

CHAPTER ____ . ISSUANCE OF MAYOR’S PERMIT

Article ____ Rules and Regulations in the Issuance of Business Permit by the Mayor and Imposing Fees Thereof.

Section ____ . Definition – “Permit or License” is a right or permission granted in accordance with the law by a competent authority to engaged in some business, trade, or occupation or to engage in some transaction.

1.a) Spot Cash – are those permit issued to businesses whose asset size is below P100,000.00.

Section ____ . Imposition of Fee – It shall be unlawful for any person (natural or juridical) or entity to conduct or engage in any form of business, trade or occupation within the territorial jurisdiction of the City of Mati for which a permit is required for the proper supervision, regulation, monitoring, and enforcement of existing laws and ordinances governing sanitation, security and welfare of the public and the health of the employees engaged in the business, trade or occupation, without first having secured a permit to operate from the City Mayor and paying the necessary fees to the City Treasurer.

Section ____ . The Fees. - There shall be paid to the City Treasurer for every permit or license issued by the City Mayor for:

- 1) Business, trade, or occupation, as provided for in Chapter ____ and other pertinent provisions of this ordinance with the following schedule, unless otherwise specifically provided:
 - a) For purpose of the Mayor’s Permit Fee, the following definition of business size is hereby adopted:

CHARACTERISTICS	ASSET SIZE	NO. OF WORKERS
Cottage	Above PHP100T to PHP 300T	1 – 5
Small	Over PHP300T to PHP 5M	5 – 10
Medium	Over PHP 5M to PHP 15M	10 – 50
Large	Over PHP 15M	50 and above

b) Cottage Asset Size Below P100,000.00 - shall be taxed only under SPOT CASH COLLECTION (inclusive of regulatory fees)

FROM	TO	Proposed Annual Tax	Current Annual Tax
	10,000.00	200.00	150.00
10,000.00	20,000.00	300.00	200.00
20,000.00	30,000.00	400.00	300.00
30,000.00	40,000.00	500.00	400.00
40,000.00	50,000.00	600.00	500.00
50,000.00	60,000.00	700.00	600.00
60,000.00	75,000.00	800.00	700.00
75,000.00	85,000.00	900.00	800.00
85,000.00	100,000.00	1,000.00	

c) Businesses subject to Graduated Fixed Taxes

	Amount of Fee/ Annum
1. On manufacturers, Importers, Producers, Fabricators, Assemblers, Repackers, Processors	
Cottage	500.00
Small	2,000.00
Medium	5,000.00
Large	10,000.00
2. On Banks	
Rural, Thrift and Savings Bank	2,500.00
Commercial, Industrial & Development Banks	5,000.00
Universal Banks	10,000.00
3. On Other Financial Institutions/Pawnshops Etc	
Small	1,500.00
Medium	3,000.00
Large	5,000.00

4. On Contractor/Service Establishments	
Cottage	500.00
Small	1,000.00
Medium	3,000.00
Large	10,000.00
5. On Wholesalers/Retailers/Distributors/Dealers	
Cottage	500.00
Small	1,000.00
Medium	3,000.00
Large	5,000.00
6. On Transloading Operations	
Medium	2,500.00
Large	5,000.00
7. On Gasoline Service Stations	
Small	2,500.00
Medium	5,000.00
Large	10,000.00
8. On Mining – Exploration/Operation/Trading (Large Scale)	
Medium	20,000.00
Large	40,000.00
9. On Mining – Operation/Trading (Small Scale)	
Medium	10,000.00
Large	20,000.00
10. On Other Business not Categorize Above	
Cottage	500.00
Small	1,000.00
Medium	3,000.00
Large	5,000.00

2) Trade, occupation or calling, subject to periodic evaluation, inspection and surveillance and regulations by the City Government and other lawful institutions, such as, but not limited, to the following:

	Annual Fees	
	Proposed	Current
a) Salesman, Sales Representatives or Detailman of Pharmaceutical products (Issue circular to Health Institutions within the City that the above need the City Govt Accreditation before they can transact business)	250.00	150.00
b) Conductors/Inspectors of Buses	150.00	100.00
c) Security Guard/Watchman/Private Detective	100.00	50.00
d) Cargador or Jambolero	50.00	20.00
e) Massage Attendant	150.00	100.00
f) Bar or Club Managers & Entertainers	200.00	100.00
g) Barber, Hair Stylist, Beautician, Manicurist	100.00	50.00
h) Travelling Barber/Repairman/Vaciador	50.00	50.00
i) Club Singer, Musicians	150.00	100.00
j) Taxi Dancer, Hostess, GRO	250.00	150.00
k) Waitresses, Waiter, Server, Helper, Cooks in Eating Establishments, Bartender, Cashier in Clubs, Beerhouses/Garden	100.00	50.00
l) Club/Beer Joints Singer (being table by customer)	250.00	100.00
m) Timekeepers, Announcers, Trainor, Seconds – in in Boxing or similar activity	50.00	50.00
n) Projector operator in Motion Pictures	150.00	100.00
o) Announcers, Commentators, Broadcasters, Station Managers and the likes	100.00	100.00
p) Other business undertaking:		
1) Floor show or stage show (per day)	500.00	200.00
2) Transfer of business w/ machineries	1,000.00	500.00
3) Transfer of business w/o mach.	500.00	250.00
4) Musical Show/Extravaganza (daily)	500.00	
q) ALL OTHERS NOT MENTIONED ABOVE	100.00	50.00

Section ____.

CHAPTER ____ TAX ON BUSINESS

Article ____ Imposition and Time of Payment

Section _____. Imposition of Tax – There is hereby levied an annual tax on the following business undertakings at the rates prescribed herein.

A) ON MANUFACTURERS, ASSEMBLERS, REPACKERS, OR PROCESSORS OF ANY ARTICLE OF COMMERCE OF WHATEVER KIND OR NATURE, IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

With gross receipts or sales for the preceding calendar year in the amount of:

<u>FROM</u>	<u>TO LESS THAN</u>	<u>ANNUAL TAX</u>		<u>QUARTERLY TAX</u>	
		<u>Previous</u>	<u>Proposed</u>	<u>Previous</u>	<u>Proposed</u>
	10,000.00	165.00	181.50	41.25	45.40
10,000.00	15,000.00	220.00	242.00	55.00	60.50
15,000.00	20,000.00	302.00	332.20	75.50	83.05
20,000.00	30,000.00	440.00	484.00	110.00	121.00
30,000.00	40,000.00	660.00	726.00	165.00	181.50
40,000.00	50,000.00	825.00	907.50	206.25	227.00
50,000.00	75,000.00	1,320.00	1,452.00	330.00	363.00
75,000.00	100,000.00	1,650.00	1,815.00	412.50	453.75
100,000.00	150,000.00	2,200.00	2,420.00	550.00	605.00
150,000.00	200,000.00	2,750.00	3,025.00	687.50	756.25
200,000.00	300,000.00	3,830.00	4,213.00	957.50	1,053.25
300,000.00	500,000.00	6,500.00	7,150.00	1,625.00	1,787.50
500,000.00	750,000.00	8,600.00	9,460.00	2,150.00	2,365.00
750,000.00	1,000,000.00	10,000.00	11,000.00	2,500.00	2,750.00
1000,000.00	2,000,000.00	13,750.00	15,125.00	3,437.50	3,781.25
2000,000.00	3,000,000.00	16,800.00	18,480.00	4,200.00	4,620.00
3000,000.00	4,000,000.00	19,800.00	21,780.00	4,950.00	5,445.00
4000,000.00	5,000,000.00	23,100.00	25,410.00	5,775.00	6,352.50
5000,000.00	6,000,000.00	24,375.00	26,812.50	6,093.75	6,703.15
6000,000.00	8,500,000.00	31,372.00	34,510.00	7,843.00	8,627.50
8500,000.00	and above	37.5% of 1%	41.25% of 1%		

B) ON WHOLESALERS, DISTRIBUTORS, OR DEALERS OF ANY ARTICLE OF COMMERCE, OF WHATEVER KIND OR NATURE, IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

With gross receipts or sales for the preceding calendar year in the amount of:

FROM	TO LESS THAN	Annual Tax Previous	Annual Tax Proposed	Quarterly Previous	Quarterly Proposed
	1,000.00	18.00	19.80	4.50	4.95
1000.00	2,000.00	33.00	36.30	8.25	9.07
2,000.00	3,000.00	50.00	55.00	12.50	13.75
3,000.00	4,000.00	72.00	79.20	18.00	19.80
4,000.00	5,000.00	100.00	110.00	25.00	27.50
5,000.00	6,000.00	121.00	133.10	30.25	33.27
6,000.00	7,000.00	143.00	157.30	35.75	39.32
7,000.00	8,000.00	165.00	181.50	41.25	45.37
8,000.00	10,000.00	187.00	205.70	46.75	51.42
10,000.00	15,000.00	220.00	242.00	55.00	60.50
15,000.00	20,000.00	275.00	302.50	68.75	75.62
20,000.00	30,000.00	330.00	363.00	82.50	90.75
30,000.00	40,000.00	440.00	484.00	110.00	121.00
40,000.00	50,000.00	660.00	726.00	165.00	181.50
50,000.00	75,000.00	990.00	1,089.00	247.50	272.25
75,000.00	100,000.00	1,320.00	1,452.00	330.00	363.00
100,000.00	150,000.00	1,870.00	2,057.00	467.50	514.25
150,000.00	200,000.00	2,420.00	2,662.00	605.00	665.50
200,000.00	300,000.00	3,300.00	3,630.00	825.00	907.50
300,000.00	500,000.00	4,400.00	4,840.00	1,100.00	1,210.00
500,000.00	750,000.00	6,900.00	7,590.00	1,725.00	1,897.50
750,000.00	1,000,000.00	8,800.00	9,680.00	2,200.00	2,420.00
1,000,000.00	2,000,000.00	10,000.00	11,000.00	2,500.00	2,750.00
2,000,000.00	And above	50% of 1%	55% of 1%		

C) ON ESSENTIAL COMMODITIES – THE TAX ON BUSINESS FOR EXPORTERS, MANUFACTURERS, MILLERS, PRODUCERS, WHOLESALERS, DISTRIBUTORS, DEALERS OR RETAILERS OF ESSENTIAL COMMODITIES ENUMERATED HEREUNDER SHALL BE ONE-HALF (1/2) OF THE RATES PRESCRIBED UNDER SUBSECTIONS A), B) AND D) OF THIS SECTION.

- 1) Rice and Corn;
- 2) Wheat or cassava flour, meat, dairy products, locally manufactured, processed or preserved food, sugar, salt and other agricultural, marine, fresh water products, whether in their original state or not;
- 3) Cooking oil and cooking gas;
- 4) Laundry soap, detergents, and medicine;
- 5) Agricultural implements, equipment and post harvest facilities, fertilizers, pesticides, insecticides, herbicides, and other farm inputs;
- 6) Poultry and other animal feeds;
- 7) School supplies; and
- 8) Cement

Taxpayers dealing in essential and non-essential commodities shall present their separate books of accounts for essential and non-essential items for verification when paying taxes and/or fees therefore; Provided, that, when the sales are not made separate or segregated in their books of accounts, the sales shall be treated as sales for non-essential commodities.

D) ON RETAILERS

With gross receipts or sales for the preceding calendar year in the amount of:

FROM	To LESS THAN	ANNUAL TAX	QUARTERLY TAX
50,000.00	400,000.00	2%	50% of 1%
400,000.00	100,000,000.00	P8,000.00 + 1% gross receipts in excess of	25% of 1%

		P400,000.00	
100,000,000.00	500,000,000.00	P1,004,000.00 plus 75% of 1% of gross receipts, in excess of P100,000.000.00	18.75% of 1%
500,000,000.00	And ABOVE	P4,004,000.00 plus 50% of 1% of gross receipts, in excess of P500,000,000.00	12.5% of 1%

Provided, however, that Barangays shall have the exclusive power to levy taxes, as provided under Section 152 of R.A. 7160 (Local Government Code of 1991), on gross sales or receipts of the preceding year in the amount of Fifty Thousand Pesos (P50,000.00) or LESS. Provided further that, the authority to determine the gross receipts rest on the Assessment Section of the City Treasurer's Office Business License Division.

E) ON CONTRACTORS AND OTHER INDEPENDENT CONTRACTORS – This will include persons, natural or juridical, not subject to Professional Tax whose activity consists essentially of the sale of all kinds of services for a fee, regardless of whether or not the performance of the service calls for the exercise or use of the physical or mental faculties of such contractor or his employees, such as, but not limited, to the following:

- 1) Barbershops;
- 2) Battery Charging Shops;
- 3) Beauty Parlors;
- 4) Book Binders;
- 5) Business Agents, Private Detective or Watchman Agencies;
- 6) Cinematographic film owners, lessors and distributors;
- 7) Commercial and immigration brokers;
- 8) Demolition and/or filling and salvage contractor;
- 9) Electric light or gas system installers of building (General);
- 10) Engineering (General), Building (General), and Specialty contractors;

