

Republic of the Philippines  
Province of Cagayan  
City of Tuguegarao

**Office of the Secretary to the Sanggunian**



January 31, 2018

**Dr. Rosalinda P. Callang**  
Secretary to the Sanggunian  
Sangguniang Panlalawigan, Province of Cagayan  
Capitol Hills, Tuguegarao City

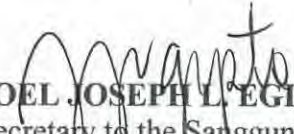
**Madam:**

Pursuant to Section 54 of the Local Government Code, we are now submitting for review and action the attached legislative measures enacted by the Sangguniang Panlungsod on January 23, 2018 , to wit:

- **CITY ORDINANCE NO. 03-2018** – “An Ordinance Amending City Ordinance No. 04-2014 otherwise known as “*Tuguegarao City Investments and Incentives Code of 2014*”
- **CITY ORDINANCE NO. 04-2018** – “An Ordinance Prescribing the Requirements and Procedure for the Issuance of Business Permit”

Thank you.

**Yours truly,**

  
**JOEL JOSEPH L. EGIPTO**  
Secretary to the Sanggunian



Republic of the Philippines  
PROVINCE OF CAGAYAN  
City of Tuguegarao

SEVENTH CITY COUNCIL



EXCERPTS FROM THE MINUTES OF THE 69<sup>th</sup> REGULAR SESSION  
OF THE SEVENTH CITY COUNCIL OF TUGUEGARAO CITY, CAGAYAN  
HELD ON JANUARY 23, 2018, 9:00 A.M., TUESDAY,  
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL

PRESENT:

Hon. Danilo L. Baccay	Sangguniang Panlungsod Member, Temporary Presiding Officer
Hon. Jude T. Bayona	Sangguniang Panlungsod Member
Hon. Kendrick S. Calubaquib	-do-
Hon. Maila Rosario T. Que	-do-
Hon. Arnel T. Arugay	-do-
Hon. Gilbert S. Labang	-do-
Hon. Winnoco R. Abraham	-do-
Hon. Imogen Claire M. Callangan	-do-
Hon. Mary Marjorie P. Martin-Chan	-do-
Hon. Raymund P. Guzman	-do-
Hon. Grace B. Arago	-do-
Hon. Anthony C. Tuddao	-do-
Hon. Jose G. Velasco	-do-

Note:

Hon. Bienvenido C. De Guzman II Acting City Mayor

**CITY ORDINANCE NO. 03-2018**

**AN ORDINANCE AMENDING CITY ORDINANCE NO. 04-2014 OTHERWISE KNOWN AS  
"TUGUEGARAO CITY INVESTMENTS AND INCENTIVES CODE OF 2014"**

Sponsors: Hon. Raymund P. Guzman  
Hon. Danilo L. Baccay  
Hon. Bienvenido C. De Guzman II  
Hon. Jude T. Bayona  
Hon. Kendrick S. Calubaquib  
Hon. Maila Rosario T. Que  
Hon. Arnel T. Arugay  
Hon. Gilbert S. Labang  
Hon. Winnoco R. Abraham  
Hon. Imogen Claire M. Callangan  
Hon. Mary Marjorie P. Martin-Chan  
Hon. Grace B. Arago  
Hon. Anthony C. Tuddao  
Hon. Jose Pedro G. Velasco

**WHEREAS**, the Tuguegarao City Investment Code was approved on June 23, 2014 through City Ordinance No. 04-2014;

**WHEREAS**, with the passage of new appropriate national and local investment laws, rules and regulations, and policies, there is a need to update or amend the Tuguegarao City Investments and Incentives Code of 2014;

**WHEREAS**, in furtherance of provincial and national growth and development, Tuguegarao City encourages new investments, expansion and/or diversification of environment-friendly projects in

*[Handwritten signature]*



agriculture, tourism, infrastructure, energy, health, manufacturing, mining and other industries;

**WHEREAS**, the synergized executive-legislative branches of governance have committed to implement the long-ranged blueprint of development programs in the City Government of Tuguegarao City vis-à-vis the generation and promotion of the business climate by granting investors better incentives when doing business in the city;

**WHEREAS**, through the passage of time and due to stiff competition among Cities and Municipalities in the Region, ordinances should be reader-friendly and should target the needs of the users;

**WHEREAS**, to encourage investors to choose Tuguegarao City as a place to invest in, it is important to amend some provisions of City Ordinance No. 04-2014;

**WHEREAS**, the following shall be the amendments which are deemed necessary for the implementation of the Code:

**1. FOR CHAPTER 3, SECTION 4 – Definition of Terms**

The following additional terms to the Ordinance shall mean as follows:

- a. **“AGRI-TOURISM or AGRÒ-TOURISM”** refers to a commercial enterprise at a working farm, ranch or agricultural plant conducted for the enjoyment of visitors or investors that generates supplemental income for the owner.
- b. **“AGRO-INDUSTRIAL”** refers to the production of raw materials into finished products for both industrial and agricultural purposes; a large scale of production, processing and packaging of raw materials into finished products using modern methods, equipment and facilities.
- c. **“ECÒ-TOURISM”** refers to areas that will allow visitors to experience a form of sustainable tourism within a given natural and/or cultural area where community participation, conservation and management of biodiversity, respect for culture and indigenous knowledge systems and practices, environmental education and ethics as well as economic benefits are fostered and pursued for the enrichment of host communities and satisfaction of visitors.
- d. **“INDUSTRIAL”** refers to manufacturing activities of environmentally-friendly or non-polluting products such as, but not limited to, handicrafts, metal crafts, souvenirs and toys, garments and footwear.
- e. **“PIONEER”** refers to the production of goods or raw materials not being produced in Tuguegarao City on a commercial scale; or a project that uses a design, formula, scheme, method, process or system of production which is new and untried in the city.
- f. **“START of COMMERCIAL OPERATION”** shall mean to begin to officially engage in business operation.

