

Analysis of the Revenue Performance of Local Taxes on Real Properties CY 2012-2016*

I. INTRODUCTION

The 1987 Constitution provides that each local government unit (LGU) shall have the power to create its own sources of revenue and to levy taxes, fees and charges subject to such guidelines and limitations as Congress may provide, consistent with the basic policy of local autonomy. Congress enacted Republic Act (RA) 7160 otherwise known as the “Local Government Code (LGC) of 1991” which enumerated the taxing powers of the LGUs and provided for their other sources of revenues.

Under the LGC, LGUs generate revenue from external and local sources. Local taxes include real property taxes, comprised of the basic real property tax (RPT), special education fund (SEF) tax, special levy, local transfer tax, and idle land tax (ILT). Real property is classified as land, buildings and other improvements, and machinery. Together with other local taxes, the imposition of real property taxes provides a permanent and stable revenue source for LGUs.

This paper will review the revenue performance of local taxes on real properties for the period 2012-2016. Data regarding property taxes were provided by the Bureau of Local Government Finance (BLGF). However, collection efficiency of property taxes will not be covered, due to data limitation.

II. BACKGROUND ON REAL PROPERTY TAXATION IN THE PHILIPPINES

The RPT was formally imposed in the Philippines during the American occupation, through Acts No. 82 (1901) and 83 of the Philippine Commission (Department of Finance [DOF], 2004). These laws authorized municipalities and provinces to levy taxes on real properties, which became the primary source of locally-generated revenues. Several laws

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affecting the assessment and taxation of real property were later enacted, and compiled in the Administrative Code (1916) under the Jones Law. It was only on December 5, 1932 when Act No. 3995 was passed, which in effect incorporated all the existing laws relating to the assessment and collection of RPT into a single law (Bureau of Local Government Finance [BLGF], 2006).

In July 1939, the National Assembly passed Commonwealth Act (CA) No. 470 repealing Act No. 3995. In 1972, President Ferdinand E. Marcos initiated reforms on RPT under Presidential Decree (PD) Nos. 25 and 76 which include the filing of sworn statement of the true value of real property by all persons, natural or juridical, owning or administering real property. On June 1, 1974, PD No. 464 otherwise known as the “The Real Property Tax Code” was promulgated to govern the real property tax administration in the Philippines (BLGF, 2006). This law was designed to upgrade RPT assessment techniques, procedures and practices in the country.

As provided under Section 8 of Batas Pambansa (BP) Blg. 337 (1983), the appraisal and assessment of real property, as well as levy and collection and administration of real property taxes shall be governed by the provisions of PD 464. In 1991, the LGC was enacted and incorporated in its Title II, Book II the law on real property taxation and repealed PD 464 in the process.

Property related taxes are imposed on all forms of real property such as land, buildings, improvements and machinery, except real properties owned by the government, charitable institutions, churches, cooperatives, and those that are used in the supply and generation of water and electric power as well as equipment for pollution control and environmental protection.

Local property-related taxes in the Philippines include the following: basic RPT, SEF tax, ILT, special assessments/levy, tax on the transfer of real property ownership (transfer tax), and socialized housing tax. To wit:

- a. **Basic RPT** – This is levied by provinces, cities and the municipalities within Metro Manila on owners or beneficial users of land, building, machinery and other improvements (Section 232 of the LGC, 1991). It is based on the assessed value of the property, which is derived upon the application of the assessment levels (in percentage) to the fair market value of the property (Section 198 (g) and (h) of the LGC, 1991).
 - a.1 The assessment levels for land are differentiated depending on their actual use. Commercial, industrial, and mineral lands are assessed at the maximum rate of 50 percent, agricultural lands at 40 percent, and residential and timberlands at the lowest maximum rate of 20 percent.

For buildings and other improvements, the assessment levels are graduated i.e., they increase directly with the fair market values, from zero percent for residential buildings worth P175,000 and less to a maximum of 80 percent for commercial and industrial properties worth over P10,000,000.

Machineries are likewise assessed in relation to their actual use. The lowest maximum level is assigned to machineries used for agricultural purposes at 40 percent, and the highest maximum level to commercial and industrial machineries at 80 percent. Machineries used for residential purposes are subject to maximum assessment level of 50 percent (Section 218 of the LGC, 1991).

The assessment levels and tax rates vary among different LGUs as enacted through an ordinance passed by the local councils but subject to the ceilings prescribed in the LGC.

- a.2 The tax due is computed by applying the basic RPT rates of not exceeding one percent in the case of provinces and two percent for cities and municipality within Metro Manila to the assessed value of the property (Section 233, LGC, 1991).
- a.3 The proceeds derived by a province, city or a municipality within Metro Manila from the basic RPT are distributed as follows (Section 271, LGC, 1991):

(i) In the case of provinces:

Province	35 percent accrues to the general fund of the province.
Municipality	40 percent accrues to the general fund of the municipality where the property is located.
Barangay	25 percent accrues to the barangay where the property is located.

(ii) In the case of cities:

City	70 percent accrues to the general fund of the city.
Barangay	30 percent is distributed among the component barangays where the property is located in the following manner: <ol style="list-style-type: none"> (i) 50 percent accrues to the barangay where the property is located; and (ii) 50 percent accrues equally to all component barangays of the city.

(iii) In the case of municipalities within Metro Manila:

Metropolitan Manila Development Authority (MMDA)	35 percent accrues to the general fund of the Authority. ¹
Municipality	35 percent accrues to the general fund of the municipality.
Barangay	30 percent is distributed among the component barangays of the municipality where the property is located in the following manner: <ul style="list-style-type: none"> (i) 50 percent accrues to the barangay where the property is located; and (ii) 50 percent accrues equally to all component barangays of the municipality.

- b. **SEF Tax** – This is an annual tax imposed by the province or city, or a municipality within Metro Manila at one percent of the assessed value of real property, which is in addition to the basic RPT (Section 235 of the LGC, 1991). The proceeds exclusively accrue to the local school boards in support of the primary and secondary education of the concerned LGU, and are earmarked for the operation and maintenance of public schools, construction and repair of school buildings, facilities and equipment, educational researches, purchase of books, periodicals and sports development. However, in case of provinces, the proceeds are divided equally between the provincial and municipal school boards (Section 272, LGC, 1991).

Although the SEF tax is collected simultaneously with the basic RPT, the SEF tax is imposed at a fixed rate of one percent on the assessed value of real property while the basic RPT is imposed at not exceeding two percent of the assessed value of real property for cities and municipalities within Metro Manila and not exceeding one percent for provinces.

