



REPUBLIC OF THE PHILIPPINES
BUREAU OF LOCAL GOVERNMENT FINANCE
DEPARTMENT OF FINANCE
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BLGF MEMORANDUM CIRCULAR NO. 11-001-2016
14 November 2016

TO : All Regional Directors, Bureau of Local Government Finance; Provincial, City and Municipal Assessors and Treasurers; and Others Concerned

SUBJECT : Reiterating BLGF Memorandum Circular No. 31-2009, dated October 7, 2009 Re: Exemption of Cooperatives from the Payment of Local Taxes Fees and Charges

This Memorandum Circular is issued to reiterate the tax privileges granted to cooperatives which are duly registered with the Cooperative Development Authority (CDA). Despite the issuance of BLGF Memorandum Circular No. 31-2009 dated 07 October 2009, several cooperatives are still being taxed inappropriately, as a consequence thereof several complaints regarding the said issue have reached this Bureau. While the Bureau appreciates the efforts of every LGU to increase their local revenue collection, such should be done within the confines of law.

In view hereof, all parties concerned are hereby enjoined to strictly observe BLGF Memorandum Circular No. 31-2009 (copy enclosed), pertinent portion of which is hereby quoted as follows;

"However, cooperatives transacting business with both members and non-members are required to obtain or secure a Mayor's permit, which is implemented under the police power of the local government unit to protect public interest and in furtherance of the general welfare clause enshrined both in the Constitution and the Local Government Code (Section 16-General Welfare Clause), and pay the commensurate cost of regulation, inspection and surveillance of the operation of its business but not exceeding One Thousand Pesos (Php1,000.00). Likewise, said cooperatives shall secure a Community Tax Certificate (CTC) and pay the basic tax of Five Hundred Pesos (Php500.00) as a juridical entity."

Please be guided accordingly.


NIÑO RAYMOND B. ALVINA
OIC Executive Director