REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

August 10, 2004

REVENUE MEMORANDUM ORDER NO. 36-2004

SUBJECT: **Establishing the Tax Base for the Computation of the Two Percent Special Privilege Tax Collections by the BIR for the Share of the Local Government Units and its disbursement thereof pursuant to R.A. No. 7156 and Revenue Memorandum Order No. 37-2000.**

TO : **All Internal Revenue Officers and Others Concerned.**

I. COMPUTATION FOR THE SHARE OF THE LOCAL GOVERNMENT UNIT.

A. If the mini-hydroelectric power development is located in a city, sixty percent (60%) of the two percent (2%) special privilege taxes collected shall accrue to the city and forty percent (40%) to the National Government.

B. If the mini-hydroelectric power development is located in a municipality, thirty percent (30%) of the special privilege taxes collected shall accrue to the municipality, thirty percent (30%) to the province and forty percent (40%) to the National Government.

II. TAX BASE FOR THE 2% SPECIAL PRIVILEGE TAX

A. All Revenue District Officers shall prepare and submit a report to the BIR – Revenue Accounting Division showing the total amount collected two years back of the two percent (2%) special privilege taxes. Collections should be reported on or before April 30 in time for the preparation of the proposed annual General Appropriations Act.

B. This report serves as the basis of the Revenue Accounting Division to issue a certification of the total LGU share from such collection. This certification must be submitted to the Department of Budget and Management (DBM) not later than May 15 as the basis for the provision of the corresponding appropriation in the subsequent year's General Appropriations Act.

III. REPEALING CLAUSE

All revenue issuances or portion/s thereof inconsistent herewith are hereby revoked and/or amended accordingly.

IV. EFFECTIVITY

This Order takes effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commisioner of Internal Revenue

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