- c. **Tax on the Transfer of Real Property Ownership** - This is imposed by a province or city on the sale, donation, barter, or any other mode of transferring ownership or title of real property at the rate not exceeding 50 percent of 1 percent of the total consideration involved in the acquisition of the property or

¹ Under Section 27(f) of RA 7924, the law creating the Metro Manila Development Authority, the mandatory contributions from component LGUs is equivalent to five percent of the total annual gross revenue of the preceding year, net of the internal revenue allotment. The total gross annual revenue shall refer to LGU collections derived from taxes, including surcharges and penalties accruing to the LGUs for each calendar year after deducting the share of the barangay from the real property and other local taxes.

of the fair market value in case the monetary consideration involved in the transfer is not substantial, whichever is higher (Section 135 of the LGC, 1991). The proceeds of the tax accrue entirely to the general fund of the province or city concerned. The tax is imposed upon the seller, donor, transferor, executor or administrator and is similar to transfer taxes, i.e. capital gains tax (CGT) and documentary stamp tax (DST), imposed by the national government. In the case of cities, the tax rate may exceed the maximum rate allowed for provinces by not more than 50 percent (Section 151 of the LGC, 1991).

- d. **Special Assessments/Levy** - This is imposed by the province, city or municipality on lands specially benefited by public works projects or improvements funded by the LGU concerned. The levy should correspond only to a part not exceeding 60 percent of the actual cost of such projects and improvements, including the cost of acquiring land and other real properties, based on a formula to be established by the local legislative council. However, the special levy shall not apply to lands exempt from basic RPT and the remainder of the land portions of which have been donated to the LGU concerned for the construction of projects or improvements (Section 240 of the LGC, 1991). The proceeds of the special levy benefited by public works accrue to the general fund of the LGU which financed such public works, projects or other improvements.
- e. **ILT** – This is levied by the province, city, or a municipality within Metro Manila as an annual tax on idle lands at a rate of not exceeding 5 percent of the assessed value of the property (Section 236 of the LGC, 1991). This is also in addition to the basic RPT. The lands subject to tax are as follows: (i) agricultural land with an area of more than one hectare, one-half of which remain uncultivated or unimproved by the owner of the property or person having legal interest therein. Agricultural lands planted to permanent or perennial crops with at least 50 trees to a hectare shall not be considered idle lands; (ii) non-agricultural lands, located in a city or municipality, more than 1,000 sq. meters in area, one-half of which remain unutilized or unimproved; and (iii) unimproved residential lots in subdivisions. The rationale for the imposition of the ILT is to encourage urban and rural land development and increase the supply of land for productive use. The proceeds solely accrue to the respective general fund of the province or city or municipality within Metro Manila where the land is located (Department of Finance-Department of Interior and Local Government [DOF-DILG], 2010).
- f. **SHT** – The SHT is provided under Section 143 of RA 7279 (1992), or the “Urban Development and Housing Act of 1992”, authorizing all LGUs to impose an additional 0.5 percent tax on the assessed value of all lands in urban areas in excess of P50,000, the proceeds of which will fund the urban development and housing programs of the LGUs.

III. ANALYSIS OF THE REVENUE PERFORMANCE OF LOCAL TAXES ON REAL PROPERTY

A. Revenue Performance of Property Taxes, By Source

From 2012-2016, revenues from property taxes increased at an annual average rate of 10.59 percent of the total local government revenues from all sources (Philippine Statistics Authority [PSA], 2018).

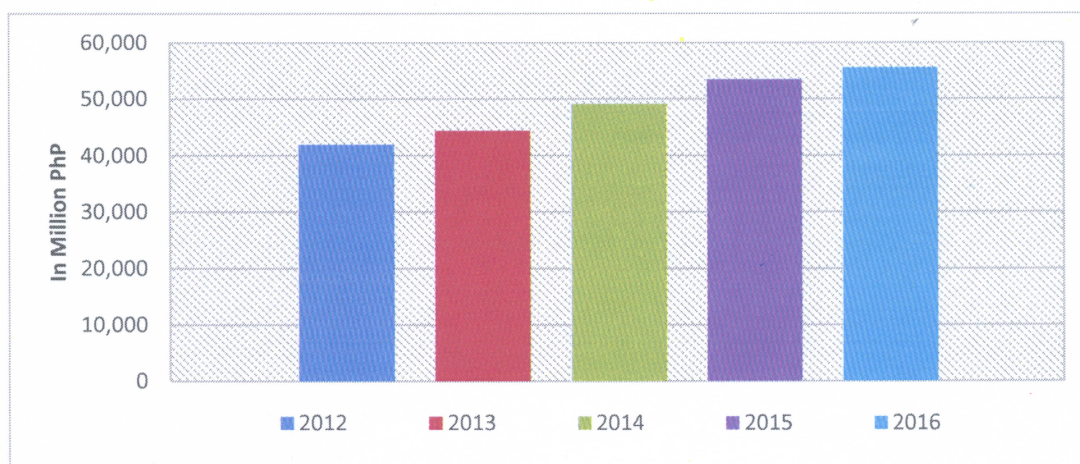


Figure 1. Property tax revenues of local government units, 2012-2016

The annual aggregate revenues of real property taxes consistently increased from P42.01 billion in 2012 to P55.58 billion in 2016 (Figure 1). On the average, property taxes grew by 7.28 percent during the period, slightly higher than the average growth rate of the country's gross domestic product (GDP) which is at 6.57 percent for the same period (Statista, 2019). This means that property tax revenue was able to keep up with the changes in national income. In contrast, the average annual revenue from property taxes is lower than that of business taxes (10.17 percent), but grew faster than other taxes (5.91 percent). However, against non-tax revenues, it fell short by about 1.39 percent as non-tax revenues has a growth rate of 8.67 percent. (See Appendix A.)

In spite of the substantial increments in locally-generated revenues, the data collected for CYs 2012-2016 show that LGUs continued to rely heavily on externally-generated revenues comprising mainly of the internal revenue allotment (IRA), share from the utilization of national wealth, grants and aids, borrowings and others, as they contributed to an average of 66.93 percent to total revenue of LGUs.² Specifically, the IRA accounted for the biggest share at an average of 59.27 percent of total external sources (Appendix B). This shows that there is a heavy dependency

² In comparison to NTRC, Revenue Performance of Local Governments: 2003-2007, *NTRC Tax Journal*, Volume XX.6 November-December, 2008, p.35.

of LGUs on external sources for their funding needs. For CY 2012-2016, cities collected from property taxes an average of 17.59 percent of total revenue, a huge difference between municipalities (4.25 percent) and provinces (6.53 percent). Real property taxes still contributed the most followed by transfer taxes. On the other hand, special assessments and socialized housing tax (SHT) and idle land taxes contributed the least. (See Appendix C.)

The basic RPT and the SEF tax are the main revenue sources accounting for a combined share of 91.06 percent of total property tax revenues. It is observed that the SEF tax contributed 1.94 percent higher than the basic RPT despite the fact that the cities may impose a maximum RPT rate of 2 percent while the maximum tax rate of SEF tax is fixed at 1 percent. This results from some of the LGUs not imposing the maximum rate of 2 percent, imposing different rates based on how the LGU fares (BLGF, 2017). However, the growth rate of basic RPT is 0.09 percent higher than SEF. This shows that even if the SEF is higher in contributions, the collection for basic RPT grew slightly over the course of the years.

On the other hand, revenue contribution from the transfer tax grew considerably (7.93 percent), while special assessments and the idle land tax made meager contributions of only 0.48 percent and 0.53 percent, respectively. (See Table 1.)

