

September 22, 2010

HON. EDWIN R. LADEZA
Vice Mayor
Municipal Hall
Loon, Bohol

Dear Vice Mayor Ladeza:

This has reference to your letter dated August 06, 2010, addressed to SILG Jesse M. Robredo requesting legal guidance on certain issues on fees and charges local government units may impose and collect. Said letter was referred to this level for reply.

On the first concern on whether or not the municipality may impose a toll fee on road users, please be advised that under R.A. 8754, An Act Imposing a Motor Vehicle Users Charge, it is provided in Section 10 that **no other tax, fee or any other charge of similar nature as to the motor vehicle users charge** shall be imposed by any political subdivision or unit in the country.

As regards the second issue on whether your municipality may impose a permit fee, such as mayor's permit or business permit and the like, on all activities in the port area/wharf premises either privately owned or that by the PPA, it is our considered view that your municipality may. It is provided in the Local Government Code that local government unit can create its own sources of revenue subject however, to the limitations imposed by law. One such limitation is it cannot impose taxes, fees and charges on goods carried into or out of or passing through its territorial jurisdiction, in any form whatsoever even in the guise of charges for wharfage and tolls [Sec. 133(e)LGC]. On the Philippine Ports Authority, the Supreme Court, in the case PPA vs. City of Ilo-ilo, G.R. No. 109791, July 14, 2003, affirmed the decision of the trial court finding the Philippine Ports Authority to pay business and realty taxes.

On limestone, once it is mined it can be considered as goods or merchandise.

Truly yours,

PEDRO A. NOVAL, JR.
Regional Director

