



MEMORANDUM

FOR : **The Directors**
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Bureau Directors
Environmental Management Bureau
Forest Management Bureau
Land Management Bureau
Biodiversity Management Bureau

All Regional Executive Directors

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **INVITATION TO COMMITTEE MEETING AND REQUEST FOR POSITION PAPER ON HOUSE BILL NO. 5240 ENTITLED "REAL PROPERTY TAX EXEMPTION FOR TREES ACT OF 2022" AND HOUSE BILL NO. 5360 ENTITLED "AN ACT EXEMPTING FROM REAL PROPERTY TAX THE TREES AND OTHER IMPROVEMENTS ON LANDS COVERED BY CERTIFICATES OF STEWARDSHIP CONTRACTS UNDER THE INTEGRATED SOCIAL FORESTRY PROGRAM" OF THE COMMITTEE ON LOCAL GOVERNMENT OF THE HOUSE OF REPRESENTATIVES**

DATE : 03 August 2023

In reference to the electronic mail received by our Office, the Committee on Local Government of the House of Representatives is inviting the Department to a meeting on **15 August 2023 (Tuesday), 10:00 A.M., at Belmonte Hall, South Wing Annex, House of Representatives Complex, Batasan Hills, Quezon City** to discuss the following legislative measures:

- **HOUSE BILL NO. 5240** – "AN ACT EXEMPTING TREES, PLANTS, AND GROWING FRUITS FROM REAL PROPERTY TAX AND PROVIDING FOR REAL PROPERTY TAX DEDUCTION" introduced by Rep. Doris Maniquiz
- **HOUSE BILL NO. 5360** – "AN ACT EXEMPTING FROM REAL PROPERTY TAX THE TREES AND OTHER IMPROVEMENTS ON LANDS COVERED BY CERTIFICATES OF STEWARDSHIP CONTRACTS UNDER THE INTEGRATED SOCIAL FORESTRY PROGRAM" introduced by Rep. Rufus Rodriguez

In this regard, may we respectfully request a **position paper on the abovementioned bills, in anticipation of the Committee meeting**, as requested by the Committee. Kindly send them on or before **9 August 2023, at 5:00 PM** via email at

denrlo@denr.gov.ph. Further, kindly inform us of the name/s of the representative/s from your office who will participate in the meeting so we may include him/her/them as resource person/s.

Attached herewith are the Letter Invitation and copies of House bill nos. 5240 and 5360 for your reference.


ROMIROSE B. PADIN

cc: Undersecretary for Special Concerns and Legislative Affairs



Republic of the Philippines
HOUSE OF REPRESENTATIVES
COMMITTEE ON LOCAL GOVERNMENT

Governance Cluster, Committee Affairs Department
Batasan Complex, Batasan Road, Constitution Hills, Quezon City, Metro Manila
Telephone Number(s): (Trunk Line) **931-5001** local **7128** (Fax) **931-4072**

August 1, 2023

HON. MARIA ANTONIA YULO-GONZAGA

Secretary

Department of Environment and Natural Resources

Dear **Hon. Yulo-Gonzaga**:

The Committee on Local Government will hold a physical meeting on **August 15, 2023 (Tuesday, 10:00 am) at the Belmonte Hall – South Wing Annex of the House of Representatives** to deliberate on the following attached House Bills:

1. **House Bill No. 5240** – “AN ACT EXEMPTING TREES, PLANTS, AND GROWING FRUITS FROM REAL PROPERTY TAX AND PROVIDING FOR REAL PROPERTY TAX DEDUCTION” introduced by Rep. Doris Maniquiz
2. **House Bill No. 5360** – “AN ACT EXEMPTING FROM REAL PROPERTY TAX THE TREES AND OTHER IMPROVEMENTS ON LANDS COVERED BY CERTIFICATES OF STEWARDSHIP CONTRACTS UNDER THE INTEGRATED SOCIAL FORESTRY PROGRAM” introduced by Rep. Rufus Rodriguez

In this regard, we would like to invite Your Honor to the said to the face-to-face meeting to share with the Committee your valuable insights on the matter. Thus, we kindly reiterate our request to Your Honor for a **Position Paper** to be submitted to the Committee on or before **August 10, 2023 (Thursday)**.

For confirmation of your attendance to the meeting, kindly email the list of participants to localgovtcttee@yahoo.com on or before **August 10, 2023 (Thursday)** together with their valid email addresses.

Further, per the House directives, kindly please fill-up the Google form below on or before **August 10, 2023 (Thursday)** using the guests' respective Google emails for the facilitation of their entry to the House of Representatives using the House Pass:

<https://forms.gle/g3tGtMpQ1x3hrX5i7>

Finally, in accordance with Chairperson Mercedes K. Alvarez's directive, the Committee requests that if Your Honor is unable to attend the upcoming face-to-face meeting, you will only send duly designated resource persons who are authorized to speak and act on behalf of your office.

