

Republic of the Philippines  
Autonomous Region in Muslim Mindanao  
REGIONAL LEGISLATIVE ASSEMBLY  
Cotabato City

SECOND LEGISLATIVE ASSEMBLY  
(THIRD REGULAR SESSION)

Begun and held in Cotabato City on Monday, the twenty-fourth day of April, Nineteen Hundred and Ninety Five.

- oOo -

[ MUSLIM MINDANAO AUTONOMY ACT NO. 49 ]

"THE REVENUE CODE OF THE AUTONOMOUS  
REGION IN MUSLIM MINDANAO."

Be it enacted by the Regional Legislative Assembly in session assembled:

CHAPTER I - GENERAL PROVISIONS

ARTICLE A. SHORT TITLE AND SCOPE OF THIS CODE

SECTION 1. SHORT TITLE. - This act shall be known as the Revenue Code of the Autonomous Region in Muslim Mindanao.

SEC. 2. SCOPE AND APPLICATIONS. - This code shall govern the levy, assessment and collection of all regional taxes, fees, charges and other revenue impositions within the territorial jurisdiction of the Autonomous Region in Muslim Mindanao.

ARTICLE B. DEFINITION AND CONSTRUCTION OF PROVISIONS

SEC. 3. WORDS DEFINED IN THIS CODE. - When used in this Code:

- 1) Affluent consumption - means expenses for construction of luxurious houses and facilities for private use.



2) Agricultural product - includes but not limited to the yield of the soil, such as corn, rice, cassava, wheat, rye, hay, coconuts, rubber, palm oil, sugarcane, tobacco, root crops, vegetables, fruits, flowers and their by-products; ordinary salt; all kinds of fish; poultry, livestock and animal products, whether in their original form or not.

The phrase "whether in their original form or not" refers to the transformation of said products by the farmer, fisherman, producer or owner through the application of processes to preserve or otherwise to prepare said products for the market such as freezing, drying, salting, smoking or stripping.

3) Amusement - is a pleasurable diversion and entertainment. It is synonymous to relaxation, avocation, past time or fun.

4) Amusement places - include theaters, cinemas, concert halls, circuses, carnivals, and other places of amusement where one seeks admission for value to entertain oneself by seeing or viewing a show or performance.

5) Banks and other financial institutions - include non-bank financial intermediaries, lending investors, finance and investment companies, pawnshops, money shops, insurance companies, stock markets, stock brokers and dealers in securities and foreign exchange as defined under applicable laws, or rules and regulations thereunder.

6) Barter Trade - means the exchange of goods between residents of the Autonomous Region and other countries.

7) Barter Trader - means an individual or entity qualified to engage in barter trade.

8) Business - means commercial activity customarily engaged in as means of livelihood and typically involving some dependence of judgment and power of decision.

9) Buyer or Purchaser - means any person, natural or juridical, who buys or purchases fishery or agricultural products in the area of autonomy for commercial purposes.

10) Capital - signifies the actual estate, whether in money or property owned by an individual or corporation; it is a fund with which it transacts its business, which would be liable to each creditor and which, in case of insolvency, passes to a receiver.



11) Capital Investment - is the capital which a person puts in any undertaking, or which he contributes to the common stock of a partnership, corporation or any other juridical entity, or association.

12) Charges - refer to pecuniary liability, as rents or fees against persons or properties.

13) Concession - a lease, grant or privilege for the use of an area for a specific purpose for which it is granted.

14) Concessioner - one who holds a concession.

15) Contractor - includes persons, natural or juridical, not subject to professional tax under Section 145 of the Autonomous Region in Muslim Mindanao Local Government Code of 1994, whose activity consists essentially of the sale of all kinds of services for a fee, regardless of whether or not the performance of the service calls for the exercise or use of the physical or mental faculties of such contractor or his employees. As used in this Section, the term "contractor" shall include general engineering, general building specialty contractors and service contractors as defined under applicable laws; filling, demolition and salvage works contractors; proprietors or operators of mine drilling apparatus; proprietors or operators of dockyards; persons engaged in the installation of water system, and gas or electric light, heat or power; proprietors or operators of smelting plants; engraving, plating, and plastic lamination establishments; proprietors or operators of establishment for repairing, upholstering, washing or greasing of vehicles, heavy equipment, vulcanizing, recapping and battery charging; proprietors or operators of furniture shops and establishments for planning or surfacing and recutting of lumber, and sawmills under contract to saw or cut logs belonging to others; proprietors or operators of dry-cleaning or drying establishments, steam laundries, and laundries using washing machines; proprietors or owners of shops for the repair of any kind of mechanical and electrical devices, instruments, apparatus, or furniture and shoe repairing by machine or any mechanical contrivance; proprietors or operators of tailor shops, dress shops, milliners and hatters, beauty parlors, barber shops, massage clinics, sauna, Turkish and Swedish baths, slenderizing and building saloons and similar establishments; photographic studios; funeral parlors; proprietors or operators of hotels, motels, and lodging houses; proprietors or operators of arrastre and stevedoring, warehousing, or forwarding establishment; master plumbers, smiths, and



house of sign painters; printers, bookbinders, lithographers; publishers except those engaged in the publication or printing of any newspaper, magazine, review or bulletin which appears at regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of advertisement; business agents, private detective or watchman agencies, commercial and immigration brokers, and cinematographic film owners, lessors and distributors.

16) Corporation - includes partnerships, no matter how created or organized, joint stock companies, joint accounts (cuentas en participacion), associations or insurance companies, but does not include general professional partnerships and a joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating or consortium agreement under a service contract with the government. General professional partnerships are partnerships formed by persons for the sole purpose of exercising their common profession, no part of the income of which is derived from engaging in any trade or business.

The term "resident foreign" when applied to a corporation means a foreign corporation not otherwise organized under the laws of the Philippines but engaged in trade or business within the Philippines.

17) Countryside and Barangay Business Enterprise - refers to any business entity, association, or cooperative registered under the provision of Republic Act Numbered Sixty-Eight Hundred Ten (R.A. No. 6810), otherwise known as "Magna Carta For Countryside and Barangay Business Enterprises (Kalakalan 20)".

18) Dealer - means one whose business is to buy and sell merchandise, goods, and chattels as a merchant. He stands immediately between the producer or manufacturer and the consumer and depends for his profit, not upon the labor he bestows upon his commodities but upon the skill and foresight with which he watches the market.

19) Entity - refers to any business establishment/enterprise that exist regardless of the manner of its organization for economic gain or purpose.

20) Fee - means a charge fixed by the regional law or agency for the regulation or inspection of a business or activity. It shall also include charges



fixed by the regional law or agency for the services of a public officer in the discharge of his official duties.

21) Fishery and Aquatic Resources - include but not limited to, bangus fry, lapu-lapu fry, fish, seaweeds, prawn, shrimps, oysters, crabs and other aquatic resources caught/cultivated/cultured within the area of autonomy for commercial purposes.

22) Franchise - is a right or privilege, affected with public interest which is conferred upon private persons or corporations, under such terms and conditions as the autonomous government and its political subdivisions may impose in the interest of public welfare, security and safety.

23) Gross Sales or Receipts - include the total amount of money or its equivalent representing the contract price, compensation or service fee, including the amount charged or materials supplied with the services and deposits or advance payment actually or constructively received during the taxable quarter for the services performed or to be performed for another person excluding discount if determinable at the time of sales, sales returns, excise tax, and Value-Added Tax (VAT).

24) Levy - means an imposition and/or collection of an assessment, tax, tribute or fine.

25) License Permit - is a right or permission granted in accordance with regional law by a competent authority to engage in some business or occupation or to engage in some transactions.

26) Luxurious Construction - includes houses with facilities such as but not limited to, swimming pools, pelota courts, tennis courts and basketball courts for private use with a total combined cost of not less than Five Million Pesos (P5,000,000.00).

27) Manufacturer - includes every person who, by physical or chemical process, alters the exterior texture or form or inner substance of any raw material or manufactured or partially manufactured product in such manner as to prepare it for special use or uses to which it could not have been put in its original condition, or who by any such process alters the quality of any such raw material or manufactured or partially manufactured product so as to reduce it to marketable shape or prepare it for any of the use of industry, or who by any such process combines any such raw material or manufactured or partially manufactured product with other materials or products of the same or



of different kinds and in such manner that the finished products of such process or manufacture or partially manufactured product in their original condition could not have been put, and who in addition alters such raw material or manufactured or partially manufactured products, or combines the same to produce of their sale or products for the purpose of their sale or distribution to others and not for his own use or consumption.

28) Marginal Farmer or Fisherman - refers to an individual engaged in subsistence farming or fishing which shall be limited to the sale, barter or exchange of agricultural or marine products produced by himself and his immediate family.

29) Motor Vehicle - means any vehicle propelled by any power other than muscular power using the public roads, but excluding road rollers, trolley cars, street-sweepers, sprinklers, lawn mowers, bulldozers, graders, fork-lifts, amphibian trucks, and cranes if not used on public roads, vehicles which run only on rails or tracks, and tractors, trailers and traction engines of all kinds used exclusively for agricultural purposes.

30) Municipal Waters - include not only streams, lakes and tidal waters within the municipality, not being the subject of private ownership and not comprised within the national parks, public forest, timber lands, forest reserves or fishery reserves, but also marine waters included between two line drawn perpendicularly to the general; coastline from points where the boundary lines of the municipality or city touch the sea at low tide and a third line parallel with the general coastline and fifteen (15) kilometers from it. Where two (2) municipalities are so situated on the opposite shores that there is less than fifteen (15) kilometers of marine waters between them, the third line shall be equally distant from opposite shores of the respective municipalities.

31) Operator - includes the owner, manager, administrator or any other person who operates or is responsible for the operation of a business establishment or undertaking.

32) Passenger - is any person who travels on an airplane, a sea vessel or by land transportation embarking on any airport, seaport or land terminal going outside the area of autonomy.

