - P1.00 for every P1,000.00

B. For corporate taxpayers -

1. Basic tax - P500.00
2. Additional tax of not exceeding P10,000.00 for the following:
  - a. Assessed value of real property - P2.00 for every P5,000.00

- b. Gross receipts or earnings derived from business in the Philippines during the preceding year - ₱2.00 for every ₱5,000.00

SEC. 2. The ordinance enacted for the purpose shall also specify the manner and time for payment, including the penalty for failure to pay the tax not later than the last day of February of each year in accordance with the provisions of Section 161 of the Code.

SEC. 3. Pursuant to the provisions of paragraph (b) of Section 164 of the Code, the tax ordinance shall authorize the city or municipal treasurer to deputize the barangay treasurers to collect the community tax in their respective jurisdictions. However, said deputation shall be limited to the community tax payable by individual taxpayers and shall be extended only to barangay treasurers who shall be properly bonded in accordance with existing laws.

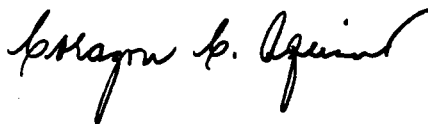
SEC. 4. In view of the urgency of the enactment of the local tax ordinance herein referred to and considering that the rates of community taxes payable by individuals and corporations are fixed under Sections 157 and 158 of the Code, no public hearing shall be required for the purpose.

SEC. 5. The local treasurers are hereby authorized, pending the distribution by the Bureau of Internal Revenue of the new form for the community tax certificate, to use for the purpose the blank forms of residence certificates that may still be in their stock, with the proper changes being made thereon.

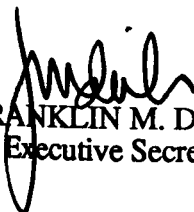
SEC. 6. The Secretary of Finance is hereby authorized to prescribe, from time to time, such procedures and guidelines as may be deemed necessary for the proper and effective implementation of this Order.

SEC. 7. This Order shall take effect immediately.

DONE in the City of Manila this 16th day of January, in the year of Our Lord, nineteen hundred and ninety two.



By the President:



FRANKLIN M. DRILON  
Executive Secretary