



Republika ng Pilipinas  
Lungsod Quezon  
SANGGUNIANG PANLUNGSOD  
(City Council)

PR98-180

29th Regular Session

RESOLUTION NO. ~~SP-1170~~, S-99

A RESOLUTION URGING THE STRICT COMPLIANCE AND OBSERVANCE OF ARTICLES 61 AND 62 (1) OF R. A. 6938, OTHERWISE KNOWN AS THE COOPERATIVE CODE OF THE PHILIPPINES, IN THE ISSUANCE OF MAYOR'S PERMIT TO COOPERATIVES AND THEIR EXEMPTION FROM THE PAYMENT OF THE CORRESPONDING FEE.

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Introduced by Councilors WINSTON "Winnie" T. CASTELO, WILMA AMORANTO-SARINO, VINCENT P. CRISOLOGO, ELIZABETH A. DELARMENTE, GEORGE M. CANSECO, MA. FRESCA M. BIGLANG-AWA, GODOFREDO T. LIBAN II, MARCIANO P. MEDALLA, ENRICO S. SERRANO, ERIC Z. MEDINA, JORGE L. BANAL, JULIAN M.L. COSETENG, ANTHONY C. CASTELO, MARCEL C. RILLO and ALMARIO E. FRANCISCO.

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WHEREAS, several queries and requests for clarification have been received by the Quezon City government, thru the City Council, as to whether or not a Mayor's Permit is required for cooperatives before their respective business operations;

WHEREAS, it is true, that the requirement of a Mayor's Permit is exacted under the police power of the municipal corporation as provided by the Local Government Code under Sec. 147;

WHEREAS, the same Code has provided some limitation on the taxing power of local government units specifically Section 133 (n) concerning duly registered cooperatives supplemental to Article 61 and Article 62 (1) of R.A. 6938 which state that, viz:

"Article 61. Tax Treatment of Cooperatives. - Duly registered cooperatives under this Code which DO NOT TRANSACT ANY BUSINESS WITH NON-MEMBERS or the general public shall not be subject to any government taxes and fees imposed under the Internal Revenue Laws and OTHER TAX LAWS."

"Article 62. Tax and Other Exemptions. - Cooperatives transacting business with members and non-members shall not be subject to tax on their transactions to members. Notwithstanding the provisions of any law or regulation to the contrary, such cooperatives dealing with non-members shall enjoy the following tax exemption:

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(1) Cooperatives with accumulated reserves and undivided net savings of not more than Ten Million Pesos (P10,000,000.00) shall be EXEMPT FROM ALL NATIONAL, CITY, PROVINCIAL, MUNICIPAL and BARANGAY TAXES OR WHATEVER NAME AND NATURE."

WHEREAS, in fine, Section 147 provides the general rule in the imposition of reasonable fees and charges on business and occupation while Section 133 provides the exemption from the general rule;

WHEREAS, in the opinion of the Chairman of the Cooperative Development Authority, in his letter dated January 27, 1997, cooperatives duly registered under R.A. 6938 that TRANSACT BUSINESS SOLELY WITH ITS MEMBERS are EXEMPT FROM OBTAINING THE MAYOR'S PERMIT. However, duly registered cooperatives which transact business with NON-MEMBERS are required to obtain said mayor's permit but are EXEMPT from paying the fees corresponding to such permit;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF QUEZON CITY IN SESSION ASSEMBLED, to urge, as it does hereby urge, the strict compliance and observance of Articles 61 and 62 (1) of R.A. 6938, otherwise known as the Cooperative Code of the Philippines in the issuance of Mayor's Permit to Cooperatives and their exemption from the payment of the corresponding fee.

RESOLVED, FURTHER, that copy of this Resolution be furnished to the Business Permits and Licensing Office, Office of the City Mayor and the City Treasurer's Office, all of Quezon City, for their information and guidance.

ADOPTED: May 11, 1999.

*Connie Angeles*  
CONNIE S. ANGELES  
Vice Mayor  
Presiding Officer

ATTESTED:

*Eugenio V. Jurilla*  
EUGENIO V. JURILLA  
City Council Secretary

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