33) Person - means every natural or juridical and legal being susceptible of rights and obligations or being the subject of legal relations.



- 34) Privilege - means a right or immunity granted as benefit, advantage or favor.
- 35) Region - shall mean the Autonomous Region in Muslim Mindanao.
- 36) Regional Tax - shall mean the tax imposed by the Autonomous Region in Muslim Mindanao and those in addition to which the National and Local government units imposes within the area of autonomy.
- 37) Rental - means the value of the consideration, whether in money or otherwise, given for the employment or use of a thing.
- 38) Residents - refer to natural persons who have their habitual residence in the province, city, municipality or barangay in the area of autonomy where they exercise their civil rights and fulfill their civil obligations, and to juridical persons for which the regional law or any other provisions creating or recognizing them fixes their residence in a particular province, city, municipality or barangay in the area of autonomy. In the absence of such law, juridical persons are residents of the province, city, municipality or barangay in the area of autonomy where they have their legal residence or where they conduct their principal business or occupation.
- 39) Retail - means a sale where the purchaser buys the commodity for his own consumption, irrespective of the quantity of the commodity sold.
- 40) Revenue - includes taxes, fees and charges that the Autonomous Region in Muslim Mindanao or its political subdivision imposes, collects, receives and remits into the Regional Treasury for public purposes.
- 41) Service - means the duties, works or functions performed or discharged by a government office, or by a private person contracted or employed by the government, as the case may be.
- 42) Tax - means an enforced contribution, usually monetary in form, levied by law-making body, on person and property, subject to its jurisdiction for the precise purpose of supporting governmental needs.
- 43) Travel - means any trip going out of the region from an airport or seaport or land terminal of the region.



44) Utilization - means the use of the natural wealth of the Autonomous Region for productive purposes in industries, trade and commerce.

45) Vessel - includes every type of boat, craft, or other artificial contrivance used, or capable of being used, as a means of transportation on water.

46) Wharfage - means a fee assessed against the cargo of a vessel engaged in foreign or domestic trade based on quantity, weight, or measure received and/or discharged by vessel; and

47) Wholesale - means a sale where the purchaser buys or imports the commodities for resale to persons other than the end-user regardless of the quantity of the transaction.

SEC. 4. RULES OF CONSTRUCTION. - In constructing the provisions of this Code, the following rules of construction shall be observed unless inconsistent with the manifested intent of the provision, or when applied they would lead to absurdity or highly improbable results.

a) General Rule. All words and phrases shall be construed and understood according to the common and approved usage of language; but technical words and phrases and such others which may have acquired peculiar appropriate meaning, shall be construed and understood according to such technical, peculiar or appropriate meaning.

b) Gender and Number - Every word in this Code importing the masculine gender shall extend to both female and male. Every word importing singular number shall extend and apply to several persons or things, and every word importing the plural number shall extend and apply to one person or a thing as well.

c) Computation of Time - The time within which an act is to be done as provided in this Code or in any rule or regulation issued pursuant to the provisions hereof, when expressed in days, shall be computed by excluding the first day and including the last day, except, if the last day falls on a Sunday or holiday in which case the same shall be excluded from the computation and the next business day shall be considered the last day.

d) References - All references to Chapters, Articles, Sections are referred to the Chapters, Articles, Sections in this Code, unless otherwise specified.



e) **Conflicting provisions of Chapters** - If the provisions of different chapters conflict with or contravene each other, the provisions of each chapter shall prevail as to all specific matters and questions involved.

f) **Conflicting provisions of Sections** - If the provisions of different sections in the same Article conflict with each other, the provisions for the Section which is last in point of sequence shall prevail.

## CHAPTER II - REGIONAL TAXES

### ARTICLE A. REAL PROPERTY TAX

SEC. 5. **DEFINITIONS.** - When used in this Title, the term:

a) **Acquisition Cost** - For newly acquired machinery not yet depreciated and appraised within the year of its purchase, refers to the actual cost of the machinery to its present owner, plus the cost of transportation, handling, and installation at the present site;

b) **Actual Use** - refers to the purpose for which the property is principally or predominantly utilized by the person in possession thereof;

c) **"Ad Valorem Tax"** is a levy on real property determined on the basis of a fixed proportion of the value of the property;

d) **Agricultural Land** - is land devoted principally to the planting of trees, raising of crops, livestock and poultry, dairying, salt making, inland fishing and similar aquacultural activities, and other agricultural activities, and is not classified as mineral, timber, residential, commercial or industrial land;

e) **Appraisal** - is the act or process of determining the value of property as of specific date for a specific purpose;

f) **Assessment** - is the act or process of determining the value of property, or proportion thereof subject to tax, including the discovery, listing, classification and appraisal of properties;



g) **Assessment Level** - is the percentage applied to the fair market value to determine the taxable value of the property;

h) **"Assessed Value"** is the fair market value of the real property multiplied by the assessment level. It is synonymous to "taxable value";

i) **Commercial Land** - is land devoted principally for the object of profit and is not classified as agricultural, industrial, mineral, timber or residential land;

j) **Depreciated Value** - is the value remaining after deducting depreciation from the acquisition cost;

k) **Economic Life** - is the estimated period over which it is anticipated that a machinery or equipment may be profitably utilized;

l) **Fair Market Value** - is the price at which property may be sold by a seller who is not compelled to sell and bought by a buyer who is not compelled to buy;

m) **Improvement** - is a valuable addition made to a property or an amelioration in its condition, amounting to more than a mere repair or replacement of parks, improving capital expenditures and labor which is intended to enhance its value, beauty or utility or to adapt it for new or further purposes;

n) **Industrial Land** - is land devoted principally to industrial activity as capital investment and is not classified as agricultural, commercial, timber, mineral or residential land;

o) **Machinery** - embraces machines, equipments, mechanical contrivances, instruments, appliances or apparatus which may or may not be attached permanently or temporarily, to the real property. It includes the physical facilities, those which are mobile, self-powered or self-propelled, and those not permanently attached to the real property which are actually, directly, and exclusively used to meet the needs of a particular industry, business or activity and which by their very nature and purpose are designed for, or necessary to its manufacturing, mining, logging, commercial, industrial or agricultural purposes;

p) **Mineral Lands** - are lands in which minerals, metallic or non-metallic, exist in sufficient quantity or grade to justify the necessary expenditures to extract and utilize such materials;



q) Reassessment - is the assigning of new assessed values to property, particularly real estate, as the result of a general, partial, or individual reappraisal of the property;

r) Remaining Economic Life - is the period of time expressed in years from the date of appraisal to the date when the machinery becomes valueless;

s) Remaining Value - is the value corresponding to the remaining useful life of the machinery;

t) Replacement of Reproduction Cost- is the cost that would be incurred on the basis of current prices, in acquiring an equally desirable substitute property, or the cost of reproducing a new replicant of the property on the basis of current prices with the same or closely similar material;

u) Residential Land - is land principally devoted to habitation;

SEC. 6. IMPOSITION OF TAX. - There is hereby levied in addition to the tax imposed by the local government units, an annual regional Ad Valorem Tax of one tenth (1/10) of one percent (1%) on the assessed value of all real property, such as lands, buildings, machinery and other improvements affixed or attached to real property located in the Autonomous Region in Muslim Mindanao, except as hereinafter exempted.

The provision of existing applicable and other pertinent laws shall apply in the determination of the assessed value of the real properties. For this purpose, Provincial, City, Municipal Assessor is hereby required to indicate on the tax declaration of real property the amount of annual regional tax due.

SEC. 7. FURNISHING A COPY OF REAL PROPERTY TAX DECLARATION TO THE REGIONAL TREASURER. - Provincial, Municipal or City Assessor within the area of autonomy is hereby required to furnish the Regional Treasurer of the Autonomous Region in Muslim Mindanao copy of real property tax declaration of all properties assessed within their area of jurisdiction.

SEC. 8. EXEMPTION. - The following are exempted from payment of the real property tax:

a) Real property owned by the Autonomous Region in Muslim Mindanao or any of its political subdivisions except when the beneficial use thereof has been granted for consideration or otherwise, to a taxable person;



b) Charitable institutions, churches, parsonages or convents appurtenant thereto, mosques, non-stock, non-profit cemeteries and all lands, buildings, and improvements actually, directly, and exclusively used for religious, charitable or educational purposes;

c) All machineries and equipment that are actually, directly and exclusively used by local water districts and government owned or controlled corporations engaged in the supply and distribution of water and/or generation and transmission of electric power.

Machinery and equipment used for pollution control and environment protection; and

d) All real property owned by duly registered cooperatives as provided for under R.A. No. 6938; Except as provided herein, any exemption from payment of real property tax previously granted to, or presently enjoyed by, all persons, whether natural or juridical, including all government owned or controlled corporations are hereby withdrawn upon the effectivity of this code.

The provisions hereof, notwithstanding depreciation shall be made for machinery at a rate not exceeding ten percent (10%) of its original cost or its replacement or reproduction cost (new) as the case may be, for each year used; Provided, that the remaining value for all kinds of machinery shall be fixed at not less than twenty (20%) percent of such original or replacement cost for so long as the machinery is useful and in operation.

e) Perennial trees and plants of economic value except where the land upon which they grow is planted principally to such growth.

f) Pasture or grazing lands or both acquired by grant, purchase or lease from the public domain, actually used for livestock production for five (5) years beginning with the year of acquisition.

All the properties mentioned in this section shall be valued for the purpose of assessment and records.

**SEC. 9. TIME OF PAYMENT.** - The real property tax herein levied shall be due and payable on the first day of April. However, at the discretion of the taxpayer, the tax due may be paid without penalty in four equal installments: The first installment on or before June 31, the second installment on or before September 30. The third installment on or before December 30, and the last installment, on or before March 31.



