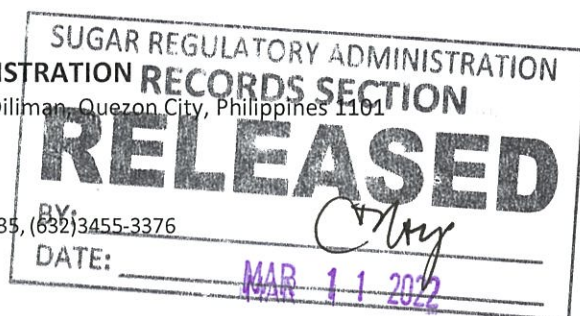




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MEMO-ADM-2022-Mar-067

11 March 2022

MEMORANDUM CIRCULAR NO. 8
Series of 2022

SUBJECT: OMNIBUS GUIDELINES ON THE SUSPENSION OF LGU IMPOSITION AND COLLECTION OF ILLEGAL FEES AND TAXES RELATIVE TO THE TRANSPORT OF GOODS AND PRODUCTS

On 8 March 2022, the Management received from the Department of Agriculture – Records, the **Joint Memorandum Circular No. 2021-01** issued by the Department of Interior and Local Government (DILG), Anti-Red Tape Authority (ARTA) and Department of Finance (DOF), reiterating the provisions of the DILG Memorandum Circular No. 2018-133 to emphasize the limitations mandated by the Local Government Code of 1991 on the taxing powers of LGUs, particularly various fees, taxes and other charges on transporting goods carried into or out, or passing through, their respective territorial jurisdictions.

This is in response to the complaints received by the DILG on some LGUs who impose fees, taxes and other charges on the transportation of goods and products carried into or out of, or passing through the territorial jurisdictions of these LGUs in the guise of sticker fee, discharging fee, delivery fee, market fee, toll fee and/or mayor's permit fee, among others.

Among salient points of the abovementioned Circular are as follows:

“1.0 Background

- 1.1. DILG Memorandum Circular (MC) No. 2018-133 or the Omnibus Guidelines on the suspension of LGU Imposition and Collection of Illegal Fees and Taxes Relative to the transport of Goods and Products has been issued to provide concerned stakeholders with a set of guidelines relating to previous issuances on the said issue and reiterate the provision stated therein. However, the DILG is continuously receiving complaints on some LGUs who impose fees, taxes and other charges on the transportation of goods and products carried into or out of, or passing through the territorial



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jurisdictions of these LGUs in the guise of sticker fee, discharging fee, delivery fee, market fee, toll fee and/or mayor's permit fee, among others.

1.2. Section 133 of the Local Government Code (LGC) of 1991 provides the common limitations on the taxing powers of local government units (LGUs), which include various fees, taxes and other charges on transporting goods carried into or out, or passing through, their respective territorial jurisdictions.

1.3. Article 287 of the Implementing Rules and Regulations of the LGC authorized the Secretary of Finance to formulate and prescribe the procedures and guidelines under Rule XXX (Local Government Taxation) and Section 2, paragraph 3 of Executive Order (EO) No. 292 mandates the DOF to supervise the revenue operations of all LGUs; and Section 43 of EO No. 127 mandates the Bureau of Local Government Finance (BLGF) of the DOF to assist in the formulation and implementation of policies on local government revenue administration and fund management, and to provide consultative services and technical assistance to the local governments on local taxation.

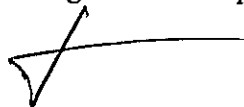
...4.0 Policy Content and Guidelines

4.1. Pursuant to Section 133 of the LGC, all local chief executives enjoined to:

4.1.1. Refrain from enforcing any existing ordinance authorizing the levy of fees and taxes on inter-province transport of goods or merchandise, regulatory fees in local ports, and other additional taxes, fees or charges in any form upon the transport of goods or merchandise. These include taxes, fees, and charges and other impositions upon goods carried into or out of, or passing through, the territorial jurisdictions of local government units in the guise of charges for wharfage, tolls for bridges or otherwise, sticker fee, discharging fee, delivery fee, market fee, toll fee, entry fee, and/or mayor's permit fee, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise. *(This does not include taxes, fees, and charges on passengers passing through the territorial jurisdiction of an LGU, which was inadvertently included as a subject of a prohibited imposition under DILG MC No. 2017-23).*

4.2. All policies, issuances, ordinance, or resolutions inconsistent with this JMC shall be subject to repeal or amendment consistent with DILG-ARTA Joint Memorandum Circular 2019-01 dated December 11, 2019, entitled *"Guidelines on the Regulatory Reform for LGUs in Pursuant to the Ease of Doing Business and Efficient Government Service Delivery Act of 2018"*.

4.3. All existing ordinances of LGUs imposing pass-through fees on goods, as well as those which provide for imposition of taxes, fees and charges in any form on transported goods and products, shall undergo



Regulatory Impact Assessment (RIA) pursuant to Section 5, RA No. 11032.

4.4. Further, local government units are directed to strictly observe DILG MC No. 2008-112, s. 2008, particularly on the exemption from truck ban, *to wit:*

"Exemptions on the Truck Ban:

Trucks and delivery vans carrying rice and other perishable items such as fish, vegetables, dairy and poultry products and frozen meat products, animal feeds, and export goods; xxx"

For your guidance.

ENGR. HERMENEGILDO R. SERAFICA
Administrator

