



Republic of the Philippines

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City

<http://www.dilg.gov.ph>



**OMNIBUS GUIDELINES ON THE SUSPENSION OF LGU IMPOSITION AND
COLLECTION OF ILLEGAL FEES AND TAXES RELATIVE TO THE TRANSPORT OF
GOODS AND PRODUCTS**

Memorandum Circular No. 2018-133
August 16, 2018

1.0 Background

- 1.1. Several policies pertaining to the imposition and collection of pass-through fees has already been issued in the past. Despite these issuances, however, the Department continues to receive complaints that some local governments still charge fees, taxes and charges on the transportation of goods and products carried into or out of, or passing through the territorial jurisdictions of these LGUs in the guise of sticker fee, discharging fee, delivery fee, market fee, toll fee and/or mayor's permit fee, among others.
- 1.2. Section 133 of the Local Government Code of 1991 provides the common limitations on the taxing powers of LGUs, which include various fees, taxes and other charges on transporting goods carried into or out, or passing through, their respective territorial jurisdictions.

2.0 Scope/Coverage

All Provincial Governors, City and Municipal Mayors, Punong Barangays, DILG Regional Directors, DILG Field Officers, and all others concerned

3.0 Policy Content and Guidelines

- 3.1. Pursuant to Section 133 of the Code, all local chief executives are strongly encouraged to:
 - 3.1.1. Refrain from enforcing any existing ordinance authorizing the levy of fees and taxes on inter-province transport of goods or merchandise, regulatory fees in local ports, and other additional taxes, fees or charges in any form upon the transport of goods or merchandise. *(This does not include taxes, fees, and charges on passengers passing through the territorial jurisdiction of an LGU, which was inadvertently included as a subject of a prohibited imposition under DILG MC No. 2017-23);* and
 - 3.1.2. Cause the immediate repeal of the ordinance imposing the above-cited fees and taxes.
- 3.2. Further, local government units are directed to strictly observe DILG MC No. 2008-112, s. 2008, particularly on the exemption from truck ban, quote:

“Exemptions on the Truck Ban:

Trucks and delivery vans carrying rice and other perishable items such as fish, vegetables, dairy and poultry products and frozen meat products, animal feeds, and export goods; xxxx”

3.3. The Philippine National Police is hereby enjoined to:

- 3.3.1. Ensure that no fees and taxes on inter-province transport of goods or merchandise, regulatory fees in local ports, and other additional taxes, fees or charges in any form upon the transport of goods or merchandise are being collected by the LGUs; and
- 3.3.2. Desist from collecting fees and taxes on inter-province transport of goods or merchandise, regulatory fees in local ports, and other additional taxes, fees or charges in any form upon the transport of goods or merchandise.

3.4. All DILG Regional Offices are enjoined to cause the submission of the following:

- 3.4.1.1. Local ordinances on the imposition of toll fees and other fees for the use of access roads in .pdf format, to be submitted through e-mail at blgspcmd@gmail.com; and
- 3.4.1.2. Regional Summary Form, to be filled out using a prescribed format, which is available in a Google Drive platform and can be accessed through the following link: <http://bit.ly/2a11pnH>. There is no need to download the forms, filling out of the monitoring report forms are to be done online.

3.5. The Regional Summary Form shall be updated not later than every 15th of the month after each quarter, if necessary. Kindly provide the Bureau of Local Government Supervision the official e-mail address of your respective Regional Offices, where the Summary Form will be shared.

4.0 Penal Provision

- 4.1. Non-compliance with this Memorandum Circular shall be dealt with in accordance with pertinent laws, rules and regulations.

5.0 References

- 5.1. R.A. No. 7160 or the Local Government Code of 1991
- 5.2. DILG MC No. 2006-70, Suspension of LGU Imposition and Collection of Illegal Fees and Taxes
- 5.3. DILG MC No. 2009-76, Reiterating Strict Compliance to Pertinent Laws, Rules and DILG Circulars Prohibiting LGUs from Charging Fees on Passing through Vehicles, Especially Those Carrying Agricultural Goods and Products and Exempting Such Vehicles from Truck Ban Implementation

- 5.4. DILG MC No. 2011-122, Reiteration of DILG Memorandum Circulars on the Suspension of LGU Imposition and Collection of Pass through Fees
- 5.5. DILG MC No. 2011-151, Suspension of LGU Imposition and Collection of Illegal Fees and Taxes
- 5.6. DILG Unnumbered Memorandum from the Office of the Undersecretary for Local Government, dated June 25, 2014 re: Request for Local Ordinances on the Imposition and Collection of Toll Fees and Other Fees for the Use of Access Roads
- 5.7. Letter from the Department of Agriculture (DA) dated 06 January 2017, requesting the DILG for an issuance that shall support the suspension of fees and taxes and truck ban hours by LGUs

6.0 Effectivity

- 6.1. This Memorandum Circular shall take effect immediately.

7.0 Approving Authority


EDUARDO M. AÑO
Officer-In-Charge



8.0 Feedback

- 8.1. For related queries, kindly contact the Policy Compliance Monitoring Division of the Bureau of Local Government Supervision at Tel No. (02) 876-3454 local 4210 to 11 or email address at blgspcmd@gmail.com.

BLGS:PCMD
MRF:CAV:KJT