SEC. 10 . PENALTY FOR TAX DELINQUENCY. - A penalty of two percent (2%) of the amount of the regional tax due for each months old delinquency or a fraction thereof until the delinquent tax shall have been fully paid, shall be imposed upon the taxpayer for his failure to pay the regional tax due on the prescribed period. In no case shall the total penalty exceed twenty percent (20%) of the regional tax due.

SEC. 11. APPLICABILITY CLAUSE. - The pertinent provisions of Muslim Mindanao Autonomy Act No. 25, known as the "Autonomous Region in Muslim Mindanao Local Government Code of 1994 and such other pertinent laws shall apply to all matters affecting property taxation.

#### ARTICLE B. TAX ON TRANSFER OF REAL PROPERTY OWNERSHIP

SEC. 12. DEFINITION. - Real Property, for purposes of this tax, refers only to lands, buildings, and machineries intended by the owner of the land or building for an industry or works which may be carried in a building or on a piece of land and which directly meet the needs of the said industry or works.

"Buildings" refer to all kinds of structures more or less permanently attached to a piece of land, excluding those which are merely superimposed on the soil or movable temporary structures.

SEC. 13. IMPOSITION OF TAX. - There is hereby levied a regional tax on the sale, donation, barter or on any other mode of transferring ownership of or title to real property at the rate of one-tenth (1/10th) of one percent (1%) of the total consideration involved in the acquisition of the property or of its assessed value, whichever is higher, or in the absence of a specific consideration, the assessed value of the property.

SEC. 14. EXEMPTION. - The transfer of real property ownership pursuant to R.A. No. 6657 (Agrarian Reform Law) or other pertinent regional laws that may be enacted by the Regional Assembly shall be exempt from this tax within the period of ten (10) years.

SEC. 15. PERSONS REQUIRED TO PAY THE TAX. - It shall be the duty of the seller, donor, transferor, executor or administrator to pay the tax herein imposed within sixty (60) days from the date of the execution of the deed as regards sale, barter, donation or any mode of transferring ownership or from the date of the descendant's death in the case of transfer by succession.



SEC. 16. SURCHARGE OR INTEREST FOR LATE PAYMENTS. - Except otherwise provided, payment of regional taxes, fees or charges made after the payments fixed in this code shall be subject to surcharges of twenty-five (25%) percent of one percent (1%) of the regional tax plus interest at the rate not exceeding two (2%) percent per month of the unpaid regional taxes, fees or charges including surcharges until such amount is fully paid but in no case shall the total interest on the unpaid amount or portion thereof exceed thirty-six (36) months.

#### SEC. 17. ADMINISTRATIVE PROVISIONS

a) The Register of Deeds of the Province, City, or municipality shall require the presentation of the evidence of payment of this tax before registering any document, instrument or deed transferring real property ownership. In appropriate cases, the Provincial, City or Municipal Assessor shall also make the same requirement before cancelling an old tax declaration and issuing a new one in place thereof.

b) Notaries Public shall furnish the Regional, Provincial, City and Municipal Treasurer within thirty (30) days, from the date of notarization before him or any deed transferring ownership per title to any real property with a copy of such deed.

SEC. 18. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Section 13 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.

#### ARTICLE C. TAX ON BUSINESS OF PRINTING AND PUBLICATION

SEC. 19. IMPOSITION OF TAX. - There is hereby levied a regional tax in addition to those that which is imposed by the Local Government Units at the rate of one fifth of one percent ( $1/5$  of 1%) of the gross receipts for the preceding calendar year of the business of any person engaged in the printing and/or publication of books, leaflets, cards, posters, handbills, certificates, receipts, pamphlets, newspapers, magazines, reviews or bulletins and others of similar nature appearing at regular intervals with fixed prices of subscription and sale published in the Autonomous Region.

In the case of a newly started business, the rate shall be as follows:



For a Printer - - - - -	P 16.00
For a Publisher - - - - -	10.00
For a Printer & Publisher - - -	26.00

SEC. 20. EXCLUSION. - The receipt from the printing and/or publishing of books or other reading materials prescribed by the Department of Education, Culture and Sports, as school texts or reference shall not be included in the gross receipts subject to the tax herein imposed.

SEC. 21. TIME OF PAYMENT. - The regional tax shall be paid once within the first twenty (20) days of April. In case of newly started business, the owner or operator of the same shall pay the corresponding tax prescribed in Section 19 hereof before the business starts to operate and if the business starts to operate after April 20, the tax shall be reckoned from the beginning of the calendar quarter when the business starts to operate.

When the business is abandoned, the tax shall not be exacted for the period longer than the end of the calendar year. If the tax has been paid for the period longer than the current quarter the business is abandoned, no refund of the tax corresponding to the unexpired quarter or quarters shall be made.

SEC. 22. SURCHARGE FOR LATE PAYMENT. - Failure to pay the regional tax imposed in this article shall subject the taxpayer to a surcharge of twenty five percent (25%) of the regional tax due, such surcharge to be paid at the same time and in the same manner as the tax due.

SEC. 23. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Section 19 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.

#### ARTICLE D. FRANCHISE AND CONCESSION TAX

SEC. 24. IMPOSITION OF FRANCHISE TAX. - Notwithstanding any exemption granted by any law or other special law, there is hereby levied in addition to the tax imposed by the national government and the local government units, a regional franchise tax of one fifth of one percent ( $\frac{1}{5}$  of 1%) on business holding franchise, to be based on the gross annual receipts of the preceding year, realized within the territorial jurisdiction of the Autonomous Region.



In the case of a newly started business where the franchise is granted by the autonomous regional government, the tax shall be one-twentieth (1/20th) of one percent (1%) of the capital investment. In the succeeding calendar year, regardless of when they started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereof at the rate of one-half (1/2) of one percent (1%).

SEC. 25. IMPOSITION OF CONCESSION TAX. - Notwithstanding any exemption granted by any law or other special law, there is hereby levied in addition to the tax imposed by the national government or the local government units, a regional concession tax of one-half of one percent (1/2 of 1%) of the amount imposed by the national or local government units as the case may be. In the case of a newly started business where the concession is granted by the autonomous regional government, the tax shall be one-twentieth (1/20th) of one percent (1%) of the capital investment. In the succeeding calendar year, regardless of when they started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereof at the rate of one-half of one percent (1/2 of 1%).

SEC. 26. TIME OF PAYMENT. - The tax herein provided, based on gross receipts for the preceding year, shall be due and payable to the Regional Treasurer within the first twenty (20) days of April. Provided further, that if a business subject to the Regional Franchise Tax is closed, the franchise holder shall within twenty (20) days from such cessation of business, submit a certified statement of its gross receipts realized during the undeclared portion of the year and pay the tax due thereon.

In the case of the Regional Concession Tax, the tax herein provided shall be due and payable upon the approval of the concession permit as a pre-requisite to the grant of the permit to operate.

SEC. 27. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Sections 24 and 25 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.

#### ARTICLE E. AMUSEMENT TAX ON ADMISSION

SEC. 28. DEFINITIONS. - Whenever used in this article,



Amusement - is a pleasurable diversion and entertainment. It is synonymous to recreation, relaxation, avocation, past time or fun which charges admission fee.

Amusement places - include, video machines, sing-along joints, video film showings, skating rings, golf courses, swimming pools, bowling alleys, resorts, stadium, gymnasium, coliseums, theaters, cinemas, concert halls, circuses, and other places of amusement where one seeks admission to entertain himself by seeing/viewing the show or performance. It includes those places where one seeks admission to entertain himself by direct participation.

SEC. 29. IMPOSITION OF TAX. - There is hereby levied in addition to the tax levied by the local government unit, a regional amusement tax at the rate of five percent (5%) of the admission fee be collected from the proprietors, lessees, or operators of theaters, cinema, concert hall, circuses and other places of amusement.

SEC. 30. MANNER OF COMPUTING TAX. - The amusement tax on paid admissions should be determined on the basis of the basic amount of the admission.

SEC. 31. EXEMPTION. - The tax herein imposed shall not apply where the admission fees are collected for and in behalf of the holding of operas, concerts, dramas, recitals, painting and art exhibitions, flower shows, musical programs, literary and oratorical presentations, except film exhibitions and radio or phonographic records thereof.

SEC. 32. TIME OF PAYMENT. - The tax herein imposed shall be due and payable by the proprietor, lessee, or operator concerned, within the first ten (10) days of the succeeding month for which they are due. In the case of itinerant operator concerned, within the day before they move out. In the case of theaters, or cinemas, the tax herein prescribed shall first be deducted and withheld by the proprietors, lessee, or operators of the theaters, cinemas, and remitted to the Regional Treasurer or his duly authorized deputy before the gross receipts are divided between the proprietors, leases or operators of the theaters or cinemas and the distribution of the cinematographic films.

#### SEC. 33. ADMINISTRATIVE PROVISIONS.

a) Filing of Return - Upon payment of the tax due the proprietor, lessee, or operator shall submit a return containing the abstract of the number of tickets sold and unsold or distributed or undistributed, and the kinds of tickets, their quantity and serial numbers, and their corresponding admission prices.



b) Form of Ticket; their registration - Every proprietor, lessee, or operator liable to the amusement tax shall provide tickets which shall be serially numbered, indicating therein the name of the amusement place and the charge for admission. All tickets to be used whether regular, special or complementary tickets, or employees passes shall be registered with the Bureau of Internal Revenue (BIR) pursuant to BIR Ruling No. 75-003 dated May 7, 1975 as implemented by the provisions of Section 17 of Revenue Regulations No. V-1, otherwise known as the "Bookkeeping Regulations."

The issuance of employees passes shall be limited to the employees of the amusement place who have a direct hand in the administration and operation thereof.

