

LOCAL INVESTMENT AND INCENTIVE CODE

LGU	SAN MIGUEL
LIIC Reference No. / Title	Municipal Ordinance No. 99-002 An Ordinance enacting the Municipal Investment Incentive Ordinance of 1999 and for other purposes

INVESTMENT PRIORITY AREAS / ACTIVITIES

Investment Priority Areas	Investment Priority Activities
<ol style="list-style-type: none">1. Labor Generating Enterprises2. Enterprises to be established in identified growth sub-center in the municipality in accordance with the approved municipal physical framework plan3. Manufacturing enterprises using indigenous materials4. Electronics Enterprises5. Tourism-Oriented Enterprises6. Pioneering Enterprises7. Service-Oriented Enterprises8. Water and Power resources development enterprises9. Telecommunications Development Enterprises10. Agri-Business Enterprises	

QUALIFICATION FOR REGISTRATION

NEW
<p>The Ordinance shall apply to any individual, partnership or corporation, association and cooperative, provided that they meet the following qualifications</p> <ol style="list-style-type: none">1. That the existing enterprise whose place of operation or production is already situated within the territorial jurisdiction of San Miguel, Bulacan;2. Must have complied with all the requirements mandated by existing local and national laws;3. That the business falls under any of the activities mentioned in Chapter IV Section 11 hereof or in the investment priority areas;4. Must engage in business activities as stated in investment priority areas.

EXPANDING

Any existing enterprise may benefit from the incentives provided that they meet the following qualifications:

1. That the existing enterprise whose place of operation or production is already situated within the territorial jurisdiction of the Province of Bulacan;
2. Must have complied with all the requirements mandated by existing local and national laws;
3. That the business falls under any of the activities mentioned in Chapter IV Section 11 hereof or in the investment priority areas;
4. Expand its existing production facilities such as construction of new buildings, installation of new machineries and equipment or improvements thereof which will result in an increase in production;
5. Must have an additional investment of not less than P50M

REQUIREMENTS FOR REGISTRATION

- 1) Four (4) copies of completed application form to be provided by the Board; Copy of its article of Incorporation and By-Laws as approved by the Security and Exchange Commission, the Board of Investment and the Department of Trade and Industry, as the case may be;
- 2) Resolutions of the applicant's Board of Directors in case of Corporation, authorizing the filing of application.

Upon approval/ acceptable, any applicant shall also be required to pay to the Board a non-refundable registration fee of 1/10 or 1% of the amount of investment.

FILING FEE

Applicants shall be required to pay a one-time non-refundable filing fee of five thousand pesos (₱ 5,000.00) to the Board together with the following documents for registration and the same be renewed every five (5) years of its operation.

INCENTIVES

FISCAL

All registered enterprise who qualifies under this Code shall be entitled to the following tax incentives, to wit:

1. Exemption from payment of business sales tax, and other fees and charges imposed under existing ordinance, for a period subject to the following qualification:
 - Micro and Small Enterprises - 2 years from registration
 - Medium Enterprises - 3 years from registration
 - Large Enterprises - 4 years from registration
2. Exemption from real property tax on land, buildings, machineries and improvements introduced thereon, for a period subject to the following qualification:
 - Micro and Small Enterprises - 2 years from registration
 - Medium Enterprises - 3 years from registration
 - Large Enterprises - 4 years from registration
3. All regional or area headquarters and regional operating headquarters of multinational companies shall be exempt from all kinds of local licenses, taxes, fees, dues, imposts or charges imposed by the city, except, real property tax on land, building, machinery, and improvement thereon;
4. Registered enterprise that undertakes the construction, repair, or improvement of public infrastructure (such as road, bridge, public school building, etc.) owned or is the responsibility of the city is entitled to one hundred percent (100%) tax credit of its total cost, subject to the verification of the Commission on Audit as regards to its value;
5. Registered enterprise that donates real or personal property in the City Government shall enjoy tax credit amounting to fifty percent (50%) of its assessed value;

For this purpose, assessment shall be made by a committee composed of the Local Assessor or his/her representative as chairman, Local Accountant or his/her representative and representative from the donor-enterprise as members.

In all instances, the committee shall only execute its official business when there is a quorum. A quorum is met when all of its members are present.

Provided, that such assessment shall be subject to the approval of the Commission on Audit.

6. Registered enterprise that extends apprenticeship agreement to a bona fide resident of the city shall enjoy tax credit in the amount of fifty percent (50%) of the value of labor training expenses incurred for developing the productivity and efficiency of apprentice under the apprenticeship program; Provided, that such program is duly recognized by the Department of Labor; Provided further, that such deduction shall not exceed ten percent (10%) of direct labor wage; and Provided finally, that the enterprise who wishes to avail itself of this incentive should pay the apprentice the minimum wage;

For this purpose, Article 57 to Article 72 of the Labor Code of the Philippines shall govern the relationship of the parties to the apprenticeship agreement.

7. For purposes of this Section, "Tax Credit" shall mean an amount of money that an enterprise is able to deduct from the amount of local tax impost that it may owe to the city. All tax credits may be offset all local tax due and demandable, including real property tax.

NON-FISCAL