**2. FOR CHAPTER 4 – POWERS AND FUNCTIONS OF THE BOARD**

**SECTION 8 (e) shall be read as follows:**

- e. To evaluate and recommend the applications of proposed investment, subject to the provisions of this Code as well as to suspend or revoke any registration for just cause to the Chairman, subject to the approval of the Board.

**SECTION 9 (c), (d) and (e) shall be read as follows:**

- b. Approves applications for the grant of fiscal incentives to qualified applicants in accordance with the policies set by the Board upon the recommendation of the latter.
- d. Suspends or revokes any registration for just cause upon the recommendation of the Board.



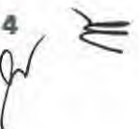
- e. Exercises such other powers and performs such other duties as may be necessary to carry out the objectives of the Code.

### 3. FOR CHAPTER 9 – Fiscal Incentives

Section 25 shall be read as follows:

**SECTION 25. FISCAL INCENTIVES.** – In addition to the incentives provided by law and by the Local Government Code of 1991, a registered enterprise qualified under this Code shall benefit from Business and Real Property Tax exemptions that will be provided from the start of its commercial operation under the following basis:

- a. If the investment is Five Hundred Million (P500,000,000.00) Pesos and above, it will be given total exemption in the payment of business tax on the first three (3) years of commercial operation, seventy five percent (75%) exemption on the fourth (4<sup>th</sup>) year; fifty percent (50%) exemption on the fifth (5<sup>th</sup>) year plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements;
- b. If the investment is from Three Hundred Million Pesos (P300,000,000.00) to Four Hundred Ninety Nine Million Pesos (P499,000,000.00), it will be given total exemption in the payment of business tax on the first two (2) years of commercial operation, seventy five percent (75%) exemption on the third year, fifty percent (50%) exemption on the fourth year and twenty five percent (25%) exemption on the fifth year plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements;
- c. If the investment is from Two Hundred Million Pesos (P200,000,000.00) to Two Hundred Ninety Nine Million Pesos (P299,000,000.00), it will be given total exemption in the payment of business tax on the first year, seventy five percent (75%) exemption on the second (2<sup>nd</sup>) year, fifty percent (50%) exemption on the third year (3<sup>rd</sup>) year, twenty five percent (25%) exemption on the fourth (4<sup>th</sup>) year, ten percent (10%) exemption on the fifth (5<sup>th</sup>) year plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements;
- d. If the investment is Two Hundred Million Pesos (P200,000,000.00) and below, it will be given seventy five percent (75%) exemption in the payment of business tax on the first (1<sup>st</sup>) year, fifty percent (50%) exemption on the second (2<sup>nd</sup>) year, twenty five percent (25%) exemption on the third (3<sup>rd</sup>) year and ten percent (10%) exemption on the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) year plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements;
- e. For Eco-Tourism sector where the investment is One Hundred Million (P100,000,000.00) and above, it will be given total exemption in the payment of business tax for five (5) years plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements and to be located in the approved land use zone of the City;
- f. For Agro-Tourism with minimum of One Hectare (1ha) area plantation, it will be given total exemption in the payment of business tax for five (5) years plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements and to be located in the approved land use zone of the City;
- g. For Agro-Industrial sector where the investment is One Hundred Million (P100,000,000.00) and above, it will be given total exemption in the payment of business tax for five (5) years plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements and to be located in the approved land use zone of the City;
- h. For Industrial sector regardless of the capital, it will be given total exemption in the payment of business tax for five (5) years plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirements and to be located in the approved land use zone of the City;






- i. If the investment is PIONEER regardless of the capital, it will be given total exemption in the payment of business tax for five (5) years plus one (1) year exemption on Real Property Tax and Transfer Tax upon completion of all requirement and to be located in the approved land use zone of the City;


The City may also give incentives known as "Green Incentives" to enterprises as Payment for Environmental Services (PES). PES projects may be in the form of environmental protection and climate change adaptation in poor, marginalized sectors of the society, technical and financial assistance on sustainable livelihood activities, green technologies that will reduce the poor's vulnerability to climate change, financing protection or rehabilitation of degraded ecosystems, and other environmental activities formally agreed on with concerned communities and Tuguegarao City Government.

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I HEREBY CERTIFY TO THE CORRECTNESS OF THE FOREGOING:

  
**JOEL JOSEPH D. EGIPTO, Ph.D.**  
Secretary to the Sanggunian

ATTESTED:

  
**HON. DANILO L. BACCAY**  
Sangguniang Panlungsod Member  
Temporary Presiding Officer  
Date: 01-24-18

APPROVED:


  
**HON. JEFFERSON P. SORIANO**  
City Mayor  
Date: 1/20/18

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## CERTIFICATION

I, Danilo L. Baccay, duly elected as the Temporary Presiding Officer during the 69<sup>th</sup> Regular Session held on January 23, 2018, do hereby certify that herein City Ordinance No. 03-2018 has been approved under suspended rules.

In witness whereof, I hereunto set my hand and affix my signature this 24<sup>th</sup> day of January 2018.

  
**HON. DANILO L. BACCAY**  
Sangguniang Panlungsod Member  
Temporary Presiding Officer

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