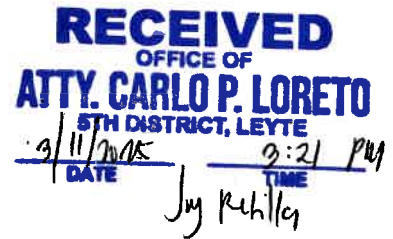




PHILIPPINE CHAMBER OF COMMERCE AND INDUSTRY TACLOBAN – LEYTE INC.  
Leyte SME Assistance and Trade Center, Capitol Site, Tacloban City  
Email: [secretariat.pccitaclobanleyte@gmail.com](mailto:secretariat.pccitaclobanleyte@gmail.com), Land Line No. (053) 325-7129

Item No.: **48**  
Date: **18 2025 MAR**

March 3, 2025



**Hon. LEONARDO M. JAVIER JR.**  
**Provincial Vice-Governor**  
Province of Leyte  
Leyte Provincial Government Complex  
West Bypass Road, Brgy. Guindapunan  
Palo, Leyte

Thru: CHAIR, COMMITTEE ON RULES AND PRIVILEGES  
CHAIR, COMMITTEE ON TRADE, INVESTMENTS AND ECONOMIC  
AFFAIRS

Dear Vice-Governor Javier:

Greetings!

This refers to the inspection fees being enforced and collected from operators of fuel tankers under the Revised Revenue Code of the Municipality of Babatngon.

We bring to your kind attention the enforcement of LGU Babatngon **Municipal Ordinance No. 428** under Chapter III, Article A – Mayor’s Permit Fee on Business: Inspection Fees (copy attached) where inspection fees are being enforced table reference<sup>1</sup> as follows:

| CAPACITY (Liters)  | AMOUNT OF INSPECTION FEE, ₱        |
|--|------------------------------------|
| 1,000 Liters – 10,000 Liters                               | 300.00 per Tanker                  |
| 10,001 Liters – 20,000 Liters                              | 400.00 per Tanker                  |
| 20,001 Liters – 50,000 Liters                              | 500.00 per Tanker                  |
| In excess of 50,000 Liters (Liquid and Liquefied Products) | 500.00 + 0.10 Cents per 100 Liters |

This concern was raised by several business owners that transport fuel from Vispet Depot in Babatngon that the subject inspection fees on the conduct of inspection of tankers going to and out of the said depot, are being collected since third quarter of last year. It is the position of the Chamber and its concerned members that the imposition of the said inspection fees, which by any standard, has already created a ripple effect on the price of fuel and related products, as well as basic commodities.

<sup>1</sup> Reference came from one of PCCI-TLI’s members.

Our members have already elevated this matter last year before the Department of Interior and Local Government, Regional Office 8, where we have requested a dialogue with the good Mayor of LGU Babatngon. Efforts have failed to meet in person as the parties concerned have challenges in their respective schedules.

Since concrete action on the matter has been elusive and considering the negative impact of the said non-stop imposition, we deemed it proper to raise the matter before your office for prompt intervention.

It is and has been our position that the said inspection fees are **pass-through fees, a prohibited imposition under prevailing presidential directives and applicable laws.**

No less than the President of the Philippines issued last September 25, 2023, issued **Executive Order No. 41<sup>2</sup>** entitled:

**"PROHIBITING THE COLLECTION OF PASS-THROUGH FEES ON NATIONAL ROADS AND URGING LOCAL GOVERNMENT UNITS TO SUSPEND THE COLLECTION OF ANY FORM OF FEES UPON ALL TYPES OF VEHICLES TRANSPORTING GOODS UNDER SECTION 153 OR 155 OF REPUBLIC ACT NO. 7160 OR THE "LOCAL GOVERNMENT CODE OF 1991"**

Sec. 1 of the said Executive Order provides as follows:

**Section 1. Pass-Through Fees for the Use of National and Local Roads. All LGUs are prohibited from collecting toll fees and charges upon all motor vehicles transporting goods or merchandise, while passing through any national roads and such other roads not constructed and funded by LGUs pursuant to Section 155 of RA No. 7160.**

**In the interest of public welfare, all LGUs are further strongly urged to suspend or discontinue the collection of fees, such as but not limited to, sticker fees, discharging fees, delivery fees, market fees, toll fees, entry fees, or Mayor's Permit fees, that are imposed upon all motor vehicles transporting goods and passing through any local public roads constructed and funded by said LGUs.**

President Ferdinand R. Marcos Jr.'s objective in issuing the said Executive Order is to primarily bring down commodity prices that would ultimately benefit consumers. In a press statement, the President intimated that:

***"We are doing this to (implement) ease doing business and to lower the cost of transportation kasi kung dire-deritso 'yung truck na makapunta doon sa pupuntahan***

---

<sup>2</sup> <https://www.officialgazette.gov.ph/2023/09/25/executive-order-no-41-s-2023/>, copy attached as Annex "A".

***niya talaga, mas mabilis. Ibig sabihin mas mura ang magiging transportation,”<sup>3</sup>***

The Hon. President Marcos said that the imposition of pass-through fees, like the subject inspection fees, are not aligned with the Ease of Doing Business Law where the law’s ultimate objective is to make our regulatory environment more conducive to operating a sustainable business in the locality.

In this connection, with your appropriate intervention, we pray that the subject imposition under the cited municipal ordinance be reviewed and reevaluated with the end in view that the said inspection fees be suspended and eventually be discontinued due to reasons cited.

Yours sincerely,

  
**ATTY. KENNETH B. FABILA, CPA**  
PCCI-TLI Legal Counsel

  
**EUGENE A. TAN**  
PCCI-TLI President

<sup>3</sup> [https://mirror.pco.gov.ph/news\\_releases/pbbm-on-suspension-of-lgu-pass-through-collection-its-meant-to-promote-ease-of-doing-business/](https://mirror.pco.gov.ph/news_releases/pbbm-on-suspension-of-lgu-pass-through-collection-its-meant-to-promote-ease-of-doing-business/)

Copy furnished:


**DIR. ARNEL M. AGABE**

The Regional Director  
Department of Interior and Local Government  
Regional Office No. 8  
Kanhuraw Hill, Tacloban City

Received by: KENNETH M. BASA   
Date received: MAR 11 2025

**ANNABELLE V. DE ASIS**

DILG Leyte Provincial Director  
Department of Interior and Local Government  
c/o DILG Regional Office No. 8, Kanhuraw Hill, Tacloban City