The use of slugs and others for admission tickets shall be authorized. Tickets presented at the gate entrance shall be cut into halves, the first half to be returned to the customer, and the second half to be retained by the management for accounting purposes.

c) Notice of Admission Price - Operator of places issuing admission tickets shall keep a notice to that effect which shall be immediately sent to the Regional Treasurer or his authorized deputy and a notice shall be continuously posted in the place of business for the information of the public.

d) Verification of Tickets - The Regional Treasurer shall, whenever he deems it necessary for the good of the service, post his duly authorized representative at the gates of amusement places for the purpose of verifying all tickets sold thereat.

SEC. 34. SURCHARGE FOR WILLFUL FAILURE TO FILE RETURN AND FILING OF FRAUDULENT RETURN. - Any person who willfully fails to file a return and remit the taxes withheld within the time as herein required, or who files a fraudulent return, or willfully makes a false return, shall be subject to a fine of fifty percent (50%) of the correct amount of the regional tax due in addition to the surcharge interest and/or penalties provided in this article.

SEC. 35. APPLICABILITY CLAUSE. - All other matters relating to the operation of amusement places or establishments shall be governed by the pertinent laws, rules and regulations as may be applicable.

SEC. 36. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Section 29 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.



## ARTICLE F. PROFESSIONAL TAX

SEC. 37. DEFINITION. - When used in this Article -

Calling - means one's regular business, trade, profession, which does not require the passing of an appropriate government board or bar examination, such as professional actors and actresses, hostesses, masseurs, commercial stewards and stewardesses and such other of the same nature or character.

Occupation - means one's regular business or employment activity which principally takes upon one's time, thought and energies. It includes any calling, business, trade, profession or occupation. Profession means a calling which required the passing of an appropriate government board or bar examination, such as the practice of law, medicine, public accountancy, engineering, etc.

Real Estate Broker - includes any person, other than a real estate salesman as hereinafter defined, who for another promise or receiving compensation; (1) sells or offers for sale, buys or offers to buy, lists, or solicits for prospective purchasers, or exchange of real estate or interest therein; (2) or negotiate loans on real estate; (3) or leases or offers to lease or negotiate the same, purchase or exchange of a lease or rents or place for rents from real estate or improvement thereon; (4) or shall be employed by or on behalf of the owners of lots or other parcel of real estate at a stated salary or commission, or otherwise, to sell such real estate or any parts thereof in lots or parcels.

Real Estate Salesman - means any natural regularly employed by a real estate broker to perform in behalf of such broker any or all of the functions of a real estate broker. One act of definitions does not include a person who shall directly perform any of the acts aforesaid with reference to his own property, where such acts are performed in the regular course of or as incident to the management of such property; nor shall they apply to persons acting pursuant to a duly executed power of attorney from the owner authorizing final consumption by performance of a contract conveying real estate by sale, mortgage or lease, nor shall they apply to any receiver, trustee or assignee in bankruptcy or insolvency, or to any person acting pursuant to the order of any court; nor to a trustee selling under deed of trust.



**Stockbroker** - includes all persons whose business it is, for themselves as such brokers, or for other brokers, to negotiate purchase or sales of stocks, bonds, exchange bullion, coined money, bank notes, promissory notes, or other securities, but does not include underwriters for one or more investment companies as defined in the Investment Company Act.

**Dealer in Securities** - includes all persons who, in their own account, are engaged in the sale of stock, bond, exchange, bullion, coined money, bank notes, promissory notes, or other securities.

**SEC. 38. IMPOSITION OF TAX.** - There is hereby levied on, in addition to the tax imposed by the local government units on all individuals engaged in the exercise or practice of their profession or calling in the area of autonomy, an annual professional tax as follows:

- a) Twenty Five (P25.00) Pesos
  - Lawyers
  - Medical Practitioners
  - Interior Decorators
  - Certified Public Accountants
  - Civil, Electrical, Chemical, Mechanical
    - Mining, Sanitary, Agriculture, Geodetic
    - Electronic and Communication, or Chief
    - Motor Engineers
  - Mechanical Plant Engineers, Junior Mechanical Engineers and Certified Plant Mechanics unless they are professional Mechanical Engineers and have paid the corresponding fixed tax for Mechanical Engineers.
  - Pharmacist
  - Medical Technologist
  - Insurance Agents and Sub-Agents
  - Customer Brokers
  - Marine Surveyors
  - Actuaries
  - Registered Master Plumber
  - Opticians
  - Commercial Aviators
  - Professional Appraisers or Connoisseurs of Tobacco and other domestic or foreign products
  - Licensed Ship Masters
  - Marine Chief Engineers
  - Master Mariners
  - Naval Architect
  - Sugar Technologist
  - Real Estate Broker
  - Stock Broker
  - Architect
  - Professors or Instructors of private universities, colleges and vocational schools



- b) Twenty (P20.00) Pesos  
Land Surveyors  
Chief Mates  
Marine Second Engineers  
Registered Nurse  
Chiropodists  
Tattooers  
Masseurs  
Pelotaria  
Jockeys  
Professional Actors and Actresses  
Stage Performers  
Hostesses  
Statisticians  
Commercial Stewards and Stewardesses  
Flight Attendants  
Insurance Adjusters  
Dietitians  
Embalmers  
Foresters  
Geologists  
Tourist Guides  
Bet Takers  
Gaffers  
Cockfight "Sentenciador"  
Players of Professional Games  
Professional Boxers

Midwives, unless he or she is a registered nurse and has paid the corresponding tax for nurses.

Chemists, unless he or she is a registered chemical engineer and has paid the corresponding occupation tax for chemical engineers.

Associate and Assistant Electrical Engineers, unless he or she is a professional Electrical Engineer and has paid the corresponding occupation tax for Electrical Engineers.

Therapist, unless he or she is a registered nurse and has paid the corresponding tax for nurses.

- c) Ten Pesos (P10.00)  
Hilot (para-medic)  
Quack Doctors/Faith Healers

SEC. 39. DUTIES OF PROFESSIONALS. - Every person subject to the professional tax shall write in the deeds, receipts, prescriptions, reports, books of account, plans and designs, surveys and maps, as the case may be, the number and date of the official receipt issued to him.



SEC. 40. PAYMENT OF THE TAX. - The professional tax shall be paid before any profession herein specified can be lawfully pursued and one line of profession or calling does not become exempt by being conducted with some other profession or calling for which the tax has been paid.

SEC. 41. TIME OF PAYMENT. - The professional tax imposed in this Article shall be payable annually on or before the 31st day of April. Any person beginning a profession or calling after the month of April must pay the full tax before engaging therein.

SEC. 42. PLACE OF PAYMENT. - Every individual legally authorized to practice his profession or pursues his calling in the Autonomous Region in Muslim Mindanao, shall pay the tax that accrue to the Autonomous Region herein imposed in the province, city or municipality as the case may be, where one practices his profession.

Where an individual practices his profession or pursues his calling in several places but maintain his principal office in the area of autonomy, he shall pay the tax in the province, city or municipality as the case may be where his principal office is maintained.

SEC. 43. COLLECTION AND REMITTANCE OF TAX PROCEEDS. - The Provincial, City, or Municipal Treasurer, as deputy of the Regional Treasurer who within ten (10) days following the end of the month, shall remit the collected tax to the Regional Treasurer.

#### SEC. 44. ADMINISTRATIVE PROVISIONS.

a) The Provincial, City or the Municipal Treasurer, as deputy of the Regional Treasurer shall accept payment of the regional taxes in addition to what the province regularly imposed.

b) Any individual or corporation employing a person required under the article to pay a privilege tax on profession shall require payment by that person of the tax before employment and annually thereafter.

c) Any person subject to the professional tax shall write or print in deeds, receipts, prescriptions, reports, book of accounts, plans and designs, surveys and maps, as the case may be, the number and date of the official receipt issued to him.

SEC. 45. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Section 38 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.



## ARTICLE G. TAX ON PEDDLERS

SEC. 46. DEFINITION. - A peddler is a person who, either for himself or for commission, travels from place to place within the autonomous region, and sells his goods or offers to sell and deliver the same.

SEC. 47. IMPOSITION OF TAX. - There is hereby levied a regional tax on peddlers engaged in the sale of any merchandise or article of commerce within the Autonomous Region, except those subject to the tax imposed in Article H, Chapter II of this Code, at the rates fixed as follows:

a) Peddlers of any articles or merchandise carried in trucks or any other motor vehicle displayed in a market place ----- ₱15.00.

b) Peddlers of any articles or merchandise carried in a motorized bicycle, tricycle or other than those specified in letter (a) above -- ₱5.00.

c) Peddlers of any articles or merchandise carried by cart, caretela or other vehicle drawn by animals - - - - - ₱3.00.

d) Peddlers of any article or merchandise carried by bicycle, pedicab or other similar vehicle - - - - - ₱2.00.

e) Peddlers of any other articles or merchandise carried by person - - - - - ₱1.00.

f) A peddler of textile, jewelry, perfume and other luxury articles shall pay an additional tax of Twenty Pesos (₱20.00).

SEC. 48. TIME OF PAYMENT. - The tax herein imposed shall be payable every time the merchandise are displayed in the market.

## ARTICLE H. TAX ON DELIVERY VANS AND TRUCKS

SEC. 49. IMPOSITION OF TAX. - There is hereby levied an annual regional tax of ten percent (10%) of the amount imposed by the local government units on each delivery truck or van of manufacturers or producers of, or dealer in products, delivering or distributing directly, within the area of autonomy the following:



Distilled spirits, fermented liquor, soft drinks, cigars and cigarettes and other products carried by the delivery truck or van.

SEC. 50. TIME OF REMITTANCE. - The regional tax shall be remitted by the duly authorized deputy within fifteen (15) days after collection to the Regional Treasury.

SEC. 51. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Section 49 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.

#### ARTICLE I . SAND AND GRAVEL TAX

SEC. 52. IMPOSITION OF TAX. - There is hereby levied a regional tax of ten (10%) percent in addition to the amount imposed by the local government units per cubic meter of ordinary stones, sand, gravel, earth, pebbles, boulders, and other materials extracted from public and private lands or from beds of seas, lakes, rivers, streams, creeks, and other public waters, within the jurisdiction of the Autonomous Region.

