



Republic of the Philippines
QUEZON CITY COUNCIL

Quezon City
19th City Council

PO19CC-134

15th Regular Session

ORDINANCE NO. SP- 2236, S-2013.

AN ORDINANCE FURTHER AMENDING THE TAX RATE OF CERTAIN ITEMS UNDER CHAPTER THREE (TAX ON BUSINESS) AND CHAPTER FOUR (OTHER TAXES) OF THE QUEZON CITY REVENUE CODE IN ACCORDANCE WITH THE LIMITATIONS SET-FORTH IN THE LOCAL GOVERNMENT CODE.

Introduced by Councilor VICTOR V. FERRER, JR.

Co-Introduced by Councilors Anthony Peter D. Crisologo, Ricardo T. Belmonte, Jr., Dorothy A. Delarmente, Lena Marie P. Juico, Alexis R. Herrera, Precious Hipolito Castelo, Voltaire Godofredo L. Liban III, Roderick M. Paulate, Ranulfo Z. Ludovica, Ramon P. Medalla, Estrella C. Valmocina, Allan Benedict S. Reyes, Gian Carlo G. Sotto, Franz S. Pumaren, Eufemio C. Lagumbay, Jose Mario Don S. De Leon, Jaime F. Borres, Jesus Manuel C. Suntay, Marvin C. Rillo, Vincent DG. Belmonte, Raquel S. Malañgen, Jessica Castelo Daza, Bayani V. Hipol, Jose A. Visaya, Julienne Alyson Roe V. Medalla, Godofredo T. Liban II, Andres Jose G. Yllana, Jr., Allan Butch T. Francisco, Karl Edgar C. Castelo, Candy A. Medina, Diorella Maria G. Sotto, Marivic Co-Pilar, Rogelio "Roger" P. Juan, Melencio "Bobby" T. Castelo, Jr., Donato C. Matias and Richard N. Yu.

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WHEREAS, each local government unit shall exercise its power to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions herein, consistent with the basic policy of local autonomy (Section 129, LGC);

WHEREAS, local government units shall have the authority to adjust the tax rates as prescribed herein not more often than once every five (5) years, but in no case shall such adjustment exceed ten percent (10%) of the rates fixed under the Local Government Code of 1991 (Section 191, LGC);

WHEREAS, the rates of taxes that the city may levy may exceed the maximum rates allowed for the province or municipality by not more than fifty percent (50%) except the rates of professional and amusement taxes. (Section 151, LGC).

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. Chapter Three of Ordinance No. SP-91, S-93, otherwise known as the Quezon City Revenue Code, as amended, is hereby further amended, as follows:

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Section 19. Imposition of Tax - There is hereby levied an annual tax on the following business undertakings at the rates prescribed herein. *^*

AS

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A.) ON MANUFACTURERS, ASSEMBLERS, REPACKERS, PROCESSORS, OF ANY ARTICLE OF COMMERCE OF WHATEVER KIND OR NATURE, IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

FROM	TO LESS THAN	ANNUAL TAX (Php)	QUARTERLY TAX (Php)
0	10,000.00	269.50	67.38
10,000.00	15,000.00	363.00	90.75
15,000.00	20,000.00	495.00	123.75
20,000.00	30,000.00	726.00	181.50
30,000.00	40,000.00	1,089.00	272.25
40,000.00	50,000.00	1,358.50	339.63
50,000.00	75,000.00	2,178.00	544.50
75,000.00	100,000.00	2,722.50	680.63
100,000.00	150,000.00	3,630.00	907.50
150,000.00	200,000.00	4,537.50	1,134.38
200,000.00	300,000.00	6,532.50	1,588.13
300,000.00	500,000.00	9,075.00	2,268.75
500,000.00	750,000.00	13,200.00	3,300.00
750,000.00	1,000,000.00	16,500.00	4,125.00
1,000,000.00	2,000,000.00	22,687.50	5,671.88
2,000,000.00	3,000,000.00	27,228.00	6,806.25
3,000,000.00	4,000,000.00	32,670.00	8,167.50
4,000,000.00	5,000,000.00	38,115.00	9,528.75
5,000,000.00	6,500,000.00	40,126.00	10,054.00
6,500,000.00	and above	55% of 1.0%	13.75% of 1%

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B.) ON WHOLESALERS, DISTRIBUTORS, OR DEALERS OF ANY ARTICLE OF COMMERCE OF WHATEVER KIND OR NATURE, IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