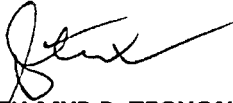
We are looking forward to your active participation and meaningful contributions to this important meeting. Your dedication to this service to the nation is highly appreciated and will undoubtedly

benefit the deliberations.

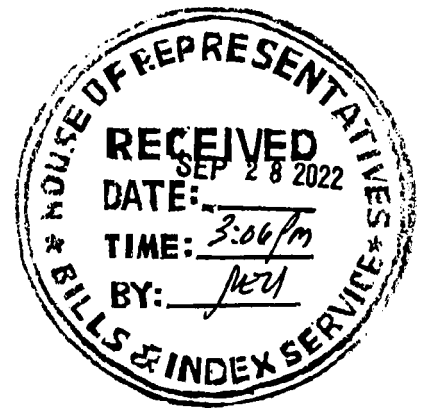
Very respectfully yours,

REP. MERCEDES K. ALVAREZ
Chairperson

FOR THE CHAIRPERSON:

A handwritten signature in black ink, appearing to read 'Luth Myr P. Teoxon', written in a cursive style.

LUTH MYR P. TEOXON
Committee Secretary



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19th Congress
First Regular Session

House Bill No. 5240

INTRODUCED BY: HON. DORIS E. MANQUIZ

EXPLANATORY NOTE

As climate change continues to warm our oceans, causing stronger countless typhoons, our fellow Filipinos bear the brunt of nature's forces. On April 2022 alone, over 20 people were killed in floods after rain from tropical storm Megi (Agaton). The vast majority of the fatalities occurred in Eastern Visayas Region, in particular in villages around Baybay City in the province of Leyte. National Disaster Risk Reduction Management Council (NDRRMC) said 920,727 people have been affected and 162,467 people displaced and staying in emergency accommodation centers. More recently, authorities reported one person died and homes and buildings were destroyed after heavy rain caused a landslide in Abucay, Bataan Province on 09 July 2022. Previously flooding was reported in Zamboanga del Sur province where 35,948 people were affected on 05 July. Around the same time over 1,206 people were affected by floods in Cebu and Negros Oriental provinces. Flooding and landslides struck parts of in Ifugao, Benguet, and Mountain Provinces in Cordillera Administrative Region (CAR) from 07 July affecting 3,166 people, injuring 6 and damaging 1,048 houses.


Floods are among the most destructive calamities man has to cope with. Even the most minor flooding poses some inconveniences. A really big flood can result in millions even billions of pesos of damages to roads and bridges, buildings and other economic infrastructure, in the loss of agricultural crops and livestock, loss of productivity in industry, commerce and trade. To this is added the incalculable loss of human lives directly attributable to floods as well as the hardship and attendant socioeconomic problems of forced human displacement and the emotional impact on those affected by floods.

We can lessen the impact of these floods by protecting our forests and trees. However, according to the Global Forest Watch, the Philippines lost 158,000 hectares of primary forest from 2002 to 2021. During the same time, total tree cover loss was 1.34 million hectares. GFW data also show that 11 regions were responsible for 51 percent of tree cover loss, led by Palawan, with 163,000 hectares lost. The other top areas in terms of tree cover loss were Agusan del Sur (116,000 hectares), Zamboanga del Norte (59,700 hectares), Davao Oriental (48,800 hectares), and Quezon (44,200 hectares).

While forests and trees are not the single solution to climate change, they improve water quality, and reduce flooding and erosion. As trees grow they also absorb carbon dioxide, a major greenhouse gas in the atmosphere. Trees and forests regulate water flows and protect coastal communities from extreme events and sea level rise. When communities plant trees they can help to reduce the impacts of climate change in their local area and around the world.

Now, more than ever, we need our forests as a tool to help combat climate change. Climate change's adverse impacts are already being seen and may intensify exponentially over time if nothing is done to reduce further emissions of greenhouse gases. Decisively dealing now with climate change is key to ensuring sustainable development, poverty eradication and safeguarding economic growth. If we subject trees to real property tax, the generations yet unborn shall no longer see a country with flourishing environment. Instead of encouraging our fellow countrymen plant trees and plants, the current state of our laws is silent as to the taxability of trees, plants, and growing fruits. This silence has caused the passage of various ordinances which allow local government units to impose real property tax on trees, plants, and growing fruits as they are considered real property.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


HON. DORIS E. MANIQUIZ
2nd District of Zambales



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19th Congress
First Regular Session

House Bill No. 5240

INTRODUCED BY: HON. DORIS E. MANQUIZ

AN ACT EXEMPTING TREES, PLANTS, AND GROWING FRUITS FROM REAL PROPERTY TAX AND PROVIDING FOR REAL PROPERTY TAX DEDUCTION

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “*Real Property Tax Exemption for Trees Act of 2022*”.