SEC. 53. EXEMPTION. - Government agency and its instrumentalities undertaking construction of government infrastructure shall be exempt from the payment of the regional tax herein prescribed.

SEC. 54. TIME OF REMITTANCE. - The regional tax shall be remitted by the Local Government Treasurer to the Regional Treasury within fifteen (15) days after collection.

#### SEC. 55. ADMINISTRATIVE PROVISIONS

a) Filing of permits - A copy of the permit issued by the Chief Executive of the local government units to extract the materials within their territorial jurisdiction shall be furnished the Regional Treasurer.

b) Quarterly Reports - All permits shall be submitted within ten (10) days after the end of each calendar months to the treasurer concerned, a sworn report in which shall include information on the quantity of materials removed or taken by the permittee or his agent, the amount of fees paid, the selling price and the names and addresses of persons to whom the same were sold.

The Local Government Treasurer shall in turn furnish the Regional Treasury a copy of said report.



c) The permittee shall provide himself with book of accounts, cash invoices, delivery receipts and other papers pertaining to his business which shall be open for examination and verification upon demand by the Regional Treasurer or his duly authorized representative, during office hours, not often than once a year.

SEC. 56. PENALTY CLAUSE. - Failure to pay the regional tax as provided for in Section 52 hereof within the time fixed herein, shall subject the taxpayer to a surcharge and interest provided under Section 16, Article B, Chapter II of this Code.

### CHAPTER III - REGIONAL PERMIT AND SERVICE FEES

#### ARTICLE A. PERMIT AND SERVICE FEES

SEC. 57. IMPOSITION OF FEE. - There shall be levied an annual regional permit and service fee in addition to that imposed by the local government units at the rate of ten percent (10%).

SEC. 58. TIME OF REMITTANCE. - The regional tax shall be remitted to the Regional Treasury within fifteen (15) days after collection.

When the regional permit fee and service fee has been paid for a period longer than the current quarter and the business or activity is abandoned within the year for which the regional permit fee or service fee has been paid for, no refund shall be made of the regional fee or service fee corresponding to the unexpired quarter.

SEC. 59. ADMINISTRATIVE PROVISION: The Local Government Unit Treasurer concerned of shall submit a quarterly report to the Regional Treasurer indicating therein the name of business, type/kind and amount of permit/fee paid.

#### ARTICLE B. FEES FOR SEALING AND LICENSING OF WEIGHT AND MEASURES.

SEC. 60. IMPOSITION OF TAX. - There shall be levied a regional fee in addition to that imposed by the local government units at the rate of ten (10%) percent.



SEC. 61. TIME OF REMITTANCE. - The regional tax shall be remitted to the Regional Treasury within fifteen (15) days after collection.

#### ARTICLE C. REGIONAL SECRETARY'S FEES

SEC. 62. IMPOSITION FEE. - There shall be collected by the following Regional Secretary's fees from every person requesting for copies of official records and documents from the regional government.

a) For every one hundred (100) words or fractions thereof, typewritten/computerized (not including the certificate and any notations) - - - - - ₱1.00

b) Where the copy to be furnished is in a printed form, in whole or in part, for each page (double this fee if there are two pages in a sheet) - - - - ₱2.00

c) For each certificate of correctness (with seal of office written on the copy or attached in a sheet) - - ₱2.00

d) For certifying judicial certificates with seal - - ₱10.00

e) For certified copies of any paper, record, decree, judgment or entry for which any person is entitled to demand and received a copy (in connection with judicial proceedings). For each 100 words - - - - ₱10.00

f) Photocopy or any other copy produced by copying machine per page - - - - - ₱2.00

SEC. 63. EXEMPTION. - The fee imposed in this article shall not be collected for copies furnished other offices and branches of the government for official business except for those copies required by the court at the request of the litigants, in which cases, the charge shall be in accordance with the above schedule.

SEC. 64. TIME OF PAYMENT AND REMITTANCE. - The fees shall be paid to the agency concerned at the time of the request, written or otherwise, for the issuance of a copy of any record or document is made. The fees collected by the agency concerned shall be remitted to the Office of the Regional Treasury within thirty (30) days after collection.

SEC. 65. PENALTY. - Any violation of this article shall be liable to a fine of not less than five hundred (₱500) pesos nor more than five thousand (₱5,000) pesos without



prejudice to the filing of an administrative charge and/or criminal case.

#### ARTICLE D. REGIONAL SERVICE FEE FOR HEALTH EXAMINATION.

SEC. 66. IMPOSITION OF REGIONAL FEES. - Any person required under existing laws or ordinances to undergo medical examination in the Regional Health Office, Autonomous Region in Muslim Mindanao, or his duly authorized representative shall pay a regional service fee of five (P5.00) pesos. In addition to those imposed by the local government units, a fee of two (P2.00) pesos shall be paid by an individual who undergoes stool or urine examination. The result of the medical/physical or stool/urine examination shall be contained in a medical certificate to be issued by the Regional Health Office, Autonomous Region in Muslim Mindanao or his duly authorized representative.

The fee shall be paid to the agency concerned and remitted to the Regional Treasurer within thirty (30) days from date of collection.

SEC. 67. ADMINISTRATIVE PROVISIONS. - The Regional Health Office, Autonomous Region in Muslim Mindanao shall keep a record of medical and other health examinations conducted, and copies of medical certificate issued, including the names of the individual, the dates and the purposes for which such examination were made.

SEC. 68. PENALTY. - Any violation of this article shall be liable to a fine of not less than five hundred (P500) pesos nor more than five thousand (P5,000) pesos without prejudice to the filing of administrative charge and/or criminal case.

#### CHAPTER IV - REGIONAL CHARGES

##### ARTICLE A. RENTAL FEE

##### A.1 -USE OF MUNICIPAL WATERS AS LOG POND AND OTHER COMMERCIAL PURPOSES.

SEC. 69. IMPOSITION OF FEE. - There is hereby imposed in addition to the tax imposed by the local government units an annual regional rental fee for the use of city or municipal waters as log pond and for other commercial purposes in the area of autonomy at the rate of twenty (P0.20) centavos per square meter of water space occupied.



SEC. 70. TIME OF PAYMENT. - The rental fee shall be paid by the lessee in full within the first twenty (20) days of April.

In case of new businesses, the rental fee shall be due immediately upon the approval of the lease contract.

For a lease acquired after April 20, the rental fee shall be due immediately upon approval of the lease contract. Where business covered by the rental is abandoned or ceased to operate, the unexpired portion of the rental shall not be refundable.

A.2 - USE OF SHARIFF KABUNSUAN CULTURAL COMPLEX  
AND OTHER AUTONOMOUS GOVERNMENT FACILITIES.

SEC. 71. DEFINITION:

Shariff Kabunsuan Cultural Complex - shall mean the Shariff Kabunsuan Complex located at the regional government center comprising of the museum, mini theaters, auditorium, mini library, and archive.

A.3 - RENTAL OF OTHER AUTONOMOUS GOVERNMENT  
FACILITIES

SEC. 72. DEFINITION:

Other Autonomous Government Facilities - shall mean all fixed structures owned by the autonomous government which can be leased for the conduct of trainings, seminars, meetings and the like and other income generating purposes.

SEC. 73. IMPOSITION. - There is hereby levied a rental fee in the amount of two thousand (P2,000.00) pesos for the use of Shariff Kabunsuan Cultural Complex and other autonomous government facilities.

SEC. 74. REMITTANCE. - The collection of the rental of Shariff Kabunsuan Complex and other Autonomous Region in Muslim Mindanao (ARMM) facilities shall be remitted to the Regional Treasurer within ten (10) days after collection.

SEC. 75. PENALTY. - Any violation of this article shall be liable to a fine of not less than two thousand (P2,000.00) pesos nor more than ten thousand (P10,000.00) pesos without prejudice to the filing of administrative charge.



#### A.4 - RENTAL ON LEASE OF EQUIPMENT

##### SEC. 76. DEFINITION:

Equipment - shall mean heavy or light equipment owned by the autonomous government leased for construction, demolition, excavation and others.

SEC. 77. IMPOSITION. - There is hereby levied a rental fee for the lease of equipments at the rate prescribed by the Bureau of Equipments of the Department of Public Works and Highways or other concerned agencies.

SEC. 78. TIME OF REMITTANCE. - Rental fees herein collected shall be remitted by the concerned collecting agencies to the Regional Treasury ten (10) days after collection.

SEC. 79. PENALTY. - Any violation of this article shall be liable to a fine of not less than two thousand (P2,000.00) pesos nor more than five thousand (P5,000.00) pesos without prejudice to the filing of administrative charge.

#### CHAPTER V. MISCELLANEOUS REGIONAL TAXES, FEES AND CHARGES.

##### ARTICLE A. TAX ON FISHERY AND AQUATIC RESOURCES AND LEASE OF FISHPONDS.

SEC. 80. DEFINITION. - "Fishery and Aquatic Resources" include bangus fry, lapu-lapu fry, fish, seaweeds, prawns, shrimps, oysters, crabs, corals, pearls, and other aquatic resources caught/cultivated/cultured within the region.

SEC. 81. IMPOSITION OF TAX. - In addition to the tax imposed by the local government units, there is hereby levied one-fourth of one percent ( $1/4$  of 1%) of the declared value of bangus fry, lapu-lapu fry, fish, seaweeds, crabs, prawns, shrimps, oysters, corals, pearls in any form and other aquatic resources caught/cultivated/cultured within the region and shipped or sold.