FROM	TO LESS THAN	ANNUAL TAX (Php)	QUARTERLY TAX (Php)
0	1,000.00	29.70	7.42
1,000.00	2,000.00	53.90	13.48
2,000.00	3,000.00	82.50	20.63
3,000.00	4,000.00	118.80	29.75
4,000.00	5,000.00	165.00	41.25
5,000.00	6,000.00	198.00	49.50
6,000.00	7,000.00	235.40	58.85
7,000.00	8,000.00	271.70	67.92
8,000.00	10,000.00	308.00	77.00
10,000.00	15,000.00	363.00	90.75
15,000.00	20,000.00	453.20	113.30
20,000.00	30,000.00	544.50	136.13
30,000.00	40,000.00	726.00	181.50
40,000.00	50,000.00	1,089.00	272.25
50,000.00	75,000.00	1,633.50	408.38
75,000.00	100,000.00	2,178.00	544.50
100,000.00	150,000.00	3,085.50	771.38
150,000.00	200,000.00	3,993.00	998.25
200,000.00	300,000.00	5,445.00	1,361.15
300,000.00	500,000.00	7,260.00	1,815.00
500,000.00	750,000.00	10,890.00	2,722.50
750,000.00	1,000,000.00	14,520.00	3,630.00
1,000,000.00	2,000,000.00	16,500.00	4,125.00
2,000,000.00	and above	66% of 1%	16.5% of 1%

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C.) ON RETAILERS:

FROM	TO	LESS THAN	ANNUAL TAX	QUARTERLY TAX
50,000	400,000		2%	50% of 1%
400,000	100,000,000		Php8,000 plus 1.1% of gross receipt in excess of 400,000	Php2,000 plus 27.50% of 1.10% of gross receipt in excess of 400,000
100,000,000	750,000,000		Php1,103,600 plus 82.5% of 1% of gross receipt in excess of Php 100,000,000	20.625% of 1% in excess of Php 100,000,000
750,000,000	And above		Php6,466,100 plus 55% of 1% of gross receipts in excess of Php 750,000,000	13.75% of 1% in excess of Php 750,000,000

D.) On contractors and other independent contractor. - This will include persons, natural or juridical, not subject to professional tax whose activity consist essentially on the sale of all kinds or use of the physical or mental faculties of such contractor or his employees, such as but not limited to the following:

xxx xxx xxx x ~~AS~~ ~~AS~~

~~AS~~ ~~AS~~

- D-1) Tollway Operators Or Concessionaires shall be taxed at the rate of 50% of 1% of the gross receipts of the preceding calendar year, in accordance with the general guidelines provided under Section 5 of Local Finance Circular No. 1-2013 issued by the Department of Finance;
- D-2) Owners, operators, concessionaires, principal contractors or sub-contractors, whether public or private, and/or any successor's in business interest of all kinds of tollways and railways mass transit system, using whatever fuel to power its mobility shall be taxed in the rate of 62.7 % of 1% of its gross receipts to include sales/earnings generated from the railway stations/terminals and sale of advertising space located within the Quezon City territorial jurisdiction;
- E.) Banks and Other Financial Institutions - which include non-bank financial intermediaries, lending investors, finance and investments companies, pawnshops, money shops, insurance companies, stock markets, stock brokers and dealers in securities and foreign exchange shall be taxed at the rate of 27.5% of 1% in the case of banks and 66% of 1% in the case of other financial institutions, of the gross receipts of the preceding calendar year derived from interests, commissions, and discounts, from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property; λ


F.) *ON CAR DEALERS engaged in the business of selling brand new vehicles and genuine parts pursuant to a valid and existing dealership agreement with manufacturers and distributors shall be taxed as follows;*

CAR DEALERS

FROM	TO LESS THAN	ANNUAL TAX
0	Php100,000,000.00	82.50% of 1.0% of gross receipts
Php100,000,000.00	Php2,000,000,000.00	Php 825,000.00 plus 55% of 1.0% of gross receipts in excess of Php100,000,000. 00
Php2,000,000,000.00	Php3,000,000,000.00	Php11,275,000.00 plus 20% of 1.0% of gross receipt in excess of Php2,000,000,000.00
Php3,000,000,000.00	And above	Php13,275,000.00 plus 10% of 1% of gross receipts in excess of Php3,000,000,000.00

On spare parts and services of Car Dealers with valid and existing Dealership Agreement, tax rate is as follows: γ

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SPARE PARTS:

FROM	TO LESS THAN	ANNUAL TAX
0	Php 10,000,000.00	2.0%
Php 10,000,000.00	Php 20,000,000.00	Php 200,000.00 plus 1.5% of gross receipts in excess of Php 10,000,000.00
Php 20,000,000.00	Php 30,000,000.00	Php 350,000.00 plus 1.0% of gross receipts in excess of Php 20,000,000.00
Php 30,000,000.00	And above	Php 450,000.00 plus 55% of 1% of gross receipts in excess of Php 30,000,000.00

SERVICES

FROM	TO LESS THAN	ANNUAL TAX
0	Php 50,000,000.00	82.5% of 1.0%
Php 50,000,000.00	Php 100,000,000.00	Php 412,500.00 plus 55% of 1.0% of gross receipts in excess of Php 50,000,000.00
Php 100,000,000.00	And above	Php 687,500.00 plus 25% of 1.0% of gross receipts in excess of Php 100,000,000.00

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G.) On Restaurants And Other Eating Establishments - such as, but not limited to cafes, cafeterias ice cream or refreshment parlors, carinderia, soda fountains, food caterers, fast food centers and snack centers shall be taxed at the rate of 1.925% of the gross receipts of the preceding calendar year.