Table 1
Property Tax Revenues of Local Government Units, by Source, CYs 2012-2016
(In million pesos)

Source	2012	2013	2014	2015	2016	Average		
						Amount	Dist. (%)	Growth Rate (%)
Property Taxes	42,008	44,447	49,155	53,525	55,579	48,943	100.00	7.28
1. Real Property Taxes	38,837	40,497	45,020	48,152	50,336	44,568	91.06	6.73
a. Basic	19,021	19,778	22,080	23,691	24,689	21,851	44.65	6.78
b. SEF	19,816	20,719	22,940	24,461	25,647	22,717	46.41	6.69
2. Transfer Tax	2,836	3,509	3,755	4,545	4,751	3,879	7.93	14.07
3. Special Assessments/SHT	145	195	111	541	172	233	0.48	77.34
4. Idle Land Tax	190	246	269	287	320	262	0.54	14.30

Note. Basic data was sourced from Bureau of Local Government Finance (BLGF) as of 27 September 2018. Rounded up values. Details of the property tax revenue of LGUs is shown in Appendix A.

The average annual growth rate for all property taxes significantly increased during the period, of which the dual category of special assessments tax and SHT registered the highest rate of 77.34 percent or with a revenue increase from P111 million in 2014 to P541 million in 2015 before decreasing to P172 million in 2016.

The collection from special assessment includes collection from SHT, which may be an explanation for the sudden increases in collection. It is also observed that the SHT by LGUs has not been a significant source of local revenues with its average contribution to total property tax revenue at less than one percent (Table 1). The other property-related taxes also grew at almost the same rates, i.e. 14.07 percent for the transfer tax, and 14.30 percent for the ILT.

B. Performance of Each Property Tax

Based on a previous NTRC study (2006), several problems contributed to the underperformance of RPT collections. These were: (a) poverty of taxpayers; (b) political influence; (c) financial dislocation due to natural calamities; (d) limited use of civil remedies; and (e) undervaluation of property values. These are still the same factors that cause poor tax collections faced by the LGUs today. While there have been remedies to address these problems, there are slight changes in the tax collection efforts throughout the years.

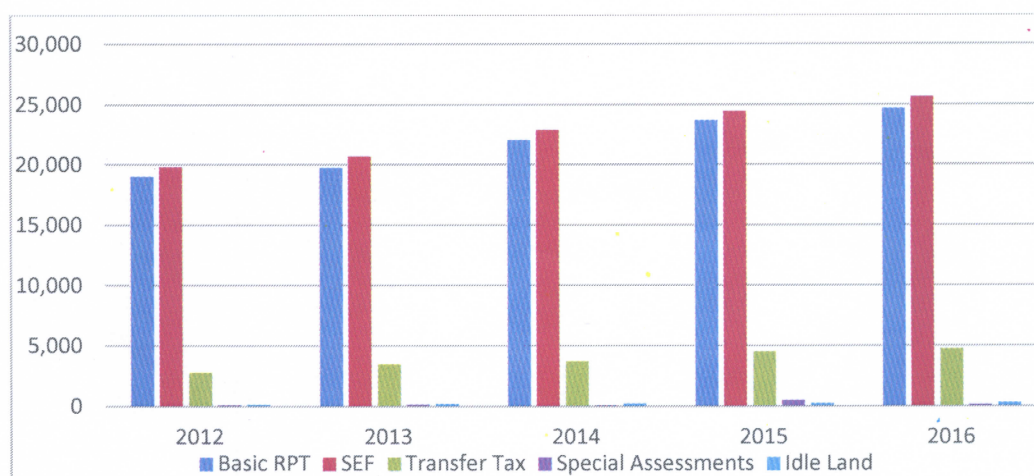


Figure 2. Property revenues by source, in million pesos, 2012-2016

Basic RPT

The basic RPT is one of the major sources of LGU revenues with an annual increase of 6.67 percent (Table 2). It increased from P19.02 billion in 2012 to P24.69 billion in 2016. During the period, the tax contributed to an average of PhP21.85 billion annually or 44.65 percent of total real property revenue (Table 1). In terms of annual growth, the basic RPT peaked at 11.64 percent in 2014 before it went down to 7.30 percent in 2015 and 4.22 percent in 2016.

Table 2
Growth Rate of Real Property Taxes, CYs 2012-2016
(In percent)

Source	2012-2013	2013-2014	2014-2015	2015-2016	Average*
Real Property Taxes	4.28	11.17	6.96	4.54	6.67%
Basic RPT	3.98	11.64	7.30	4.22	6.70%
SEF Tax	4.56	10.72	6.63	4.85	6.63%

Note. Basic data was sourced from BLGF as of 27 September 2018

Previous NTRC study (2006) also indicated the dominance of the IRA in the revenues of local governments that serves as a security for LGUs which ease their efforts to collect taxes within their jurisdiction. This undermines the LGUs' capacity to generate sufficient revenues that are needed for more sustainable economic development. The IRA continues to contribute far more than what the local taxes are generating. The average contribution of the IRA is 59.27 percent for the five-year period, with 39.66 percent contribution to cities, 74.73 percent to municipalities, and 73.94 percent to provinces.

SEF Tax

The SEF tax which accounted for an average of about 46.42 percent of total property taxes, increased from P19.82 billion in 2012 to P25.65 billion in 2016. The tax grew steadily with an average growth rate of 6.63 percent for the five-year period. However, its growth dwindled from 6.63 percent in 2015 to 4.85 percent in 2016. (See Table 2.)

As of 2016, cities have the highest SEF revenue collection at P17.32 billion compared to provinces (P4.27 billion) and municipalities (P4.06 billion). For the five-year period, revenue from SEF is higher than revenue from the basic RPT.

Local Transfer Tax

Collections from local transfer tax showed an increasing trend from P2.84 billion in 2012 to P4.75 billion in 2016. As shown in Figure 2, the contribution of local transfer taxes was considerably low compared to other property taxes. Previous Land Administration and Management Project (LAMP) studies (2002) explained that the cost of transferring properties in the Philippines is very high (almost eight percent) compared to other countries (0.5 percent to 4.5 percent), thus, taxpayers tend to under declare the value of their property or worse, engage in informal transactions, and eventually lead to the failure to collect the said tax. The top three highest collecting provinces were Bulacan, Cavite and Batangas,

while the lowest collecting provinces were Basilan, Dinagat Islands and Maguindanao. (See Table 3.)

Table 3

Top 10 Highest and Lowest Provinces Collecting Transfer Tax, 2012-2016
(Average amounts in thousands pesos)

Top 10 Provinces	Average	Bottom 10 Provinces	Average
Bulacan	98,009.50	Basilan	14.38
Cavite	92,958.26	Dinagat Islands	26.47
Batangas	66,297.65	Maguindanao	47.29
Rizal	52,326.61	Sulu	61.00
Bataan	36,356.71	Western Samar	82.44
Iloilo	26,024.49	Batanes	111.25
Pampanga	24,939.53	Mountain Province	114.75
Cebu	20,981.34	Eastern Samar	121.54
Laguna	16,456.70	Apayao	125.43
Aklan	15,504.14	Siquijor	164.98

Note. Basic data is sourced from BLGF as of 27 September 2018.