Received by: ENGR. NIDA B. DELA CRUZ   
Date received: 3/11/25

**ELEONOR B. LUGNASIN**

Municipal Mayor  
Babatngon, Leyte

Received by: \_\_\_\_\_  
Date received: \_\_\_\_\_

**Atty. RONNAN CHRISTIAN M. REPOSAR**

SP Member, 1st District of Leyte

Received by: \_\_\_\_\_  
Date received: \_\_\_\_\_

**Hon. WILSON S. UY**

SP Member, 1st District of Leyte

Received by: \_\_\_\_\_  
Date received: \_\_\_\_\_

**Hon. TRINIDAD G. APOSTOL**

SP Member, 2nd District of Leyte

Received by: \_\_\_\_\_  
Date received: \_\_\_\_\_

**Hon. RAISSA J. VILLASIN**

SP Member, 2nd District of Leyte

Received by: \_\_\_\_\_  
Date received: \_\_\_\_\_

**Hon. MARIE KATHRYN V. KABIGTING**

SP Member, 3rd District of Leyte

Received by: \_\_\_\_\_

Date received: \_\_\_\_\_

**Hon. MA. CORAZON REMANDABAN**

SP Member, 3rd District of Leyte

Received by: \_\_\_\_\_

Date received: \_\_\_\_\_

**Hon. FLAVIANO C. CENTINO JR.**

SP Member, 4th District of Leyte

Received by: \_\_\_\_\_

Date received: \_\_\_\_\_

**Hon. VINCENT L. RAMA**

SP Member, 4th District of Leyte

Received by: \_\_\_\_\_

Date received: \_\_\_\_\_

**Hon. MICHAEL L. CARI**

SP Member, 5th District of Leyte

Received by: \_\_\_\_\_

Date received: \_\_\_\_\_

**Atty. CARLO P. LORETO**

SP Member, 5th District of Leyte

Received by: \_\_\_\_\_

Date received: \_\_\_\_\_



MALACANAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

**EXECUTIVE ORDER NO. 41**

**PROHIBITING THE COLLECTION OF PASS-THROUGH FEES ON NATIONAL ROADS AND URGING LOCAL GOVERNMENT UNITS TO SUSPEND THE COLLECTION OF ANY FORM OF FEES UPON ALL TYPES OF VEHICLES TRANSPORTING GOODS UNDER SECTION 153 OR 155 OF REPUBLIC ACT NO. 7160 OR THE "LOCAL GOVERNMENT CODE OF 1991"**

**WHEREAS**, the President exercises general supervision over local government units (LGUs) pursuant to Section 4, Article X of the Constitution;

**WHEREAS**, Section 5, Article X of the Constitution grants LGUs the power to create their own sources of revenue and to levy government taxes, fees or charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy;

**WHEREAS**, under Section 153 of Republic Act (RA) No. 7160 or the "Local Government Code of 1991," as amended, LGUs may impose and collect reasonable fees and charges for services rendered;

**WHEREAS**, pursuant to Section 155 of RA No. 7160, a local *sanggunian* may prescribe the terms and conditions, and fix the rates for the imposition of toll fees or charges for the use of any public road, pier or wharf, waterway, bridge, ferry or telecommunications system funded and constructed by the LGU concerned;

**WHEREAS**, Section 133(e) of RA No. 7160 provides that the taxing powers of local governments shall not extend to the levy of taxes, fees, and charges and other impositions upon goods carried into or out of, or passing through, the territorial jurisdictions of LGUs in the guise of charges for wharfage, tolls for bridges or otherwise, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise;

**WHEREAS**, the unauthorized imposition of pass-through fees has a significant impact on transportation and logistics costs, which are often passed on to consumers, who ultimately bear the burden of paying for the increase in prices of goods and commodities;

THE PRESIDENT OF THE PHILIPPINES



**Section 4. Reports.** The DTI and DILG shall jointly submit reports to the Office of the President, through the Office of the Executive Secretary, on the compliance of LGUs with the foregoing provisions of this Order.

**Section 5. Implementing Guidelines.** Within thirty (30) days from the effectivity of this Order, the DTI, DILG, DOTr, DPWH, ARTA and DOF shall jointly formulate and issue guidelines as may be necessary, or amend/consolidate existing rules, regulations or issuances as may be appropriate, for the effective implementation of this Order.



**Section 6. Funding.** The funds necessary for the implementation of this Order shall be charged against the current and available appropriations of concerned agencies, subject to pertinent budgeting, accounting, and auditing laws, rules and regulations. Thereafter, the funding requirements for succeeding years shall be included in the annual General Appropriations Act subject to the usual budget preparation process.

**Section 7. Separability.** If any part or provision of this Order is held unconstitutional or invalid, other parts not affected thereby shall continue to be in full force and effect.

**Section 8. Repeal.** All other orders, guidelines, rules, regulations and issuances, or parts thereof, which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

**Section 9. Effectivity.** This Order shall take effect immediately upon its publication in the Official Gazette or a newspaper of general circulation.

DONE, in the City of Manila, this 25th day of September in the year of our Lord, Two Thousand and Twenty-Three.