H.) On Any Other Business, Not Otherwise Specified In The Preceding Paragraphs - shall be taxed at the rate of 2% of the gross sales or receipts of the preceding calendar year, such as but not limited to the following:

- 1) Dealers, distributors and retailers of fermented liquors, distilled spirits, wines, tuba and the like, dealers distributors and retailers of imported wines, and dealers, wholesalers and retailers of tobacco leaf;
- 2) Operators and owners of private cemeteries and memorial parks;
- 3) Real estate lessors (land, building, commercial, office and residential spaces);
- 4) Sellers, dealers, agents, developers of real estate (land, subdivision, building and other taxable real properties);
- 5) Owners, providers or operators of Information Technologies including software developers and/or providers, computer programming, internet, call centers, E-Commerce, design animation and other IT-related service activities. *

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- 6) Malls, shopping centers, hospitals and establishments not primarily engaged in the business of parking spaces but are otherwise operating or maintaining lots/spaces for parking purposes.
- 7) Providers of seminars, vocational trainings, and other teaching services such as but not limited to centers or training schools for acting, dancing, singing, culinary arts, fine arts, tattoo arts, interior and fashion designs (other than those offered by educational institutions);
- 8) Proprietors of funeral parlors and crematories engaged not only in the selling of memorial lots, mausoleums, but likewise engaged in the retail of caskets and urns;
- 9) Fees charged by mall owners maintaining toilets / powder rooms / comfort rooms for a fee;
- 10) Hospitals engaged in leasing or selling of spaces to doctors, consultants, health management organizations, diagnostic laboratories, medical diagnosing and evaluating equipment/machineries and other medical professionals shall segregate the gross receipt from said business activity and pay the corresponding tax in accordance to the rate herein prescribed.

[Handwritten signatures and initials]

- 11) Organizers of tiangge, food bazaar and similar activities;
- 12) Business activities or undertaking not otherwise stated in this Code"

SECTION 2. Chapter Four of the Quezon City Revenue Code is hereby amended, to read as follows:




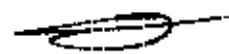
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SECTION 31. Imposition of Tax - Any provision of special laws or grant of exemption to the contrary notwithstanding, any person, corporation, partnership or association enjoying a franchise whether issued by the national government or local government and doing business in Quezon City, shall pay a franchise tax at the rate of 62.7% of 1% of the gross receipts and sales derived from the operation of the business in Quezon City during the preceding calendar year, unless granted by the City Government a special permit for such undertaking, in such case the rate provided in the special permit shall be applicable."

SECTION 3. Separability Clause - Should any part of this ordinance be declared invalid or unconstitutional for whatever reason by a competent court, the portions hereof not affected by the declaration shall remain effective and enforceable. ✓


  


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SECTION 4. Effectivity – This Ordinance shall take effect immediately following the completion of its publication requirement as provided for in Section 188 of the Local Government Code.

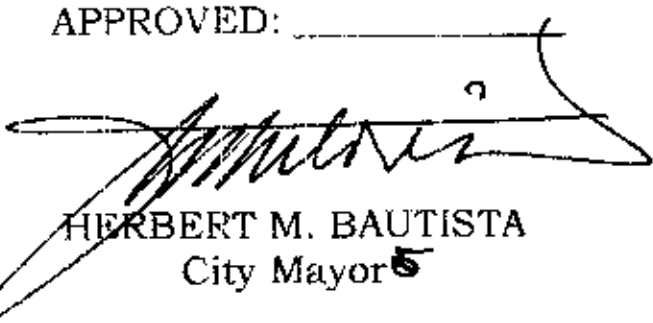
ENACTED: December 20, 2013.


MA. JOSEFINA G. BELMONTE
Vice Mayor
Presiding Officer

ATTESTED:



Atty. JOHN THOMAS S. ALFEROS III
City Gov't. Asst. Dept. Head III

APPROVED: _____


HERBERT M. BAUTISTA
City Mayor

CERTIFICATION

This is to certify that this Ordinance was APPROVED by the City Council on Second Reading on December 16, 2013 and was reverted back for Second Reading on December 20, 2013 and was finally PASSED on Third/Final Reading on the same date.


Atty. JOHN THOMAS S. ALFEROS III
City Gov't. Asst. Dept. Head III