SEC. 82. PROCEDURE. - The collection of the tax herein imposed shall be remitted by the local government collecting officer concerned within thirty (30) days from collection thereof to the Regional Treasurer. Provided however, in the case of the collection of the Department of Agriculture and Fisheries, Autonomous Region in Muslim Mindanao, (DAF-ARMM) it should be remitted in accordance with the Department of Finance Order No. 57-94. The Department of Fisheries,



Autonomous Region in Muslim Mindanao (DAF-ARMM) may call on any law enforcement agencies to assist them in the effective enforcement of this provision.

SEC. 83. PROHIBITION. - It shall be unlawful for any person, cooperative, partnership, association or corporation to take or catch fish or other aquatic products for commercial purposes in the regional waters of Autonomous Region in Muslim Mindanao without the necessary permit or license issued by the Department of Agriculture and Fisheries, Autonomous Region in Muslim Mindanao (DAF-ARMM).

SEC. 84. LEASE OF FISHPOND AREAS. - A levy of two percent (2%) in addition to that which is imposed by the local government units shall be imposed on the amount of lease entered into by government entities for the lease of fishponds within the area of autonomy not otherwise covered under Section 24, Article D, Chapter II of this code.

The amount of this tax shall be collected by the government entity concerned upon approval of the lease agreement and shall be remitted to the Regional Treasury, Autonomous Region in Muslim Mindanao not later than the 10th day of the succeeding month.

#### ARTICLE B. TAX ON AGRICULTURAL PRODUCTS

##### SEC. 85. DEFINITION:

A) Agricultural Product - includes the yield of the soil such as corn, rice cassava wheat, rye, hay, coconut, rubber, palm oil sugarcane, tobacco, root crops, vegetables, fruits like coffee, marang, banana, mango, lansones and other fruits, flowers and their by-products, ordinary salt, all kinds of fishes, poultry, livestock and animal products, whether in their original form or not.

The phrase "whether in their original form or not" refers to the transformation of said products by the farmer, fisherman, producer or owner through the application of processes to preserve or otherwise to prepare said products for the market such as freezing, drying, salting, smoking or stripping for purposes of preserving or otherwise preparing said products for the market.

B) "Buyer or Purchaser" is any person, natural or juridical, who buys or purchases fishing or agricultural products in the area of autonomy.

SEC. 86. IMPOSITION OF TAX. - A regional tax of one-fourth of one percent ( $1/4$  of 1%) is hereby levied in



addition to the tax imposed by the local government units on sale of agricultural products.

SEC. 87. REMITTANCE. - The tax herein collected shall be remitted to the Regional Treasury within ten (10) days after collection by concerned collecting officials or agents.

#### ARTICLE C. REGIONAL NATURAL WEALTH UTILIZATION AND DEVELOPMENT TAX

##### SEC. 88. DEFINITION OF TERMS:

a) "Regional Wealth" means all natural resources situated within the Autonomous Region in Muslim Mindanao territorial jurisdiction including but not limited to lands of public domain, waters, minerals, coal, petroleum, mineral oils, potential energy forces, gas and oil deposits, forest, forest products, wildlife, flora and fauna, fishery and aquatic resources and all quarry products.

b) Utilization - means the use of the regional wealth of the Autonomous Region for productive purposes for industries, trade and commerce. It shall also apply to exploration, exploitation, excavation, extraction and development.

c) Operator - includes the owner, manager, administrator or any other person who operates or is responsible for the operation of a business establishment or undertaking.

SEC. 89. IMPOSITION OF TAX. - A levy of one-half of one percent ( $1/2$  of 1%) of the gross sales or receipts derived from the utilization, development and exploitation of the regional wealth from the operator shall be imposed.

SEC. 90. PROCEDURE OF COLLECTION. - It shall be the responsibility of the Office of the Regional Treasury in coordination with the concerned collecting agency in effecting this collection. The amount collected shall be remitted by the concerned collecting agencies to the Regional Treasury within ten (10) days after collection.

SEC. 91. PENALTY. - Any violation of this article shall be liable to a fine of not less than five thousand (P5,000.00) pesos nor more than twenty thousand (P20,000.00) pesos without prejudice to the filing of administrative charge.



## ARTICLE D. TRAVEL (PASSENGER) TAX

### SEC. 92. DEFINITION OF TERMS:

a) Travel - means any trip going out of the region from an airport, seaport or land terminal in the region.

b) Passenger - any person who travels on an airplane a sea vessel or land terminal embarking on any airport/seaport/land terminal going outside the area of autonomy.

### SEC. 93. IMPOSITION OF TAX:

a) A travel tax of five (P5.00) pesos should be imposed on a ship passenger embarking from the seaports within the area of autonomy going outside of the region.

b) A travel tax of ten (P10.00) pesos should be imposed for every airline passenger embarking from the airport within the area of autonomy going outside of the region.

c) In the case of ship passenger, the imposition should be collected by the shipping company or operator as an add-on charge on every passenger ticket issued to the concerned passenger.

d) The tax on the concerned airline passenger should be collected by the airline company as add-on charge upon the issuance of the airline ticket.

e) The collection of the shipping company and the airline company should be remitted to the Regional Treasury in such manner as may be agreed upon by the Autonomous Government and the shipping or airline company, for the effective implementation of this tax.

## ARTICLE E. AFFLUENT CONSUMPTION TAX

### SEC. 94. DEFINITION OF TERMS:

a) AFFLUENT CONSUMPTION - means expenses for construction of luxurious houses and facilities for private use.

b) LUXURIOUS CONSTRUCTION - includes houses costing over Five Million (P5,000,000.00) pesos and



above with facilities such as but not limited to swimming pools, pelota courts, tennis courts, and basketball courts for private use.

#### SEC. 95. IMPOSITION OF TAX:

a) One-fifth percent (1/5%) is hereby levied to the cost of the construction in addition to the tax imposed by the local government units on houses with facilities costing Five Million (P5,000,000.00) Pesos and above.

b) The regional tax should be collected upon issuance of the building or construction permit as additional charges by the issuing agency.

c) The collection should be remitted to the Regional Treasury, Autonomous Region in Muslim Mindanao (ARMM) on or before the 10th day of the succeeding month.

#### ARTICLE F. BARTER TRADE TAX

#### SEC. 96. DEFINITION OF TERMS:

a) BARTER TRADE - means the exchange of goods between residents of the autonomous region and other countries; and

b) BARTER TRADER - means an individual or entity qualified to engage in barter trade.

SEC. 97. IMPOSITION OF TAX. - A levy of one-half of one percent (1/2 of 1%) is hereby imposed on the purchase cost of all barter goods brought into the area of autonomy.

In order to strictly enforce this imposition, the Office of the Regional Treasurer, Autonomous Region in Muslim Mindanao is hereby authorized to inspect books and other related documents necessary to determine the true value of the goods purchased. It may call on any law enforcement agencies to assist it in the effective enforcement of this provision.

The Office of the Barter Trade should remit their collections to the account of the Regional Treasury, Autonomous Region in Muslim Mindanao (ARMM) not later than the 10th day of the succeeding month.



## ARTICLE G. CONTRACTORS TAX

SEC. 98. DEFINITION OF TERMS: CONTRACTOR - includes persons, natural or juridical, not subject to a professional tax under Section 145 of the Autonomous Region in Muslim Mindanao Local Government Code of 1994, (MMA Act No. 25) whose activity consists essentially of the sale of all kinds of services for a fee, regardless or whether or not the performance of the service calls for the exercise or use of the physical or mental faculties of such contractor or his employees.

It is deemed synonymous with the term "Builder" and hence, any person who undertakes or offers to undertake or submits a bid to, or does himself or through others, constructs, alters, repairs, adds to, subtracts from, improves, moves, wrecks or demolishes any building, highway, road, railroad excavation or other structure, or work in connection therewith. The term "contractor" includes sub-contractor, general engineering, general building, specialty and service contractors, as defined under applicable laws;

1.) A "General Engineering Contractor" is a person whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill, including the following divisions or subjects; irrigation, drainage, water power, water supply, flood control, in-land waterways, harbors, docks and wharves, shipyards, and ports, dams, hydro-electric projects, levees, river control and reclamation works, railroad, highways, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines, and other system for the transmission of petroleum and other liquid or gaseous substances, land leveling and earth moving projects, excavation, grading, trenching, paving and surfacing works, filling demolition, and salvage work contractors, persons engaged in the installation of gas or electric light, heat energy or power, and all of similar works not specifically provided herein.

2.) A "General Building Contractor" is a person whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind requiring in its construction the use of more than two unrelated building trades or crafts, or to do or superintend the whole or any part thereof. Such structure includes sewers and sewerage, disposal plants and systems, parks, playground and other recreational works, refineries, chemical plants and similar



industrial plants, requiring specialized engineering knowledge and skill, powerhouses, and other utility plants and installations, mines and metallurgical plants, cement and concrete works in connection with the above-mentioned fixed works. All other similar works not specifically provided herein.

A person who merely furnished materials or supplies without fabricating them into, or consuming them in the performance of the work of the general building contractor does not fall within this definition.

3.) "Specialty Contractor" is a person whose operations pertain to the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.

4.) A "Service contractor" - is any person principally rendering or offering services whether by manual labor, the use of expertise or with the use of facilities or machine for a fee, and shall include engraving, plating, and plastic lamination establishments; photo-stats, white/blue printing, reproduction or duplicating establishment, photograph studios; motor repair, and welding shops; proprietors or operators of establishments for construction or repairing, repainting, upholstering, washing or greasing of motor vehicles, animal-drawn vehicles, tricycles, heavy equipment; vulcanizing, recapping and auto electrical services; battery charging; proprietors or operators of furniture shops; establishments for planning or surfacing and recutting of lumber, and sawmills under contract to saw or cut logs belonging to others; proprietors or operators of dry cleaning or dyeing establishments, steam laundries using washing machines; proprietors or owners of shops for the repair of tools, instruments, apparatus and appliances; furniture and shop repairing by machine or by any mechanical contrivance; proprietors or operators or establishments of stables, garages or lots for parking purposes, public warehouses and bodegas; berthing and wharfage, drafting or towing services; proprietors or operators tailor and dress shops milliners and hatters; beauty parlors, barbershops, massage and therapeutic clinics, sauna Turkish and Swedish baths; slenderizing and body building saloons and similar establishments; funeral parlors, proprietors or operators of hotels, motels and lodging houses; boarding houses, lessors of real estate.