By the President:



LUCAS P. BERSAMIN  
Executive Secretary





Republic of the Philippines  
Province of Leyte  
MUNICIPALITY OF BABATNGON  
-oOo-

SANGGUNIANG BAYAN

SANGGUNIANG BAYAN  
BABATNGON, LEYTE  
**RELEASED**  
BY: *[Signature]*  
DATE: 03/21/23  
TIME: 9:00 AM

EXCERPT FROM THE MINUTES OF THE 30th REGULAR SESSION OF THE SANGGUNIANG BAYAN OF BABATNGON, LEYTE HELD ON THE 27th DAY OF FEBRUARY 2023 AT THE SB SESSION HALL, BABATNGON, LEYTE.

MAYOR'S OFFICE  
BABATNGON, LEYTE  
**RECEIVED**

**MUNICIPAL ORDINANCE NO. 428**

BY: *[Signature]*  
DATE: 03/16/23  
TIME: 3:17 PM

**REVISED REVENUE CODE OF THE MUNICIPALITY OF  
BABATNGON, LEYTE, FISCAL YEAR 2023.**

Author: Hon. FEDERICO P. ELIZAGA, JR.  
Sangguniang Bayan Member

CO-AUTHORS:

- HON. CHARITA M. CHAN
- HON. ILDEFONSO B. ODO
- HON. HILARION S. MENZON
- HON. CHRISTIAN C. LAWSIN
- HON. ALEX VELOSO BELLO
- HON. KEMUEL RUE M. CORSIGA

SANGGUNIANG PANGALANAN  
**RECEIVED**  
2 MAR 2023  
PROVINCE OF LEYTE

Be it ordained by the Sangguniang Bayan of the Municipality of Babatngon, Leyte in session assembled that:

**CHAPTER I. GENERAL PROVISIONS**

**Article A. Short Title and Scope**

**Section 1A.01. Short Title.** This ordinance shall be known as the "Municipal Revenue Code of Babatngon, Leyte."

**Section 1A.02. Scope and Application.** This Code shall govern the levy, assessment, and collection of taxes, fees, charges and other impositions within the territorial jurisdiction of this Municipality.

**Article B. Construction of Provisions**

**Section 1B.01. Words and Phrases Not Herein Expressly Defined.** - Words and phrases embodied in this Code not herein specifically defined shall have the same definitions as found in RA 7160, otherwise known as the Local Government Code of 1991.

**Section 1B.02. Rules of Construction.** - In construing the provisions of this Code, the following rules of construction shall be observed unless inconsistent with the manifest intent of the provisions;

*[Signature]*



- (2) In case it is found that the retirement or termination of the business is legitimate and the tax paid during the current year be less than the tax due for the current year based on the gross sales or receipts, the difference in the amount of the tax shall be paid before the business is considered officially retired or terminated.
- (3) The permit issued to a business retiring or terminating its operation shall be surrendered to the Local Treasurer who shall forthwith cancel the same and record such cancellation in his books.
- (i) *Death of Licensee.* When any individual paying a business tax dies, and the business is continued by a person interested in his estate, no additional payment shall be required for the residue of the term for which the tax was paid.

## Article F. Presumptive Income Level

**Section 2F.01. Presumptive Income Level.** - For every tax period, the Treasurer's Office shall prepare a stratified schedule of "presumptive income level" to approximate the gross receipt of each business classification.

The presumptive income level shall be computed as follows:  
Gross receipts of preceding year shall be increased by 10%.

**Section 2F.02.** The Presumptive Income Level (PIL) of gross receipts shall be used to validate the gross receipts declared by taxpayers and/or for establishing the taxable gross receipts where no valid data is otherwise available.