- 11) Engraving establishments;
- 12) Funeral parlors;
- 13) Furniture shops and establishments for planning or surfacing or resulting of lumber;
- 14) Heat or power system installers;
- 15) Hospitals;
- 16) House and/or sign painters;
- 17) Laundry shops including dry cleaning, dyeing establishments, steam laundries and laundries using washing machines;
- 18) Lithographers;
- 19) Lots or establishments for parking purposes;
- 20) Massage clinics, sauna, Turkish and Swedish baths, slandering and buising salons and other similar establishments;
- 21) Mine drilling establishments;
- 22) Photographic studios;
- 23) Plastic lamination establishments;
- 24) Plumbing installers;
- 25) Proprietors or owners of shops for the repair of any kind of mechanical and electrical devices, instruments, apparatus or furniture and shoe repairing by machine or any mechanical contrivance;
- 26) Repairing, repainting, upholstering or vehicles and/or heavy equipment;
- 27) Sawmills under contract to saw or cut logs belonging to others;
- 28) Smelting plants;
- 29) Smith shops;
- 30) Tailoring or dress shops;
- 31) Vulcanizing and recapping shops;
- 32) Warehousing or forwarding establishments;
- 33) Washing and greasing of vehicles and/or heavy equipment;
- 34) Water system instruments;
- 35) Management;
- 36) Photo developing service;
- 37) Advertising services;
- 38) Seminar, training and other teaching services (other than offered by educational institutions).

IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

With gross receipts or sales for the preceding calendar year in the amount of:

FROM	To LESS THAN	Proposed Annual Tax	Current Annual Tax	Proposed Quarterly Tax	Current Quarterly Tax
	5,000.00	30.25	27.50	7.56	6.87
5,000.00	10,000.00	67.76	61.60	16.94	15.40
10,000.00	15,000.00	114.95	104.50	28.73	26.12
15,000.00	20,000.00	181.50	165.00	45.37	41.25
20,000.00	30,000.00	302.50	275.00	75.62	68.75
30,000.00	40,000.00	423.50	385.00	105.87	96.25
40,000.00	50,000.00	605.00	550.00	151.25	137.50
50,000.00	75,000.00	968.00	880.00	242.00	220.00
75,000.00	100,000.00	1,452.00	1,320.00	363.00	330.00
100,000.00	150,000.00	2,178.00	1,980.00	544.50	495.00
150,000.00	200,000.00	2,904.00	2,640.00	726.00	660.00
200,000.00	250,000.00	3,993.00	3,630.00	998.25	907.50
250,000.00	300,000.00	5,082.00	4,620.00	1,270.50	1,155.00
300,000.00	400,000.00	6,776.00	6,160.00	1,694.00	1,540.00
400,000.00	500,000.00	9,075.00	8,250.00	2,268.75	2,062.50
500,000.00	750,000.00	10,175.00	9,250.00	2,543.75	2,312.50
750,000.00	1,000,000.00	11,275.00	10,250.00	2,818.75	2,562.50
1,000,000.00	2,000,000.00	12,650.00	11,500.00	3,162.50	2,875.00
2,000,000.00	And above	55% of 1%	50% of 1%	13.75% of 1%	12.50% of 1%

Should a contractor undertake to furnish the materials and subcontract labor to a subcontractor (pakyaw contract) in the construction of work; the total cost of the materials and labor shall be deducted from his/her gross receipts for the purpose of determining the tax due from him under the preceding paragraph. However, if he act as the supplier of the materials or act as middleman in the purchase of materials and profited from the transaction, the profit computed therefrom shall be tax in accordance with the prescribed rates for commission agent; so much so that the labor subcontractor must also be taxed based on their gross receipts from contract in accordance with applicable tax rates.

- F) ON BANKS AND OTHER FINANCIAL INSTITUTIONS** – Which include non-bank financial intermediaries, lending investors, finance and investment companies, pawnshops, money shops, insurance companies, stock markets, stock brokers and dealers in securities and foreign exchange, commodity traders, shall be taxed at the rate of 55% of 1% in the case of banks; and 60% of 1% in the case of other financial institutions, of the gross receipts of the preceding calendar year derived from interests, commissions and discounts from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property.
- G) ON AUTHORIZED FRANCHISE CAR DEALERS** – Car dealers engaged in the business of selling brand new vehicles and genuine parts pursuant to a valid and existing Franchise Agreement with legitimate manufacturers and distributors shall be taxed at the rate of 55% of 1% of gross receipts up to P100,000,000.00 and P550,000.00 plus 50% of 1% of gross receipts in excess of P100,000,000.00.
- H) ON RESTAURANTS AND OTHER EATING ESTABLISHMENTS** – Such as, but not limited to cafes, cafeterias, ice cream or refreshment parlors, carenderias, soda fountains, food caterers, fast food centers and snack counters shall be taxed at the rate of 1.75% (previously 2%) of the gross receipts of the preceding calendar year.
- I) ON PROPRIETORS, LESSORS AND OPERATORS OF HOTELS, HOSTELS, MOTELS, INNS, PENSION HOUSES, BOARDING, TRANSIENTS HOUSES AND OTHER LODGING HOUSES** – Shall be taxed at the rate of 2% of the gross receipts or sales of the preceding calendar year.
- J) ON AMUSEMENT PLACES** – shall be taxed at the rate of 2% of the gross sales or receipts of the preceding calendar year, such as, but not limited to the following:

- 1) Bars, beer gardens, cocktail lounges, pub-houses, cabarets or dance halls and similar establishments, concert halls, day and/or night clubs and supper clubs, KTV, videoke, karaoke and other sing-a-long establishments; comedy bars; theaters and lounges;
- 2) Resort and the like, billiard or pool halls, bowling establishments, golf and driving ranges, skating rinks, tennis courts, gymnasiums, pelota and squash courts, badminton courts, and off fronton betting stations;
- 3) Circuses, carnivals, fun houses and the like, including those providing amusement devices or machines, merry-go-rounds, roller coasters, ferris wheel, side shows, swings, shooting galleries, and the like; and
- 4) Coliseums, theaters and cinema houses;
- 5) Internet cafes and the likes.

K) ON PROPRIETORS, LESSORS AND OPERATORS OF SHOPPING CENTERS, SHOPPING MALLS, PRIVATE MARKETS, AND THE LIKES – Shall be taxed at the rate of 2% of the gross sales or receipts of the preceding calendar year.

L) ON EDUCATIONAL INSTITUTIONS – Excluding those which fall under the Section 193 of R.A. 7160 (Local Government Code) which were explicitly specified to enjoy tax benefits provided they are Non-Stock and Non-Profit and can show proof of their Tax Exemption Certificate issued by the BIR (Bureau of Internal Revenue). They shall be taxed at the rate of 1% of the gross receipts of the preceding calendar year. Provided, however, that other business being run by institution other than the institution's management shall be taxed in accordance with the prescribed tax rates stated in this ordinance.

M) ON BUSINESSES NOT OTHERWISE SPECIFIED IN THE PRECEDING PARAGRAPHS - Shall be taxed at the rate of 2% of the gross sales or receipts of the preceding calendar year, such as, but not limited, to the following:

- 1) Dealers, distributors and retailers of fermented liquors, distilled spirits, wines, tuba, and the like; dealers, wholesalers, distributors and retailers of imported wines; and dealers, distributors, wholesalers and retailers of tobacco leaf;
- 2) Operators and owners of private cemeteries and memorial parks;
- 3) Real estate lessor (land, building, industrial, commercial, office and residential spaces);
- 4) Sellers, dealers, agents, developers of real estate (land, subdivision, building and other taxable real properties); and
- 5) Others.

N) INITIAL TAX ON NEWLY ESTABLISHED BUSINESS – In the case of a newly started business, the initial tax for the year shall be 41.25% (**previously 37.5%**) of 1% of the capital investment or paid up capital, but in no case shall be less than one hundred pesos (P100.00).

ARTICLE _____ **ADMINISTRATIVE PROVISIONS**

Section _____. Time of Payment. – Tax on business shall accrue on the first (1st) day of January of every year and payable within the first twenty (20) days of each subsequent quarter for those opting the quarterly payments.

Section _____. Payment of Taxes for Several Businesses. -

- a) The tax shall be payable for every separate or distinct establishment or place where the business subject to tax is conducted and one line of business does not become exempt by being conducted with some other business for which tax has been paid.
- b) Where a person conducts or operates two or more related businesses in the same place mentioned in Section _____ a), b), d), c), e), f), g), h), i), j), k), l) and m) which are subject to the same rate of tax, the computation

of the tax shall be based on the combined total sales of the said two(2) or more related businesses.

Section _____. Surcharges and Interest on Unpaid Taxes, Fees or Charges. – There is hereby imposed a surcharge of twenty-five percent (25%) of the amount of taxes, fees or charges not paid on time and an interest of two percent (2%) per month of unpaid taxes, fees or charges including surcharges, until such amount is fully paid but in no case shall the total interest on the unpaid amount or portion exceed thirty six (36) months.