Special Levy/Assessments Tax

As mentioned earlier, LGUs have not utilized the special levy during the covered period. This may be due to the lack of familiarity and expertise on the mechanism to implement it, or that they deem it irrelevant as other government projects have made higher the market values of adjacent properties that resulted to higher realty taxes due covering the cost of public infrastructure (Local Development Assistance Program Monitoring Team [LDAP], 1992, p. 65-66).

SHT

As noted, SHT revenue was lumped with the special levy/assessments tax which is only imposed by certain cities, one of which is Quezon City which contributes the highest for 2012, 2014 and 2016. Quezon City collected P145.24M in 2012, P194.65M in 2013, before decreasing to P89.40M in 2014. There was no collection for 2015 due to the temporary restraining order (TRO) issued by the Supreme Court on 5 February 2014. In 2016, Quezon City resumed the collection of the SHT and collected P161.50M after the Supreme Court ruled that imposition of SHT is constitutional (Supreme Court of the Philippines, 2015).

ILT

The ILT revenues increased from P190 million in 2012 to P320 million in 2016. The number of reported collection from ILT were mainly from cities, with an average of P261.52 million for the period. Although ILT has one of the highest average growth rate at 14.30 percent, its average contribution to total property taxes was only 0.53 percent. The number of LGUs imposing the tax have increased annually but this still fell short of the potential number of LGUs which should have imposed the tax. The non-imposition of the tax by some LGUs has been attributed, among others, to (a) lack of appropriate guidelines for its implementation; and (b) lack of a definite criterion on what is an “idle” land.³

However, it is observed that despite the separate classification of ILT from special assessment, some LGUs recorded their ILT collection under special assessments. It should be noted that the following cities, after verification, clarified that the special assessments revenue are actually ILT collections: Banton in Romblon (P165.80 in 2012), Alang-alang in Leyte (P214,788.77 for 2013), Aklan Province (P1,674.08 in 2014). Lapu-lapu City collected P21.85 million in 2014, then declined to P13.51 million in 2015, and P10.94 million in 2016 (BLGF, 2018).

Despite the guidelines and issuances to LGUs to impose and collect the ILT within their respective jurisdiction (DOF-DILG, 2010), collection from this source is still the second lowest contributor to property taxes. However, the Department of Finance-Department of Interior and Local Government Joint Memorandum Circular (DOF-DILG JMC) 2010-02 (2010) encouraged LGUs and property owners to utilize and cultivate idle lands to attain their most productive use (DOF-DILG, 2010). This was in response to the problem of the small collection of revenues from this type of tax. According to the International Monetary Fund (IMF) report, the memorandum called out for a more detailed, step-by-step procedures that will ensure uniform implementation of the ILT among the different LGUs. Several proposed reforms are the adoption of clear, operational definition of idle land, classification, and systematic inventory (IMF, 2013).

C. Revenue Performance of Property Taxes, By Level

Figure 3 shows that cities account for the biggest share of property tax revenues at 72.44 percent followed by provinces and municipalities (within and outside Metro Manila) contributing 14.08 percent and 13.48 percent, respectively. Accordingly, the highest growth rate was registered by cities at an average of 7.95 percent annually, followed by municipalities (6.25 percent), and provinces (5.37 percent). As of 2017, the Philippine Statistics Authority (PSA) recorded a total of 924,721 business enterprises (micro, small and medium enterprises [MSMEs]) operating in the Philippines (Department of Trade and Industry [DTI], 2017). Based on the distribution by region, National Capital Region (NCR) accounted for the

³ These reasons were also mentioned in NTRC Surveys on Local Finance, viz: “Local Finance Survey”, 1975,1981, 1991 and 1997.

highest concentration of business establishments with a total of 192,316 (DTI, 2017). This data show that the highest revenues from cities are derived from business and commercial establishments.

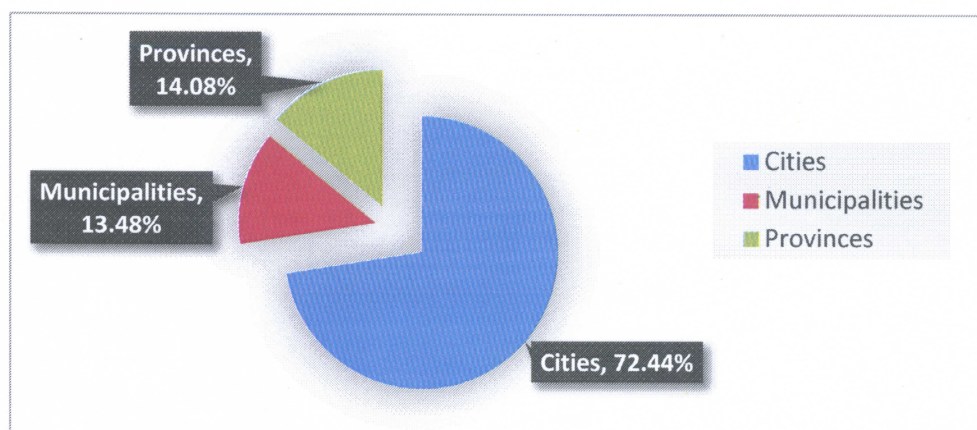


Figure 3. Average percent distribution of property tax revenues, 2012-2016

The RPT (basic and SEF) is the biggest component of the property related tax sources, 91.57 percent for provinces, 89.32 percent for cities, and 99.91 percent for municipalities or broken down into basic RPT with an average contribution of 37.72 percent for provinces, 45.96 percent for cities, and 44.84 percent for municipalities; and the SEF tax at 53.85 percent, 43.36 percent, and 55.07 percent, respectively. (See Table 4.)

Table 4

*Average Distribution of Property Tax Revenues of Government Units, CYs 2012-2016
(Amounts in million pesos)*

Source	Provinces		Cities		Municipalities	
	Amount	(%) Dist.	Amount	(%) Dist.	Amount	(%) Dist.
1. Property Taxes	6,890.53	100.00	35,453.66	100.00	6,598.72	100.00
1.1 RPT	6,309.98	91.57	31,665.50	89.32	6,592.76	99.91
a. Basic	2,599.20	37.72	16,293.20	45.96	2,959.14	44.84
b. SEF	3,710.78	53.85	15,372.30	43.36	3,633.62	55.07
1.2 Transfer Tax	579.64	8.41	3,293.74	9.29	5.96	0.09
1.3 Special Assessments/SHT	0.00	0.00	232.91	0.66	0.00	0.00
1.4 Idle Land Tax	0.91	0.01	261.52	0.74	0.00	0.00

Note. Basic data was sourced from BLGF as of 27 September 2018.

The data also show that other property taxes only contribute a small amount in collection. Transfer taxes comprised 8.41 percent, 9.29 percent, and 0.09 percent for provinces, cities, and municipalities, respectively. The SHT was only collected from the cities at mere 0.66 percent, while ILT contribution was 0.91 percent in provinces, and 0.74 percent in cities. The low collection of these taxes can be attributed to the limited number of LGUs that impose the said taxes.

