



Republic of the Philippines
DEPARTMENT OF FINANCE

DOF-LOCAL FINANCE CIRCULAR NO. 2-95
January 23, 1995

TO : All Regional Directors, Bureau of Local Government Finance; Provincial, City and Municipal Treasurers; and Others Concerned

SUBJECT : Proper Custody and Issuance of Community Tax Certificate Blank Forms

Queries have been received in the Bureau of Local Government Finance, this Department of whether, or not, Barangay Treasurers may be allowed to purchase blank forms of the Community Tax Certificates (CTCs) directly from the Principal Treasurer's Office.

It appears that the queries are being made by Municipal Treasurers in view of requests received from Barangay Treasurers. It is the contention that when the collection of Community Taxes in the barangay level is done by the collectors of the Municipal Treasurer's Offices, the barangays concerned are deprived of their shares from said tax.

In this connection, attention is invited to Article 249 of the Implementing Rules and Regulations (IRR) of the Local Government Code of 1991 (RA 7160), implementing Section 164 of the said Code which reads:

"ART. 249. Printing of Community Tax Certificates and Distribution of Proceeds. — The Bureau of Internal Revenue shall cause the printing of community tax certificates and distribute the same to the cities and municipalities through the city and municipal treasurers in accordance with prescribed regulations. However, in order to facilitate distribution, the BIR may send on consignment to the provincial treasurer blank forms of the community tax certificates and the municipal treasurers of the province shall secure through the provincial treasurer, their respective requirements. The city or municipal treasurer concerned shall remit to the National Treasurer, for the account of the BIR, the share of the National Government in the proceeds of the tax, representing the cost of printing and distribution, within the (10) days after the end of each quarter. In cases where the certificates were secured or requisitioned from the provincial treasurer, the municipal treasurers shall remit payments to the provincial treasurer who shall, in turn, effect the remittance to the National Treasurer as required."

x x x."

From the abovequoted provisions of Section 164 of the Code, it is clear that:

- 1) Only City and Municipal Treasurers may requisition blank forms from the BIR.
- 2) However, in order to facilitate matters, Provincial Treasurers may also requisitions, or receive by consignment, from BIR said blank forms.

- 3) In cases where blank forms are available at the Provincial Treasurer's Office, only the Municipal Treasurers are authorized to requisition the forms the Provincial Treasurer concerned.

Clearly, under the existing rules, Barangay Treasurers may not directly requisition blank CTC forms either from the BIR or the Provincial Treasurers.

With respect to the deputation by City/Municipal Treasurers of Barangay Treasurers to collect the community tax, the same should be limited to community taxes payable by natural persons or individuals and not by corporations or other juridical entities considering that the determination and computation of community taxes due from juridical or corporate entities are rather complex in nature.

Moreover, although under Section 164(b) of the code Municipal Treasurers may deputize Barangay Treasurers to collect community taxes in their respective jurisdictions, such deputation is discretionary on the part of Municipal Treasurers in view of the provisions of Section 470(d)(2) of the code, which holds Municipal Treasurers liable and responsible for the proper management of municipal funds which include community tax collections. Accordingly, a Municipal Treasurer may only deputize a Barangay Treasurer to collect community tax if he finds out that the Barangay Treasurer concerned is capable of handling collections of same tax due to his training education, experience, honesty and probity among others.

The Provincial Treasurers and District/City Treasurers of Metro Manila are hereby instructed to disseminate the contents, or copies, hereof to the Municipal Treasurers under their respective jurisdictions.

Strict compliance herewith by all concerned is hereby enjoined.

By authority of the Secretary:

(SGD.) JUANITA D. AMATONG
Undersecretary