SECTION 2. *Declaration of Policy.* – It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.

SECTION 3. Section 234 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended by inserting a new subsection designated as Section. 234 (f) to read as follows:

“SECTION 234. Exemptions from Real Property Tax. – The following are exempted from payment of the real property tax:

x x x

(f) **Trees, plants, and growing fruits, while they are attached to the land or form an integral part of an immovable.”**

SECTION 4. *Tax Deduction.* – An additional five (5%) discount may be availed of upon prompt payment real property tax, whether full or installment basis, when:

- (1) At least two (2) medium-sized trees, of at least five (5) meters in height and at least 3 meters in diameter, is planted on a fifty (50) square meter plot; and
- (2) At least three (3) plants or small tree, of at least three (3) meters but less than five (5) meters, regardless of diameter, is planted on a fifty (50) square meter plot.

SECTION 5. *Non-commercial Use.* – Provisions of this Act shall only apply to non-commercial use of trees, plants, and growing fruits planted on real property.

SECTION 6. *Separability Clause.* - If any part or section of this Act is declared unconstitutional for any reason whatsoever, such declaration shall not in any way affect the other parts or sections of this Act.

SECTION 7. *Repealing Clause.* – All other laws or parts of laws inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 8. *Effectivity.* – This Act take effect from fifteen (15) days after approval and publication in two (2) newspapers of general circulation in the Philippines.

Approved,

NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 5360

EXPLANATORY NOTE

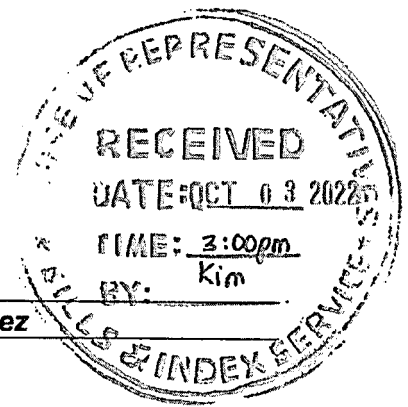
This bill seeks to exempt from real property tax the trees and improvements on lands covered by Certificates of Stewardship Contracts under the Integrated Social Forestry Program of the Department of Environment and Natural Resources.

The last two decades saw the alarming degradation and loss of the country's natural resources. The escalation of *kaingin* farming and illegal logging activities has prompted the government to come up with innovative programs to arrest the deforestation problem. One such program is the Integrated Social Forestry Program (ISFP) of the Department of Environment and Natural Resources (DENR). The ISFP is a people-oriented program designed to improve the socio-economic conditions of upland farmers and communities who depend on forestlands for their livelihood, enhance ecological stability, and maximize upland productivity. Since its inception, the farmer-grantees have already developed several hectares of forestlands. Assisted by the national and local governments as well as lending institutions, the income levels of the grantees have increased, their dwellings improved, and literacy rates enhanced. It has been noted, however, that based on the provisions of the Local Government Code of 1991 and prior legislative issuances, real property owned by the Republic of the Philippines or any of its political subdivisions, the beneficial use of which has been granted, for consideration or otherwise, to a taxable person, is subject to real property tax. Hence, lands covered by Certification of Stewardship Contracts (CSC) under the ISFP, including the trees and improvements thereon, are subject to real property tax.

It is emphasized however, that the ISFP was implemented to democratize the use of public lands, promote a more equitable distribution of forest bounty under the stewardship principle, reduce poverty, promote social justice and protect the environment. In this regard, it is proposed that trees and other improvements on lands covered by the ISFP be exempted from the real property tax imposed under the Local Government Code of 1991. While the proposal could reduce the revenue of local government units from this source, it is believed that the same may not have an adverse impact on local government finance since the lands would still be subject to the basic and additional real property tax under the Code.

In view of the foregoing, approval of the bill is earnestly requested.


RUFUS B. RODRIGUEZ



NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 5360

AN ACT

EXEMPTING FROM REAL PROPERTY TAX THE TREES AND OTHER IMPROVEMENTS ON LANDS COVERED BY CERTIFICATES OF STEWARDSHIP CONTRACTS UNDER THE INTERGRATED SOCIAL FORESTRY PROGRAM

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. - Trees and other improvements on lands covered by Certificates of Stewardship Contracts under the Integrated Social Forestry Program of the Department of Environment and Natural Resources (DENR) shall be exempt from the real property tax under Section 232 of the Local Government Code of 1991.

SEC. 2. Rules and Regulations. - The Department of Finance, in consultation with the Department of Environment and Natural Resources, shall promulgate the rules and regulations as may be necessary to implement the provisions of this Act.

SEC. 3. Repealing Clause. - All laws, decrees, orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed, modified or amended accordingly.

SEC. 4. Effectivity. - This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,