With regard to property tax revenues of LGUs, among the provinces, the ILT had the highest average growth rate of 308.81 percent, while the lowest is the transfer tax with 4.43 percent. Accordingly, the SEF tax (5.88 percent) had a higher average growth rate than the basic RPT (4.95 percent). In the case of special assessment, no revenue was collected from this source as the revenues recorded were actually from SHT or ILT as mentioned earlier. On the other hand, cities posted the highest growth rate of 77.32 percent from SHT which were attributed to the imposition of the said tax by Quezon City. This was followed by transfer tax with a growth rate of 16.09 percent while SEF tax registered the lowest average growth rate of 6.95 percent. For municipalities, revenue collection from transfer tax had the highest average growth rate of 356.84 percent. The robust growth was due to the rapid increases in their collection amounting to P0.68 million in 2013 to P10.64 million in 2014 or a sudden growth of about 15 times. The basic RPT and SEF posted an increase for the period by 5.67 percent and 6.69 percent, respectively.

Table 5

Average Growth Rate of Property Tax Revenues of Local Government, CYs 2012-2016 (In percent)

Source	Provinces	Cities	Municipalities
1. Property Taxes	5.37	7.95	6.25
1.1 Real Property Taxes	5.48	7.17	6.22
a. Basic	4.95	7.39	5.67
b. SEF	5.88	6.95	6.69
1.2 Transfer Tax	4.43	16.09	356.84
1.3 Special Assessments/SHT	0.00	77.32	0.00
1.4 Idle Land Tax	308.81	14.32	0.00

Note. Basic data was sourced from BLGF as of 27 September 2018. See Appendix D for the complete list.

For CY 2012-2016, only the cities of Pasig, Quezon City, Marikina, Iloilo, Valenzuela, Trece Martirez, Tagaytay and Tagum, and the province of Cavite imposed and collected ILT. In 2017, Muntinlupa City enacted Ordinance No. 123-17 which imposes 0.5 percent and 2 percent of the assessed value on residential and commercial/industrial idle lands, respectively. In its first year of implementation (2018), the Muntinlupa City collected a total of P21.15 million. The SHT that

Quezon City collected amounted to an average of P429 million for the years 2012-2014. San Juan City also imposed SHT and collected an additional one-half of one percent SHT levied on the assessed value of land in the City, in excess of P150,000 based on its City Ordinance (Alvina, 2017). It then proved to show that even though there were discrepancies in the taxing rates of Quezon City and San Juan, the latter only chose to exempt properties with P50,000 to P149,999 from paying the SHT. The tax rate of one-half of one percent also proved to be within the guidelines of the DOF, and as such it was ruled that San Juan City's implementation of the SHT can stand (Alvina, 2017).

D. Revenue Performance of Property Taxes, By Region

By region, the NCR is the biggest property tax revenue contributor, with an average share of 43.60 percent, or P21.34 billion from 2012 to 2016 (Table 6). This is due to the existence of high-value properties in the region. The second and third highest contributors were Regions IV-A and III with average contributions of 19.73 percent and 9.63 percent, respectively, to the total property tax collections. The lowest level of property tax collection recorded was in Region XIII, with only 0.84 percent of total collection.

Table 6

*Average Property Tax Revenue Collections, by Region, CYs 2012-2016
(Amounts in million pesos)*

Region	2012	2013	2014	2015	2016	Average		
						Amount	Dist. (%)	Growth Rate (%)
Total	42,008	44,447	49,155	53,525	55,579	48,943	100.00	7.18
CAR	418	439	419	451	554	456	0.93	7.87
NCR	17,542	19,936	21,521	23,807	23,899	21,341	43.60	7.68
Region I	1,106	1,160	1,276	1,543	1,500	1,317	2.69	7.75
Region II	536	545	636	571	659	589	1.20	5.38
Region III	3,814	3,958	5,142	5,181	5,481	4,715	9.63	9.21
Region IVA	8,789	8,452	9,188	10,573	11,271	9,655	19.73	6.71
Region IVB	625	513	481	552	529	540	1.10	-4.42
Region V	679	755	886	854	914	818	1.67	7.40
Region VI	2,183	2,210	2,542	2,481	2,494	2,382	4.87	3.30
Region VII	2,184	2,173	2,439	2,456	2,679	2,386	4.88	5.35
Region VIII	396	388	410	456	557	441	0.90	9.76
Region IX	355	391	421	481	509	431	0.88	9.34
Region X	1,137	1,161	1,132	1,305	1,477	1,242	2.54	7.18
Region XI	1,255	1,269	1,470	1,558	1,684	1,447	2.96	7.73
Region XII	690	747	754	778	878	769	1.57	6.33
Region XIII	299	350	438	478	494	412	0.84	12.46

Note. Basic data was sourced from BLGF as of 27 September 2018. Rounded up values.

Manila City, Makati City, and Quezon City were the top three contributors in the NCR, averaging P2.06 billion. With NCR leading the collections, the other regions did not manage to make out of the 5 percent share except for Regions III and IV. This poses an issue on the revenue collection efforts of LGUs in the RPT. However, the growth rate showed that regions are doing fairly well, with Region XIII being the highest, with an average of 13.67 percent from 2012-2016, despite its considerably low contribution to the property tax revenues. Regions III and IX followed at 10.06 percent and 9.47 percent, respectively. In contrast, the NCR, which had the greatest share in total revenue collections, only had a growth rate of 8.15 percent during the period. Also, the lowest growth rate was posted by Region IV-B at -3.39 percent.

Despite Regions IV-A and III faring the highest in terms of new projects, NCR still topped the list for CYs 2012-2016, the average value of new property constructions in the NCR amounted to P113.9 billion, while Regions XIII and III only amounted to P2.3 billion and P18.2 billion, respectively. It can be observed that while Region XIII had the highest growth rate of 13.67 percent, the values of new constructions were low compared to Region III, having a growth rate of 10.06 percent, and had construction values that were significantly higher than the former. This may be attributed to Region III having a higher average collection of P4.72 billion than that of Region XIII with P0.41 billion. Meanwhile, Region IV-A had construction values amounting to P43.4 billion while Region IV-B, the region with the negative growth rate, amounted to only P2.9 billion.

E. Outdated SMVs and other Problems

Under Section 21 of PD No. 464 (1974), real property assessment revisions were mandated once every five years. It was then shortened to three years by PD No. 1621 (1979) in order to minimize abrupt increases in the real property values. The three year period was carried under Section 220 of the LGC of 1991 which provides that the assessment of real property shall not be increased oftener than once every three years except in case of new improvements substantially increasing the value of said property or of any change in its actual use.