## CHAPTER III. PERMIT AND REGULATORY FEES

### Article A. Mayor's Permit Fee on Business

**Section 3A.01. Mayor's Permit.** - All persons are required to obtain a Mayor's Permit for the privilege of conducting business within the municipality. The following fees shall likewise be paid:

|                 |   |   |        |
|-----------------|---|---|--------|
| SECRETARY'S FEE | - | P | 150.00 |
| SERVICE CHARGE  | - |   | 100.00 |

#### ENVIRONMENTAL FEE:

|                                       |   |
|---------------------------------------|---|
| Business Establishments               | 5.00 per sqm  |
| Recreational/Industrial Areas & Farm  | 10,000 sqm and below - .05¢ per sqm<br>In excess of 10,001 sqm - 1¢ per sqm |
| Liquid and Liquified Products         | 3¢ per liter per loading  |
| Palm oil and LPG                      | .03 cents per liter per loading   |
| Gasoline, Diesel, Kerosene, additives | .05 cents per liter per loading   |
| Power Generation Facilities           | 10,000 sqm and below - 200.00<br>In excess of 10,001 sqm - 5¢ per sqm       |
| Communication Facilities              | 100.00 per sqm.   |
| Private Educational Institutions      | 1.00 per sqm.   |

# INSPECTION FEE:

|  |                                   |
|--|-----------------------------------|
| Recreational Areas, Farm & Business Establishments     | P 400.00                          |
| Sari-Sari Store  | 100.00                            |
| 5,000 ltrs – 10,000 ltrs                               | 300.00 per tanker                 |
| 10,001 ltrs – 20,000 ltrs                              | 400.00 per tanker                 |
| 20,001 ltrs – 60,000 ltrs                              | 500.00 per tanker                 |
| In excess of 60,000 ltrs (liquid & liquified products) | 500.00 + .10 cents per 100 liters |

Chapter 12 Section 246, of Ordinance No. 220, is hereby ammended as follows, the inspection fee being charge by the Bureau of Fire Protection shall prevail:

**Section 3A.02. Imposition of Fee.** - There shall be collected an annual fee for the issuance of a Mayor's Permit to operate a business, pursue an occupation or calling, or undertake an activity within the Municipality.

The permit fee is payable for every distinct or separate business or place where the business or trade is conducted. One line of business of trade does not become exempt by being conducted with some other business of trade for which the permit fee has been obtained and the corresponding fee paid for.

For purpose of the Mayor's Permit Fee, the following Philippine categories of business sizes are here by adopted:

| Enterprise Scale        | Asset Limit               | Workforce    |
|-------------------------|---------------------------|--------------|
| Micro-Industry          | P 150,000 and below       | No specific  |
| Cottage Industries      | Above P 150,000 to P 1.5M | Less than 10 |
| Small-scale Industries  | P 1.5M to P 15M           | 10-99        |
| Medium-scale Industries | P 15M to P 60M            | 100-199      |
| Large-scale Industries  | Above P 60M               | 200 or more  |

The permit fee shall either be based on asset size or number of workers, whichever will yield the higher fee.

(a) On business subject to graduated Fixed taxes

| Classification/Category |  | Amount of Fee Per Annum |
|-------------------------|--|-------------------------|
| 1.                      | <b>On Manufacturers/Importers/Producers</b>  |                         |
|                         | Micro Industry                               | 5,500.00                |
|                         | Cottage Industries                           | 8,800.00                |
|                         | Small-Scale Industries                       | 12,100.00               |
|                         | Medium-Scale Industries                      | 16,500.00               |
|                         | Large-Scale Industries                       | 19,800.00               |
| 2.                      | <b>On Banks</b>                              |                         |
|                         | Rural, Thrift and Savings Banks              | 2,420.00                |
|                         | Commercial, Industrial & Development Banks   | 3,850.00                |
|                         | Universal Banks                              | 6,050.00                |
| 3.                      | <b>On Other Financial Institutions</b>       |                         |
|                         | Small  | 1,650.00                |
|                         | Medium                                       | 2,750.00                |
|                         | Large  | 3,850.00                |
| 4.                      | <b>On Contractors/Service Establishments</b> |                         |
|                         | Micro Industry                               | 1,100.00                |
|                         | Cottage Industries                           | 1,650.00                |
|                         | Small-Scale Industries                       | 3,300.00                |

*Signature*