



Republic of the Philippines
PROVINCE OF LEYTE
SANGGUNIANG PANLALAWIGAN



COMMITTEE ON RULES, LAWS and PRIVILEGES

**COMMITTEE REPORT No. 06
S. 2025**

This refers to the proposed provincial ordinance entitled **"AN ORDINANCE INSTITUTIONALIZING THE IMPLEMENTATION OF THE INTEGRATED REAL PROPERTY TAXATION SYSTEM (ITAX SYSTEM) IN THE PROVINCE OF LEYTE, APPROPRIATING FUNDS THEREOF, AND FOR OTHER PURPOSES"**.

The proposed ordinance is anchored to Sections 197 and 200 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991. The said provisions of the LGC provides that local government units (LGUs) are empowered to impose, levy, and collect real property taxes in order to enhance their fiscal capacity and that the province shall be primarily responsible for the proper, efficient, and effective administration of the real property tax.

Upon careful review and perusal of the provisions of the proposed ordinance, the committee finds that the measure is timely and urgently needed to institutionalize the existing Integrated Taxation System (iTAX) developed by the provincial government of Leyte. In line with the provincial government's thrust to collect taxes timely and efficiently, the iTAX system provides real property owners a convenient way of paying the real property tax and other related taxes due to their properties. It is a modernize real property tax collection and/or payment system which provides an innovative and secure digital option aimed to encourage compliance and to ease the real property tax payment process, as the system provides real property owners a cashless and an online system to settle their real property tax obligations through various online payment platforms.

The Committee also find that the proposed measure is compliant to the general limitations of legislation, that:

- a. It does not contravene the Constitution;
- b. It is not unfair or oppressive;
- c. It is not partial or discriminatory;
- d. It does not prohibit trade;
- e. It is general and consistent with public policy; and,
- f. It is not unreasonable.

In view thereof, the Committee hereby recommends for the passage of the said ordinance and resolve that the same be scheduled for second reading.

Proposed ORDINANCE NO. ____
Series of 2025

AN ORDINANCE INSTITUTIONALIZING THE IMPLEMENTATION OF THE INTEGRATED REAL PROPERTY TAXATION SYSTEM (ITAX SYSTEM) IN THE PROVINCE OF LEYTE, APPROPRIATING FUNDS THEREOF, AND FOR OTHER PURPOSES.

WHEREAS, Section 200, Title II, Chapter 1, Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides that the Province shall be primarily responsible for the proper, efficient, and effective administration of the real property tax.

WHEREAS, the Province of Leyte seeks to modernize its real property tax system by innovating convenient and secure digital options to encourage compliance and to ease the real property tax payment process for property owners and beneficial users;

NOW, THEREFORE, be it ordained by the Sangguniang Panlalawigan of Leyte in a regular session assembled that:

Section 1. TITLE - This Ordinance shall be known as the **"Integrated Real Property Taxation System (iTAX) in the Province of Leyte."**

Section 2. COVERAGE - This Ordinance shall apply to all owners and beneficial users of real property within the taxing jurisdiction of the Province of Leyte, including but not limited to residential, agricultural, commercial, industrial, and special-use properties.

SECTION 3. IMPLEMENTATION OF iTAX System:

1. *Integrated Real Property Taxation System* – There is hereby established an iTAX platform in order to centralize the real property tax assessment, computation, billing, and payment tracking within the taxing jurisdiction of the Province of Leyte.

The Provincial Government of Leyte shall create a Deployment Task Force tasked primarily insofar as the installation of the system platform is concerned.

To effectively implement the system, an existing platform used by any municipality of municipalities, if any, herein system platform shall be given preference in the use thereof.

2. *Digitization of Records* – The Provincial Assessor's Office, in coordination with respective Municipal Assessor's Office, shall upload to the iTAX system platform all real property records to facilitate access to tax assessment, billing, and payment tracking of real property taxes.

3. *Basis of Assessment* – Under this system and using Revision 13 of the Real Property Tax Declaration, shall serve as a uniform basis in the assessment and computation of real property tax liabilities across all municipalities of the Province of Leyte.
4. *Schedule of Payment* – The owner of the real property or the person having legal interest therein may pay the basic real property tax and the additional tax for Special Education Fund (SEF) due thereon without interest in four (4) equal installments; the first installment to be due and payable on or before March Thirty-first (31st); the second installment, on or before June Thirty (30); the third installment, on or before September Thirty (30); and the last installment on or before December Thirty-first (31st), except the special levy the payment of which shall be governed by ordinance of the sanggunian concerned.

The date for the payment of any other tax imposed under this Title without interest shall be prescribed by the sanggunian concerned.