However, most LGUs are still using outdated SMVs as basis of their real property taxes (Dela Peña, 2014). As of August 2018, 50 out of 81 provinces are still using outdated SMVs (BLGF, 2018) (Appendix E). Marinduque is in dire need of new SMVs, as it is already 17 years overdue for a general revision (BLGF, 2018). Other provinces that have outdated SMVs are Tarlac (16 years), Tawi-Tawi (14 years), Aurora, Guimaras, and Lanao del Sur (13 years). There are also 108 cities with outdated SMVs, and only 39 cities that are updated (Appendix F). This was in contrast to the provision under Section 219 of the LGC requiring the revision of SMVs every three years by provincial, city or municipal assessors for better implementation of real estate taxes.

The outdated and inefficient revenue collection also pose a serious problem; i.e. not enough technical assistance on real property appraisal matters, as well as the proper technology, and electronic database of the real property transactions from involved government agencies such as the BLGF and the Philippine Tax Academy (PTA). It should be mentioned that some cities such as Quezon City and Valenzuela City have the necessary equipment, funds, and manpower to help them levy the taxes and collect revenues, while the municipalities and some other provinces lack the necessary resources mentioned. Another problem for some LGUs is the lack of experience on the collection of other property related taxes such as the ILT, SHT and special assessments. As of 2018, there were still LGUs that have not imposed the said taxes because of political decisions and the overlapping of taxes.

It is also equally important to make the local assessors updated with the best practices in the conduct of property valuation. Currently, the Real Estate Service Act provides the qualifications that assessors should possess in order to be employed in the valuation service. In this regard, it is necessary that training programs be designed to raise the skills and technical know-how of local assessors. The training programs for assessors that the DOF and BLGF provide are not regular, and thus, it is recommended that the said agencies, with the help of the PTA should craft a training program that will address the needed skills of the local assessors which should be conducted periodically.

It is worth mentioning that Package 3 of the Comprehensive Tax Reform Program (CTRP) aims to address the problems of property valuation. The overlapping valuations, as well as the several valuation agencies conducting assessments, and the absence of a real property electronic database were among the problems specified by the BLGF that Package 3 aims to solve (BLGF, 2018). Also, one of the main reasons for the updating of property values is the adverse effects of outdated values such as foregone revenues and updating of conflicting land values, leading to government projects delayed. Package 3 aims to establish a single valuation base that will design a uniform standard and create a comprehensive database that will augment revenues and improve local autonomy (BLGF, 2018).

I. CONCLUSION AND RECOMMENDATIONS

Overall, the implementation of property related taxes in the Philippines still needs to be enhanced. While the tax collection generally experienced growth during CYs 2012-2016, the LGUs still have not harnessed the full potential of increasing their revenues, specifically property taxes since these are their main sources of revenue. Making property related taxes as the productive sources of local government revenues should be the main priority of LGUs.

The LGUs should implement reforms and innovations to increase revenue collections. Previous NTRC studies suggested several recommendations and are reiterated as follows:

- a. Minimize political influence in the valuation processes by removing from the LGUs the power to appoint local assessors and approve the schedule of market values;
- b. Review and approve the SMVs prepared by the provincial assessor together with municipal assessors, and city assessors, including the municipal assessor of Metro Manila, for tax and other purposes;
- c. Enjoin the local chief executives to enforce the civil remedies which is largely a matter of political will;
- d. Establish a complete and accurate real property database in LGUs;
- e. Synchronize assessment records with the collection records of individual taxpayers. The collection can be more efficient if the assessments made by the assessor are updated and completed for easier identification by the treasurer of delinquent taxpayers;
- f. Computerization in property tax administration that is not limited to data storage and mathematical computations. In many countries, assessors are using computers in the valuation process such as its application for mass appraisal. The effect of computerization in property tax administration is potentially beneficial to LGUs if the system is intelligently conceived and carefully developed; and
- g. Strengthen the linkages with other officials and agencies such as the Register of Deeds and real estate dealers who are sources of property transaction information.

Lastly, that Package 3 of the CTRP be immediately passed by Congress to address the problems of property valuations to establish a single valuation base that will increase revenues and improve local autonomy.



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Appendix A

Growth Rate of Total Revenue of Local Government Units, by Source, CYs 2012-2016

Source	2012-2013	2013-2014	2014-2015	2015-2016	Average
TOTAL REVENUE	<u>6.98%</u>	<u>10.87%</u>	<u>19.82%</u>	<u>8.73%</u>	<u>11.60%</u>
I. Local Sources	<u>2.68%</u>	11.93%	14.27%	5.54%	<u>8.60%</u>
A. Tax Revenues	3.74%	12.55%	13.14%	4.94%	8.59%
1. Property Taxes	5.80%	10.59%	8.89%	3.84%	7.28%
1.1 Real Property Taxes	4.28%	11.17%	6.96%	4.54%	6.73%
a. Basic	3.98%	11.64%	7.30%	4.22%	6.78%
b. SEF	4.56%	10.72%	6.63%	4.85%	6.69%
1.2 Transfer Tax of Real Property	23.70%	7.02%	21.05%	4.52%	14.07%
1.3 Socialized Housing Tax/ Special Assessments	34.16%	-42.91%	386.22%	-68.12%	77.34%
1.4 Idle Land Tax	29.77%	9.03%	7.04%	11.35%	14.30%
2. Business Taxes (per Section 143 of the LGC)	2.07%	13.49%	18.73%	6.39%	10.17%
3. Other Taxes	1.68%	20.20%	1.19%	0.59%	5.91%
Amusement Tax	18.33%	1.72%	22.13%	-5.28%	9.23%
Franchise Tax	-11.64%	9.55%	9.66%	-7.68%	-0.03%
Tax on Delivery Trucks & Vans	1.75%	21.41%	8.32%	7.15%	9.66%
Tax on Sand, Gravel & Other Quarry Resources	4.64%	2.51%	6.09%	22.29%	8.88%
Community Tax	6.86%	7.92%	8.00%	3.62%	6.60%
Professional Tax	5.82%	19.52%	-3.83%	19.31%	10.20%
Others	21.68%	165.27%	-39.62%	-3.99%	35.84%
B. Non-Tax Revenues	0.11%	10.39%	17.18%	7.01%	8.67%
1. Regulatory Fees	7.83%	14.45%	8.37%	7.06%	9.43%
2. Service/User Charges	7.50%	30.82%	21.67%	15.67%	18.92%
3. Income from Economic Enterprise	3.06%	5.06%	13.09%	8.57%	7.45%
4. Other Income Receipts	-24.30%	-10.33%	41.82%	-14.75%	-1.89%
II. External Sources	<u>9.28%</u>	<u>10.34%</u>	<u>22.64%</u>	<u>10.25%</u>	<u>13.13%</u>
A. Internal Revenue Allotment	9.78%	12.88%	15.96%	9.79%	12.10%
B. Share from National Wealth	15.31%	-21.88%	8.14%	25.57%	6.78%
C. Share from ECOZONES (RA 7227)	18.67%	27.88%	11.31%	12.89%	17.69%
D. Share from EVAT	-45.14%	204.47%	850.23%	-87.78%	230.45%
E. Share from PAGCOR/ PCSO/Lotto	-4.34%	79.31%	-27.58%	3.34%	12.69%
F. Share from Tobacco Excise Tax (RA 7171)	4.64%	-95.40%	1425.61%	258.70%	398.39%
G. Extraordinary Receipts/ Grants/Donations/Aids	-32.20%	-21.05%	421.42%	-43.19%	81.25%
H. Other External Revenue Sources	12.80%	1.61%	66.13%	15.01%	23.89%