SEC. 99. IMPOSITION OF TAX. - A levy of one percent (1%) tax of the contract price in addition to the contractor's tax imposed by the Bureau of Internal Revenue



(BIR) and other agencies, for contracts such as, but not limited to, construction of roads, bridges, buildings, contracts for services of any kind, land surveys and reforestation entered into or undertaken by the Autonomous Region in Muslim Mindanao (ARMM) or its agencies, provinces, cities, municipalities and barangays within the area of autonomy.

SEC. 100. PROCEDURE. - The regional tax should be retained by the contracting agencies or local government units and shall be remitted to the Office of the Regional Treasurer, Autonomous Region in Muslim Mindanao not later than the 10th day of the succeeding month.

A copy of the contract entered into by the Autonomous Region in Muslim Mindanao, its agencies or its local government units shall be furnished to the Office of the Regional Treasurer.

SEC. 101 PENALTY CLAUSE. - For failure to remit the regional tax herein provided within the time specified shall subject the withholding agency to a twenty (25%) percent surcharge based on tax due, without prejudice for the filing of appropriate administrative charges.

#### ARTICLE H. TAX ON BANKS AND OTHER FINANCIAL INSTITUTIONS

SEC. 102. DEFINITION OF TERM. - Banks and other financial institutions include bank financial intermediaries, lending investors, finance and investment companies, pawnshops, money shops, insurance companies, stock markets, stock brokers and dealers of securities and foreign exchange as defined under applicable laws or rules and regulations thereunder.

SEC. 103. RATE OF BUSINESS TAX ON BANKS AND OTHER FINANCIAL INSTITUTIONS. - There shall be imposed, levied and collected by the regional government a business tax on banks and other financial institutions doing business within its territorial jurisdiction at the rate of one-fifth (1/5) of one percent (1%) of the gross annual receipts for the preceding calendar year derived from interest, commissions and discounts from lending and selling activities, income from financial leasing, dividends rentals on property, profit from exchange or sale of property and insurance premium, in addition to business tax on banks and other financial institutions imposed by the Local Government Units.

In the case of newly started banks and other financial institutions, the tax shall not exceed one twentieth (1/20th) of one percent (1%) of the capital investment within the area of autonomy. In the succeeding calendar



year, regardless of when the business started to operate, the tax shall be based on the gross receipts of the preceding calendar or any fraction thereof as provided in this Section.

SEC. 104. COLLECTION AND TIME OF PAYMENT. - Collection of the tax herein imposed shall be the responsibility of the Regional Treasury.

Business taxes shall be paid within the first twenty (20) days of January or of each subsequent quarter as the case may be.

SEC. 105. PENALTY CLAUSE. - Except as otherwise provided, payment of regional taxes, fees or charges made after the payments fixed in this code shall be subject to surcharges of twenty-five (25%) percent of the regional tax plus interest at the rate not exceeding two (2%) percent per month of the unpaid regional taxes, fees or charges including surcharges until such amount is fully paid but in no case shall the total interest on the unpaid amount or portion thereof exceed thirty-six (36) months.

ARTICLE I. TAX ON ALL CORPORATIONS, PARTNERSHIPS, AND OTHER BUSINESS ENTITIES DIRECTLY ENGAGED IN BUSINESS IN THE AUTONOMOUS REGION IN MUSLIM MINDANAO.

SEC. 106. PERSONS REQUIRED TO PAY THE TAX. - Who are required to pay the tax as provided for under Section 3, Article 10 of R.A. 6734, is likewise required under Department of Finance (DOF) Order No. 19-92, dated March 5, 1991. All corporations, partnerships, and other business entities directly engaged in business or actually operating its business within the Autonomous Region must pay through the regional government that portion of their annual income tax corresponding to the net income generated from business done in the area of autonomy.

Officials and employees employed by the ARMM including its LGU's is hereby mandated to file their Income Tax Return and pay the corresponding tax due thereon in the area of autonomy.

All individuals engaged in the exercise or practice of their profession or calling in the area of autonomy, are likewise mandated to file and pay their income tax in the area of autonomy.

SEC. 107. AUTHORITY OF THE BUREAU OF INTERNAL REVENUE TO COLLECT. - For the purpose of this tax, the Revenue Collecting Officers are required to collect a portion of income tax from the corporations, partnerships and other business entities directly engaged in business or actually



operating its business in the city or municipality of the Bureau of Internal Revenue (BIR) Collection Agent where the firms are located.

SEC. 108. TIME AND PLACE OF PAYMENT. - The Revenue Collection Officers shall remit the collections to the Regional Treasury, Autonomous Region in Muslim Mindanao (ARMM) in accordance with the guidelines under Department of Finance (DOF) Order No. 57-92 dated July 20, 1992 as amended.

SEC. 109. PENALTY CLAUSE. - Notwithstanding the penalty imposed by the Bureau of Internal Revenue and the Department of Finance Order No. 57-92 dated July 20, 1992 as amended, the Autonomous Government shall impose the penalty of Five Thousand (P5,000.00) Pesos but not more than twenty thousand (P20,000.00) pesos without prejudice to the filing of appropriate administrative and criminal case or closure of its business operations for failure of the corporation, partnership and other business entities to pay that portion of tax due to the Revenue Collection Agent of the Autonomous Region.

#### ARTICLE J. SOCIAL AMELIORATION TAX

##### SEC. 110. DEFINITION OF TERMS:

1. Bar - a place of entertainment dispensing liquor and other alcoholic beverages, with or without music and dancing space, which does not employ and provide hostesses or social entertainers to the public.

2. Boarding House - includes any house where boarders are accepted for compensation by the week or by the month, and where meals are served to boarders only.

3. Cabaret/Dance Hall - includes any place or establishment where dancing is permitted to the public in consideration of any admission, entrance or any other fee paid on before or after the dancing, and where professional hostesses or dancers employed.

4. Dancing School - includes any establishment where ballroom dancing is taught and permitted to the public in consideration of an enrollment, admission, membership, or any other fees.

5. Hotel - includes any house or building or portion thereof in which any person or persons may be regularly harbored or received as transients or guest. A hotel shall be considered as living quarters and shall have the privilege to accept any number of guests



and to serve food to the guests therein.

6. Nightclub - a place of entertainment dispensing liquor and other alcoholic beverages, with or without music and dancing space, which employ and provide hostesses or social entertainers to the customers.

SEC. 111. IMPOSITION OF TAX. - In addition to the tax imposed by the Local Government Units, there is hereby levied a regional tax of ten (P10.00) pesos for every admission fee or charge on customer or patron of establishments enumerated below:

- a) All gambling establishments be they casinos, jai-alai, cockpits or called by any other names;
- b) Night clubs or day clubs;
- c) Motels or any hotels classified as drive-in hotels;
- d) Massage clinics, steam baths and sauna baths;
- e) Beerhouses, cocktail lounges and bars;
- f) Disco clubs and sing-along joints;
- g) Cabarets and dance hall.

SEC. 112. TIME AND MANNER OF PAYMENT. - The owners and/or operators of the above-mentioned establishments are required to collect the admission fee or charge and the same to be remitted/delivered to the Regional Treasury within ten (10) days after the end of every month.

## CHAPTER VI. GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

### ARTICLE A. IMPLEMENTATION OF THIS CODE

SEC. 113. DEPUTIZATION AND ADMINISTRATIVE SUPERVISION OVER PROVINCIAL, CITY, MUNICIPAL, BARANGAY TREASURERS. - The Provincial, City, Municipal, Barangay Treasurers are hereby deputized as collecting agents and are under administrative supervision of the Regional Treasurer, for the effective and efficient collection of taxes, charges and fees. Provided, the Regional Treasurer may deputize other persons or entities.



**SEC. 114. EXAMINATION OF BOOK OF ACCOUNTS AND PERTINENT RECORDS OF BUSINESS BY THE REGIONAL TREASURER.**

For effective enforcement and collection of the taxes, fees and charges provided in this code, the Regional Treasurer may, by himself or through any of his deputies duly authorized in writing, examine the book of accounts within the jurisdictional limits of the autonomous region, to verify, assess and collect the true and correct amount due from the taxpayer concerned. Such examination shall be made during regular business hours, not often than once every year for each business establishment. Any examination conducted pursuant to the provisions of this section shall be certified to by the examining official and such certificate shall be made of records in the book of accounts of the taxpayer concerned.

In case where the examination herein authorized is made by a duly authorized deputy of the Regional Treasurer, the written authority of the former shall specifically state the name, address and business of the taxpayer whose book of accounts and pertinent records are to be examined, the examination date(s) and place of such examination and the manner or procedure to be followed in conducting the same.

**SEC. 115. TAX HOLIDAYS/EXEMPTION, INCENTIVES OR RELIEF.** - The Regional Assembly, may upon recommendation of the Regional Governor, grant tax holidays/exemption, incentives or relief to new foreign or local investors and taxpayers, under such term and condition as they may deem necessary.

**SEC. 116. PROMULGATION OF RULES AND REGULATIONS.** - Unless otherwise specifically provided in this code, or under existing laws, rules and regulations, the Regional Treasurer is hereby authorized to promulgate rules and regulations for the remittance procedure not herein provided so as to have proper and efficient administration and collection of taxes, fees and charges herein imposed.

**SEC. 117. AUTHORITY OF THE REGIONAL TREASURER TO COMPROMISE.** - The Regional Treasurer may enter into a compromise settlement with the delinquent taxpayer provided it is not lower than the basic tax due. Provided further, that the Regional Treasurer may only compromise the surcharge and/or interest of the delinquent taxpayer.

