

**[BIR MEMORANDUM ORDER NO. 37-2000,
September 08, 2000]**

**GUIDELINES/PROCEDURES IN THE COMPUTATION OF THE
SHARE OF LOCAL GOVERNMENT UNITS IN THE 2% SPECIAL
PRIVILEGE TAXES COLLECTED BY THE BIR FROM MINI-
HYDROELECTRIC POWER DEVELOPERS PURSUANT TO REPUBLIC
ACT NO. 7156, AN ACT GRANTING INCENTIVES TO MINI-
HYDROELECTRIC POWER DEVELOPERS AND FOR OTHER
PURPOSES.**

I. OBJECTIVES:

This Order is issued to:

- A. Facilitate the claims of Local Government Units (LGUs) of their share in the 2% Special Privilege Tax collections by the Bureau pursuant to the provisions of R.A. No. 7156, otherwise known as the "Mini-hydroelectric Power Incentives Act.
- B. Enhance the 2% Special Privilege Tax collections in coordination with the LGUs.

II. COVERAGE:

The 2% Special Privilege Tax shall refer to the tax payable by any person, natural or juridical, authorized by the Office of Energy Affairs (OEA), now Department of Energy (DOE), to engage in mini-hydroelectric power development with the right to generate, transmit and sell electric power. For internal revenue tax purposes, this 2% Special Privilege Tax shall be based on the gross receipts derived by the mini-hydroelectric power developer from the sale of electric power and from transactions incident to the generation, transmission and sale of electric power payable to the Commissioner of Internal Revenue or his duly authorized representative on or before the 20th day of the month following the end of each calendar or fiscal quarter.

III. DUTIES AND RESPONSIBILITIES OF THE LGU TREASURER:

- A. The Treasurer of the LGU concerned, where the mini-hydroelectric power plant is located, shall be responsible in informing the Chief, Revenue Accounting Division (RAD) (NO) of the actual Special Privilege Tax collections paid to the Bureau based on the certifications of the Revenue Collection Officers (RCOs) of the Revenue District Office concerned;
- B. Evidence of tax payments secured by the LGU Treasurer on the actual Special Privilege Tax paid by the mini-hydroelectric power developer