Appendix B

Percent Distribution of Total Revenue of Local Government Units, by Source, CYs 2012-2016

Source	2012	2013	2014	2015	2016	Average
TOTAL REVENUE	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
I. Local Sources	<u>34.82%</u>	<u>33.42%</u>	<u>33.74%</u>	<u>32.17%</u>	<u>31.23%</u>	<u>33.07%</u>
A. Tax Revenues	24.67%	23.92%	24.28%	22.93%	22.13%	23.59%
1. Property Taxes	11.20%	11.07%	11.04%	10.04%	9.59%	10.59%
1.1 Real Property Taxes	10.35%	10.09%	10.12%	9.03%	8.68%	9.65%
a. Basic	5.07%	4.93%	4.96%	4.44%	4.26%	4.73%
b. SEF	5.28%	5.16%	5.15%	4.59%	4.42%	4.92%
1.2 Transfer Tax of Real Property	0.76%	0.87%	0.84%	0.85%	0.82%	0.83%
1.3 Socialized Housing Tax/ Special Assessments	0.04%	0.05%	0.02%	0.10%	0.03%	0.05%
1.4 Idle Land Tax	0.05%	0.06%	0.06%	0.05%	0.06%	0.06%
2. Business Taxes (per Section 143 of the LGC)	11.97%	11.42%	11.69%	11.59%	11.34%	11.60%
3. Other Taxes	1.50%	1.43%	1.55%	1.31%	1.21%	1.40%
Amusement Tax	0.16%	0.18%	0.17%	0.17%	0.15%	0.17%
Franchise Tax	0.57%	0.47%	0.46%	0.42%	0.36%	0.45%
Tax on Delivery Trucks & Vans	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Tax on Sand, Gravel & Other Quarry Resources	0.20%	0.19%	0.18%	0.16%	0.18%	0.18%
Community Tax	0.41%	0.41%	0.39%	0.36%	0.34%	0.38%
Professional Tax	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Others	0.10%	0.11%	0.27%	0.14%	0.12%	0.15%
B. Non-Tax Revenues	10.15%	9.49%	9.45%	9.24%	9.10%	9.49%
1. Regulatory Fees	2.09%	2.10%	2.17%	1.96%	1.93%	2.05%
2. Service/User Charges	1.94%	1.95%	2.30%	2.33%	2.48%	2.20%
3. Income from Economic Enterprise	4.35%	4.19%	3.97%	3.75%	3.74%	4.00%
4. Other Income Receipts	1.77%	1.25%	1.01%	1.20%	0.94%	1.24%
II. External Sources	<u>65.18%</u>	<u>66.58%</u>	<u>66.26%</u>	<u>67.83%</u>	<u>68.77%</u>	<u>66.93%</u>
A. Internal Revenue Allotment	58.07%	59.59%	60.67%	58.72%	59.29%	59.27%
B. Share from National Wealth	0.45%	0.48%	0.34%	0.31%	0.36%	0.39%
C. Share from ECOZONES (RA 7227)	0.57%	0.63%	0.73%	0.68%	0.70%	0.66%
D. Share from EVAT	0.03%	0.01%	0.04%	0.29%	0.03%	0.08%
E. Share from PAGCOR/ PCSO/Lotto	0.19%	0.17%	0.28%	0.17%	0.16%	0.19%
F. Share from Tobacco Excise Tax (RA 7171)	1.02%	1.00%	0.04%	0.53%	1.75%	0.87%
G. Extraordinary Receipts/ Grants/Donations/Aids	1.01%	0.64%	0.46%	1.99%	1.04%	1.03%
H. Other External Revenue Sources	3.84%	4.05%	3.71%	5.15%	5.45%	4.44%

Appendix C

*Percent Distribution of Total Revenue of Cities, Municipalities and Provinces, by Source
CYs 2012-2016*

Source	2012	2013	2014	2015	2016	Average
CITIES						
1. Property Taxes	18.02%	18.50%	18.32%	16.91%	16.71%	17.59%
1.1 Real Property Taxes	16.42%	16.56%	16.51%	14.85%	14.80%	15.71%
a. Basic	8.40%	8.49%	8.51%	7.67%	7.63%	8.09%
b. SEF	8.02%	8.07%	8.01%	7.18%	7.17%	7.63%
1.2 Transfer Tax of Real Property	1.40%	1.69%	1.61%	1.70%	1.71%	1.63%
1.3 Socialized Housing Tax/ Special Assessments	0.09%	0.11%	0.06%	0.23%	0.07%	0.12%
1.4 Idle Land Tax	0.11%	0.14%	0.14%	0.12%	0.13%	0.13%
MUNICIPALITIES						
1. Property Taxes	4.78%	4.39%	4.70%	4.04%	3.68%	4.25%
1.1 Real Property Taxes	4.78%	4.39%	4.69%	4.03%	3.68%	4.24%
a. Basic	2.18%	1.96%	2.10%	1.81%	1.64%	1.90%
b. SEF	2.60%	2.43%	2.58%	2.22%	2.04%	2.34%
1.2 Transfer Tax of Real Property	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
1.3 Socialized Housing Tax/ Special Assessments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.4 Idle Land Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PROVINCES						
1. Property Taxes	7.25%	6.52%	6.50%	5.84%	5.65%	6.53%
1.1 Real Property Taxes	6.66%	5.94%	5.90%	5.36%	5.21%	5.97%
a. Basic	2.81%	2.41%	2.42%	2.21%	2.14%	2.46%
b. SEF	3.86%	3.54%	3.49%	3.14%	3.07%	3.51%
1.2 Transfer Tax of Real Property	0.59%	0.57%	0.59%	0.49%	0.44%	0.56%
1.3 Socialized Housing Tax/ Special Assessments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.4 Idle Land Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Appendix D

*Average Growth Rate of Total Revenue of Cities, Municipalities and Provinces, by Source
CYs 2012-2016*