**SEC. 118. SHARES OF LOCAL GOVERNMENT UNITS IN THE PROCEEDS OF REGIONAL TAXES.** - The total collections of a Barangay, Municipality, Province or City from regional taxes, fees and charges shall be distributed in accordance with the rules and regulations promulgated by the Regional Treasury.



SEC. 119. GRANT OF INCENTIVES. - The Regional Treasurer may grant incentives to Deputized Collection Officers, on a case to case basis, subject to the rules and regulations which shall be promulgated by the Regional Treasury.

ARTICLE B. - COLLECTION AND ACCOUNTING OF REGIONAL REVENUES

SEC. 120. COLLECTION. - The collection of regional taxes, fees, charges, surcharges and penalties accruing to the Autonomous Region in Muslim Mindanao, shall be the responsibility of the Regional Treasurer or his duly authorized deputies.

SEC. 121. ISSUANCE OF RECEIPTS. - It shall be the duty of the Regional Treasurer or his deputies to issue the necessary receipt to person paying the tax, fee or charge, indicating therein the date, amount, name of the person paying and the account for which it is paid.

In acknowledging payment of regional taxes, fees and charges, it shall be the duty of the Regional Treasurer or his duly authorized deputies to indicate on the official receipt issued for the purpose, the number of the corresponding regional tax law.

SEC. 122. ACCOUNTING OF COLLECTION. - Unless otherwise provided in this code and other existing laws rules and regulations, all moneys collected by virtue of this code shall be accounted for in accordance with the provisions of existing laws, rules and regulations and credited to the general fund of the Autonomous Region in Muslim Mindanao.

SEC. 123. RECORDS OF TAXPAYERS. - It shall be the duty of the Regional Treasurer to keep records, alphabetically arranged, the names of all persons paying regional taxes, fees, charges, as far as practicable and shall be made open to public inspection during office hours upon request. He shall establish and update the appropriate tax roll for each kind of tax, fee or charge provided in this code.

SEC. 124. ACCRUAL TO THE GENERAL FUND OF FINES, COSTS, AND FORFEITURES. - Unless otherwise provided by laws, rules and regulations, fine costs, forfeitures and other pecuniary liabilities imposed by the court for the violation of any provision of this code, shall accrue to the general fund of the Autonomous Region.

SEC. 125. APPLICATION OF CIVIL REMEDIES. - Unless otherwise specifically provided in the applicable laws, rules and regulations and in so far as their nature permits



the remedies provided herein shall be for the collection of delinquent taxes and other impositions provided in this code. The civil remedies available shall be by distraint or levy upon personal property and by legal action. Either of the remedies or both maybe simultaneously pursued at the discretion of the Regional Treasurer and other proper authority.

**SEC. 126. REGIONAL GOVERNMENT'S LIEN.** - Regional taxes, fees, charges and other revenues not paid constitute a lien, superior to all liens, charges or encumbrances in favor of any person, enforceable by appropriate administrative or judicial action, not only upon any property or rights therein which may be subject to the lien but also upon property used in business, occupation, practice of profession or calling, or exercise of privilege with respect to which the lien is imposed. The lien may only be extinguished upon full payment of the delinquent local taxes, fees and charges including related surcharges and interest.

**SEC. 127. DISTRAINT OF PERSONAL PROPERTY.**

a) **Seizure.** - Upon failure of the person owing any regional tax or other impositions to pay the same at the time required, the Regional Treasurer or his duly authorized deputy may upon written notice, seize or confiscate any personal property belonging to that person any personal property subject to tax lien, except those properties/effects exempted from distraint or levy under Section 190 of the Autonomous Region in Muslim Mindanao Local Government Code (MMA Act No. 25), in sufficient quantity to satisfy the tax in question, together with any increment thereto incidental to delinquency and the expenses of seizures. In this case, the Regional Treasurer or his duly authorized deputy shall issue a duly authenticated certificate based upon the record of his office showing the fact of delinquency and the amount of the tax penalty due.

b) **Accounting of Distraigned Goods.** - The officer executing the distraint shall make or cause to be made an account of the goods/effects distraigned, a copy of which signed by himself shall be left with the person from whom the possession of goods or effects were taken, or at the dwelling place of business of that person and with someone of suitable age, and discretion to which it shall be added a statement of the sum demanded and notice of the time and place of sale.

c) **Notification/Publication.** - The officer executing the distraint shall within three (3) days cause a notification to be exhibited in not less than three (3) public places where the distraint is made,



for properties or goods/effects with the value of not more than Twenty Thousand Pesos (P20,000.00) specifying the time and place of sale and the articles distrained. One place for the posting of the notice shall be at the Office of the Regional Treasury.

Where the distrained goods amounts to more than Twenty Thousand Pesos (P20,000.00), a publication in a newspaper of regional circulation shall be made for three (3) consecutive issues.

d) Sale of distrained goods/effects. - The time of sale shall not be less than twenty (20) days after the notice or publication to the owner or possessor of property as above specified and the publication or posting of the notice.

e) Release of Distrained Property Upon payment Prior to Sale. - If at any time prior to the consummation of the sale all proper charges are paid to the officer conducting the sale, the goods or effects distrained shall be restored to the owner.

f) Procedure of Sale. - At the time and place fixed in the notice/publication, the officer shall sell the goods or effects so distrained at public auction to the highest bidder for cash. Within five (5) days after the sale, the Regional Treasurer shall make a report of the proceedings in writing to the Regional Governor copy furnish the Speaker of the Regional Legislative Assembly.

Should the property distrained be not disposed within One Hundred and Twenty (120) days from the date of distraint, the same shall be considered as sold to the Autonomous Region in Muslim Mindanao for the amount of the assessment made thereon by the committee on Appraisal and to the extent of the same amount, the tax delinquencies shall be cancelled.

The Committee on Appraisal shall be composed of the Regional Treasurer and two members designated by the Regional Governor, and one from member designated by the RLA Speaker.

g) Disposition of Proceeds. - The proceeds of the sale shall be applied to satisfy the tax, together with the increment thereto incident to delinquency, and the expenses of the distraint and sale. Any balance over and above what is required to pay the entire claim shall be returned to the owner of the property sold. The expenses of the seizures and sale shall embrace only the actual expenses of the seizure and preservation of the property pending the sale, and no charge shall be imposed for the services of the



regional treasurer or his duly authorized deputy. Where the proceeds of the sale are insufficient to satisfy the claim, other property may in like manner, be distrained until the full amount due, including all expenses are collected.

#### ARTICLE C. GENERAL PENAL PROVISION

SEC. 128. PENALTY. - Any violation of the provisions of this code not herein otherwise covered by a specific penalty or of the rules and regulations promulgated under authority of this code shall be punished by a fine of not exceeding ten thousand (P10,000.00) pesos or an imprisonment of not more than five (5) months or both, at the discretion of the court. Payment of a fine or service of imprisonment as herein provided shall not relieve the offender from the payment of the delinquent tax, fee or charge imposed under this code.

If the violation is committed by any juridical entity, the resident General Manager or any person entrusted with the administration thereof at the same time of the commission of the violation shall be held responsible or liable thereof.

#### CHAPTER VII. FINAL PROVISIONS

SEC. 129. CREATION OF OVERSIGHT COMMITTEE FOR THE FORMULATION OF IMPLEMENTING GUIDELINES. - There is hereby created an Oversight Committee whose task is to formulate Implementing Guidelines for the efficient and effective interpretation and implementation of this Code. Provided further, the Oversight Committee shall be composed of the Regional Treasurer as Chairman, the Chairman on Ways and Means of the Regional Legislative Assembly as Vice-Chairman and ten (10) members whose composition shall be five (5) from the Executive Branch and five (5) from the Legislative Branch of the ARMM. The five members coming from the Executive Branch shall be recommended by the Regional Treasurer for approval of the Regional Governor; while the other five (5) members coming from the Legislative Branch shall be recommended by the Chairman of Ways and Means subject to the approval of the Speaker of the Assembly.

Provided furthermore, the Oversight Committee is further authorized to create a Secretariat Group that shall assist the Oversight Committee on Secretarial works. Provided finally, that the funding requirement for this purpose shall be sourced from the unappropriated funds of the Local Fund of the Autonomous Region in Muslim Mindanao.



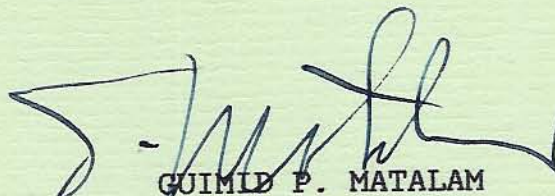
SEC. 130. SEPARABILITY CLAUSE. - If for any reason, any provision, section or part of this code is declared invalid by a court of competent jurisdiction, such judgment shall not affect or impair the remaining provisions, sections or parts which shall continue to be in full force and effect.

SEC. 131. APPLICABILITY CLAUSE. - All other matters relating to impositions in this code shall be governed by pertinent provisions of existing laws, rules and regulations.

SEC. 132. REPEALING CLAUSE. - All regional laws, rules and regulations or parts thereof which are inconsistent with any provisions of this code are hereby repealed, amended or modified accordingly.


SEC. 133. EFFECTIVITY. - This code shall take effect thirty (30) days after its publication in three (3) consecutive issues in a newspaper of general circulation in the area of autonomy.

APPROVED:



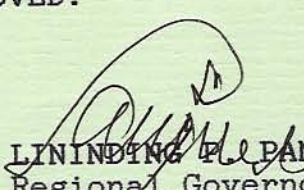
GUIMEL P. MATALAM  
Speaker

This Act was passed by the Regional Legislative Assembly on May 27, 1996.



TOMMY A. ALA  
Secretary-General

APPROVED:



LININDING P. PANGANDAMAN  
Regional Governor  
Date: June 12, 1996