

**[NTA MEMORANDUM CIRCULAR NO. 61-A
AMENDING MEMORANDUM CIRCULAR NO. 61,
November 28, 1993]**

**PRESCRIBING THE GUIDELINES FOR THE IMPLEMENTATION OF
R.A. 7171 DATED JANUARY 9, 1992**

In order to ensure the effective implementation of R.A. 7171, entitled "An Act to Promote the Development of the Farmers in the Virginia Tobacco-Producing Provinces", and providing for the share of such beneficiary provinces equivalent to 15% of the excise taxes on locally manufactured Virginia type cigarettes, the following guidelines are hereby promulgated:

**1.0
Coverage**

1.1 This implementing circular shall cover the Department of Budget and Management, the Bureau of Internal Revenue, the National Tobacco Administration, and Provinces producing Virginia Tobacco, including the local government units (municipalities and cities) of each province.

**2.0
Functional Responsibilities of Concerned Agencies**

2.1 The Department of Budget and Management shall:

2.1.1 Include in the Internal Revenue Allotment (IRA) portion of the National Expenditures Program (NEP) which shall serve as the basis for inclusion in the annual General Appropriations Act (GAA), an amount equivalent to 15% of the excise taxes on locally manufactured Virginia type cigarettes based on actual BIR collection for the second calendar year preceding the year of distribution.

2.1.2 On the basis of NTA certification, determine the (1) qualified beneficiary provinces and their respective local government units (municipalities and cities) by taking into account their average annual Virginia Tobacco production which should not be less than one million kilos, and (2) compute the corresponding amount of their respective shares, based on the adjusted Virginia acceptances.

2.1.3 Taking into account the cash management and programming procedures, and budgetary constraints, to issue a funding check directly to the LGUs (provinces, cities and municipalities) of beneficiary provinces monthly, based on the Advice of Allotment released for this purpose.

2.2. The Bureau of Internal Revenue shall:

2.2.1. Collect and set aside the equivalent of 15% of the excise tax collection on locally manufactured Virginia type cigarettes for the second calendar year preceding the year of distribution;

2.2.2 Submit to the DBM for the purpose of budget preparation, a certification as to the amount set aside not later than April 15 of the current year.

2.3 The National Tobacco Administration shall:

2.3.1 Implement a system for documentation and reporting of Virginia Tobacco production and Tobacco Acceptances by the Trading Centers in the Beneficiary provinces, and such other information as may be deemed necessary for the purpose, viz., total volume of tobacco production per province, district, cities and municipality per province, district, cities and municipalities.

2.3.2 Provide the Department of Budget and Management (DBM) and the Local Government Units (LGUs) concerned with a certification duly approved by the NTA Administrator, of Virginia Tobacco production and Virginia Tobacco acceptances by province, including congressional districts, cities and municipalities of each beneficiary province, for the immediate past year, provided, however, that such CERTIFICATION shall be submitted to the DBM not later than the first quarter of the current year.

2.4 Local Government Units

2.4.1 The Local Government Units (provinces, municipalities and cities) of each beneficiary province shall proportionately receive from the province's share in accordance with 3.3.3.

2.4.2 The LGUs of the beneficiary provinces shall record separately the receipts and disbursements of funds in order to account the balance of the funds released to them.

2.4.3 The LGUs of the provinces concerned shall ensure that the projects to be implemented are duly approved by their legislative councils (Sangguniang Bayan, Panlalawigan Panglungsod) through an appropriation ordinance or resolution.

3.0 Guidelines

3.1 Basis in the computation of fund equivalent to fifteen (15%) percent.

3.1.1 The fund equivalent to fifteen (15%) percent of the excise taxes on locally manufactured Virginia type cigarettes shall be computed based on the actual collections, as certified by the Bureau of Internal Revenue (BIR), for the second calendar year preceding the year of distribution (budget year).

3.2 Determination of Qualified Beneficiary Provinces.