Source	2012	2013	2014	2015	2016
CITIES					
1. Property Taxes	9.33%	8.90%	10.22%	3.36%	7.95%
1.1 Real Property Taxes	7.43%	9.63%	7.40%	4.23%	7.17%
a. Basic	7.65%	10.14%	7.69%	4.08%	7.39%
b. SEF	7.21%	9.09%	7.10%	4.39%	6.95%
1.2 Transfer Tax of Real Property	28.32%	5.21%	25.80%	5.03%	16.09%
1.3 Socialized Housing Tax/ Special Assessments	34.01%	-42.84%	386.23%	-68.12%	77.32%
1.4 Idle Land Tax	29.83%	7.68%	8.40%	11.36%	14.32%
MUNICIPALITIES					
1. Property Taxes	-0.41%	19.07%	4.12%	2.22%	6.25%
1.1 Real Property Taxes	-0.42%	18.91%	4.13%	2.26%	6.22%
a. Basic	-2.72%	19.64%	4.02%	1.74%	5.67%
b. SEF	1.52%	18.32%	4.22%	2.69%	6.69%
1.2 Transfer Tax of Real Property	-12.26%	1471.36%	-2.47%	-29.25%	356.84%
1.3 Socialized Housing Tax/ Special Assessments	0.00%	0.00%	0.00%	0.00%	0.00%
1.4 Idle Land Tax	0.00%	0.00%	0.00%	0.00%	0.00%
PROVINCES					
1. Property Taxes	-4.92%	11.59%	6.81%	8.00%	5.37%
1.1 Real Property Taxes	-5.64%	11.18%	7.80%	8.57%	5.48%
a. Basic	-9.34%	12.41%	8.73%	7.99%	4.95%
b. SEF	-2.95%	10.35%	7.15%	8.97%	5.88%
1.2 Transfer Tax of Real Property	3.22%	15.21%	-2.51%	1.80%	4.43%
1.3 Socialized Housing Tax/ Special Assessments	0.00%	0.00%	0.00%	0.00%	0.00%
1.4 Idle Land Tax	-8.52%	1336.56%	-93.56%	0.74%	308.81%

Appendix E

List of Provinces and the Years of Effectivity of Last Revision of Their Schedule of Market Values (As of August 2018)

Province	Year of Effectivity of Last Revision	Expected Year of General Revision	Estimated Number of Years Overdue for Revision
Marinduque	1999	2001	17
Tarlac	2000	2002	16
Tawi-Tawi	2002	2004	14
Aurora, Guimaras, Lanao Del Sur	2003	2005	13
Palawan, Western Samar (Samar)	2006	2008	10
Misamis Oriental	2007	2009	9
Sarangani	2008	2010	8
La Union, Leyte, Batanes	2009	2011	7
Antique, Apayao, Batangas, Biliran, Davao Oriental, Eastern Samar, Ifugao, Southern Leyte, Zamboanga Sibugay	2010	2012	6
Abra, Cavite, Pangasinan	2011	2013	5
Bulacan, Cagayan, Capiz, Laguna, Oriental Mindoro, Romblon, Siquijor, Sorsogon	2012	2014	4
Agusan del Norte, Catanduanes, Cebu, Northern Samar, Zambales	2013	2015	3
Bataan, Benguet, Kalinga, Lanao del Norte, Mountain Province, Sulu	2014	2016	2
Camarines Norte, Ilocos Norte, Ilocos Sur, Masbate, Pampanga, Quirino	2015	2017	1
Maguindanao, North Cotabato, Occidental Mindoro, Sultan Kudarat, Basilan, Isabela	2016	2018	Updated
Bohol, Camarines Sur, Camiguin, Compostela Valley, Davao del Norte, Davao del Sur, Negros Oriental, Nueva Ecija, Zamboanga del Sur	2017	2019	Updated
Agusan del Sur, Aklan, Albay, Dinagat Islands, Iloilo, Misamis Occidental, Negros Occidental, Nueva Vizcaya, Rizal, South Cotabato, Surigao del Norte, Surigao del Sur	2018	2020	Updated
Bukidnon, Quezon	2019	2021	Updated
Davao Occidental	-	-	-

Source: Bureau of Local Government Finance (BLGF) as of August 2018

Appendix F

*List of Cities and the Years of Effectivity of Last Revision of Their Schedule of Market Values
(As of August 2018)*

City	Year of Effectivity of Last Revision	Expected Year of Revision	Estimated Number of Years Overdue for Revision
San Fernando City (La Union)	1994	1996	22
Tuguegarao City	1995	1997	21
General Santos City, Mabalacat City, Baguio City	1996	1998	20
Municipality of Pateros, Makati City, Parañaque City, Pasig City, Toledo City	1997	1999	19
Guihulngan City, Tanjay City	1999	2001	17
Calbayog City, Danao City, Malolos City, Ormoc City, Tabaco City, Tacloban City, Kidapawan City	2000	2002	16
Mandaluyong City	2001	2003	15
Bogo City, Naga City (Cebu), Lucena City, Marikina City	2002	2004	14
Bais City, Cebu City, Mati City, San Carlos City (Pangasinan), Tayabas City	2003	2005	13
Cabadbaran City, Legazpi City	2004	2006	12
Iriga City, Caloocan City	2005	2007	11
Batac City, Dapitan City, Lipa City, Meycauayan City	2006	2008	10
Canlaon City, Urdaneta City	2007	2009	9
Baybay City, Cagayan de Oro City, El Salvador City, Tagbilaran City	2008	2010	8
Borongan City, Butuan City, Catbalogan City, Isabela City (Basilan), Ligao City, Pagadian City, Silay City, Tabuk City, Taguig City, San Fernando City (Pampanga)	2009	2011	7
Naga City (Camarines Sur), Panabo City	2010	2012	6
Bacoor City, Calapan City, Imus City, Kabankalan City, Palayan City, Santiago City, Tarlac City, Trece Martires City	2011	2013	5
Biñan City, Cabuyao City, Cadiz City, Cavite City, Cotabato City, Koronadal City, Lapu-lapu City, Marawi City, Ozamis City, Passi City, Puerto Princesa City, San Jose del Monte City, San Pedro City, Sorsogon City, Talisay City (Cebu), Talisay City (Negros Occidental), Tangub City, Victorias City, Zamboanga City	2012	2014	4
Balanga City, Escalante City, Masbate City, Muntinlupa City, Science City of Muñoz, Surigao City	2013	2015	3

City	Year of Effectivity of Last Revision	Expected Year of Revision	Estimated Number of Years Overdue for Revision
Angeles City, Batangas City, Calamba City, Candon City, Manila City, Sagay City, San Pablo City	2014	2016	2
Cabanatuan City, Dasmariñas City, Dipolog City, Gingoog City, La Carlota City, Malaybalay City, San Carlos City (Negros Occidental), San Jose City, Sipalay City, Tacurong City, Tandag City, Valenzuela City	2015	2017	1
Carcar City, Cauayan City, Dumaguete City, Gapan City, Ilagan City, Maasin City, Malabon City, Olongapo City	2016	2018	Updated
Bayawan City, Digos City, Island Garden City of Samal, Lamitan City, Laoag City, Pasay City, Quezon City, Tagum City, Tanuan City, Valencia City	2017	2019	Updated
Alaminos City, Antipolo City, Bacolod City, Bayugan City, Bislig City, Dagupan City, Himamaylan City, Iligan City, Iloilo City, Las Piñas City*, Navotas City, Oroquieta City, Roxas City, San Juan City, Santa Rosa City (Laguna), Tagaytay City, Vigan City	2018	2020	Updated
Davao City**, Bago City	2019	2021	Updated

Source: Bureau of Local Government Finance (BLGF) as of August 2018

* Las Piñas City's general revision of real property assessment for lands is effective beginning January 1, 2018, while the building and other structures will take effect beginning 2019.

** Davao City is still using its old SMV effective 2009 per Ordinance 040-07 but has revised in 2017 per Ordinance No. 0257-17, s.2017 effective January 1, 2019.