

**[ BIR REVENUE MEMORANDUM ORDER NO. 25-93,  
April 14, 1993 ]**

**GUIDELINES/PROCEDURES IN THE COMPUTATION OF 40%  
SHARE OF LOCAL GOVERNMENT UNITS IN THE PROCEEDS OF  
MINING TAXES (EXCISE) COLLECTED BY THE BUREAU  
PURSUANT TO THE LOCAL GOVERNMENT CODE**

I  
OBJECTIVES

This order is issued to:

- A. Facilitate the claims of local government units of their 40% share in the proceeds of mining tax (excise) collections by the Bureau pursuant to the provisions of the Local Government Code (RA 7160).
- B. Enhance mining tax (excise) collections in coordination with the local government units.

II  
POLICIES

A. Mining taxes (excise) shall include excise taxes, imposed on the privilege to explore, develop and exploit mining resources. For internal revenue tax purposes, mining taxes (Sec. 19(f) of NIRC) shall refer only to the excise tax on mineral products imposed under Sec. 151(a) of the NIRC, as amended by EO No. 273. The following goods such as but not limited to the following shall be considered as mineral and mineral products:

1. METALS	EXAMPLES
a. Ferrous	
a.1 Iron	Iron Ore
a.2 Ferro alloying	Manganese ore, metallurgical, chemical and refractory chromite, molybdenum
b. Non-ferrous	
b.1 Base	Copper, tin, mercury
b.2 Light	Aluminum, magnesium, titanium
b.3 Precious	Gold, silver, platinum
b.4 Rare	Uranium, radium beryllium
2. NON-METALS	
a. Mineral fuels	

a.1 Fluid	
Liquid	Indigenous petroleum
Gaseous	Natural gas
a.2 Solid	
Soft coal	Hard coal
Compressed coal	Anthracite
	Semi-anthracite
	Coke

b. Other non-metals such as but not limited to: sand and gravel, stone, cement materials, gypsum, sulfur, salt, marble, limestone, coral, shale, slate, quartzite, schist, volcanic cinder, perlite, tuff, granite basalt, andesite, gabbro, conglomerate, and other quarried materials, phosphate rock, potash, nitrates, guano and pyrite, silica, feldspar, talc, fire clay, clay and all varieties of clay, sandstone, corundum, industrial diamonds, pumice, emery, magnesia, asbestos, mica, ocher, clay, diatomite, barite, bentonite, fuller's earth, quartz.

This also includes Precious and Semi-Precious stones in raw form such as but not limited to: Gem diamond, amethyst, amber, emerald, ruby, garnet, opal, agate, jade, geode.

B. The municipality/city where the mining/quarry site is located shall be responsible in informing the Revenue Accounting Division, BIR of the actual mining (excise) tax collections paid to the Bureau based on the certification secured by them from the Collection Officers (CO) if paid thru the latter or from the Computer and Information System Service (CISS) if paid thru banks.

C. The evidence of tax payments (see III-A-2) of this RMO) secured by the LGU on the actual mining tax (excise) collections shall be submitted to the Bureau within thirty (30) days after the close of each fiscal year.

D. The LGU shall inform the BIR thru the Collection Officer/Excise Tax Area (EXTA) Revenue Officer of any taxpayer who fails to pay mining tax (excise). All Collection Officers or EXTA Revenue Officers receiving such information from LGUs shall coordinate with each other in effecting the collection of such taxes (excise).

### III GUIDELINES AND PROCEDURES:

A. Local Government Units (LGUs) The LGUs shall:

1. Secure from the mining companies a certification of mining tax (excise) payments indicating therein the exact location of the mining/quarry site, the kind of mineral/product, the total value, amount of tax paid, etc. (See attached format-Annex A\*).

2. Secure from the taxpayers photocopies of Revenue Official Receipts (RORs) Payment Orders (POs), Confirmation Receipts (CRs) or Authority to Accept Payment (ATAP).