Payments of real property taxes shall first be applied to prior years delinquencies, interests, and penalties, if any, and only after said delinquencies are settled may tax payments be credited for the current period. (Section 250, LGC)

5. *Collection* - The collection of the real property tax with interest thereon and related expenses, and the enforcement of the remedies provided for in this Title or any applicable laws, shall be the responsibility of the city or municipal treasurer concerned.

The city or municipal treasurer may deputize the barangay treasurer to collect all taxes on real property located in the barangay, Provided, That the barangay treasurer is properly bonded for the purpose; Provided, further, That the premium on the bond shall be paid by the city or municipal government concerned. (Section 247, LGC)

6. *Application of Discount and Interest* – If the basic real property tax and the additional tax accruing to the Special Education Fund (SEF) are paid in advance in accordance with the prescribed schedule of payment as provided under Section 250, the sanggunian concerned may grant a discount not exceeding twenty percent (20%) of the annual tax due. (Section 251, LGC)

In case of failure to pay the basic real property tax or any other tax levied under this Title upon the expiration of the periods as provided in Section 250, or when due, as the case may be, shall subject the taxpayer to the payment of interest at the rate of two percent (2%) per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid: Provided, however, That in no case shall the total interest on the unpaid tax or portion thereof exceed thirty-six (36) months. (Section 255, LGC)

7. *Sharing of RPT Revenue*- The proceeds of the basic real property tax, including interest thereon, and proceeds from the use, lease or disposition, sale or redemption of property acquired at a public auction in accordance with the provisions of this Title by the province or city or a municipality within the Metropolitan Manila Area shall be distributed as follows:

(a) In the case of provinces:

- (1) Province -Thirty-five percent (35%) shall accrue to the general fund;
- (2) Municipality – Forty percent (40%) to the general fund of the municipality where the property is located; and
- (3) Barangay - Twenty-five percent (25%) shall accrue to the barangay where the property is located.

(b) In the case of cities:

- (1) City - Seventy percent (70%) shall accrue to the general fund of the city; and
- (2) Thirty percent (30%) shall be distributed among the component barangays of the cities where the property is located in the following manner:
 - (i) Fifty percent (50%) shall accrue to the barangay where the property is located;
 - (ii) Fifty percent (50%) shall accrue equally to all component barangays of the city; and

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(c) The share of each barangay shall be released, without need of any further action, directly to the barangay treasurer on a quarterly basis within five (5) days after the end of each quarter and shall not be subject to any lien or holdback for whatever purpose. (*Section 271, LGC*)

8. *Condonation* – In case of a general failure of crops or substantial decrease in the price of agricultural or agribased products, or calamity in any province, city or municipality, the sanggunian concerned, by ordinance passed prior to the first (1st) day of January of any year and upon recommendation of the Local Disaster Coordinating Council, may condone or reduce, wholly or partially, the taxes and interest thereon for the succeeding year or years in the city or municipality affected by the calamity. (*Section 276, LGC*)

9. *Online Payment System* – Under the iTAX system platform, online assessment, billing and payment shall be established and provided, including but not limited to:

- Gcash and PayMaya
- Debit and credit cards
- Online bank transfers, and;
- Other accredited payment portals.

Section 4. INFORMATION AND EDUCATION CAMPAIGN - The Office of the Provincial Treasurer, in collaboration with the Provincial Assessor's Office and in coordination with the concerned Municipal Treasurers and Assessors, shall conduct an information and education campaign related to this system.

Section 5. INITIAL FUNDING - The initial funding for the implementation of the iTAX system shall be sourced from the Office of the Governor or other available sources under the current appropriation.

Section 6. OPERATING COST OF MAINTAINING THE SYSTEM – The cost of operation and maintenance of the system shall be proportionally shared by the Municipality concerned and Province in accordance with the real property tax sharing percentage under Section 271 of the Republic Act No. 7160 otherwise known as the Local government Code of 1991.

Section 7. IMPLEMENTING RULES AND REGULATION – The Governor, assisted by the Provincial Treasurer, in coordination with the concerned Municipal Treasurers and Assessors, shall prepare the necessary implementing rules and regulations for the effective implementation of this Ordinance.

Section 8. SEPARABILITY CLAUSE - If any provision or part of this ordinance is declared invalid or unconstitutional, the remaining provisions shall remain in full force and effect.

Section 9. REPEALING CLAUSE - All previous ordinances, resolutions, and executive issuances inconsistent with this ordinance are hereby repealed or modified accordingly.

Section 10. EFFECTIVITY - This Ordinance shall take effect after fifteen (15) days from publication in a newspaper of general circulation.

Submitted this 21st day of February, 2025, Palo, Leyte



Hon. Atty. Ronnar Christian M. Reposar

Chairperson Committee on Rules, Laws and Privileges

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