

# [ PRESIDENTIAL DECREE NO. 937, May 27, 1976 ]

## **AMENDING SECTION FOUR OF PRESIDENTIAL DECREE NO. 144, ENTITLED "REVISING THE PRESENT SYSTEM OF NATIONAL INTERNAL REVENUE ALLOTMENTS TO LOCAL GOVERNMENTS" AS AMENDED BY PRESIDENTIAL DECREE NO. 359 AND SECTION 22, PARAGRAPH (C), OF PRESIDENTIAL DECREE NO. 898.**

**WHEREAS**, the local governments depend largely upon the internal revenue allotments they receive annually under the provisions of Presidential Decree No. 144, as amended, to meet and maintain the fund requirements of community development projects;

**WHEREAS**, some local governments, may be adversely affected by the automatic rescission, beginning July 1, 1976 of the percentage decrease limitation provided for in Section four of the aforesaid Decree;

**WHEREAS**, it has become necessary to institute remedial measures that will avert the financial dislocation of said local units in order to avoid the impairment of essential projects and public services in these localities;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order, as part of the law of the land, the following provisions:

**SECTION 1.**—The allocation formula for determining the individual shares of the local governments effective July 1, 1976 as provided for in Sections 1, 2 and 3 in relation with Section 4 of Presidential Decree No. 144, as amended by Presidential Decree No. 559 and Section 22, paragraph (c) of Presidential Decree No. 898, is hereby modified and, for the purpose, Section 4 of Presidential Decree No. 144 is hereby amended to read in full as follows:

"4. (a) For the first three fiscal years of implementation of this Decree (FYs 1974, 1975 and 1976) the annual allotment of any local government shall not increase by more than fifteen *per centum* (15%) nor decrease by more than fifty *per centum* (50%) of its actual allotment during the fiscal year 1970-71.

"(b) For the six-month period from July 1, 1976 to December 31, 1976, the internal revenue allotment of any local government shall not increase by more than twenty-five *per centum* (25%) of, nor be less than, the allotment it actually received for the six-month period from July 1, 1975 to December 31, 1975, as determined pursuant to Sections 1, 2 and 3 hereof.

"(c) For the new fiscal year commencing on January 1, 1977 and ending on December 31, 1977, the annual allotment of any local government as determined pursuant to Sections 1, 2 and 3 hereof shall not increase by more than twenty-five *per centum* (25%) of, nor be less than, the annual allotment it shall actually receive for the fiscal year from July 1, 1975 to June 30, 1976.