



Republic of the Philippines
QUEZON CITY COUNCIL
Quezon City
22nd City Council

PO22CC-146

29th Regular Session

ORDINANCE NO. SP- 3189, S-2023

**AN ORDINANCE EXEMPTING PROFESSIONALS FROM PAYMENT OF
MAYOR'S PERMIT**

Introduced by Councilor ATTY. ANTON L. REYES

*Co-Introduced by Councilors Tany Joe "TJ" L. Calalay,
Dorothy A. Delarmente, M.D., Joseph P. Juico, Nikki V.
Crisologo, Charm M. Ferrer, Fernando Miguel "Mikey" F.
Belmonte, Candy A. Medina, Aly Medalla, Dave C.
Valmocina, Tatay Rannie Z. Ludovica, Godofredo T.
Liban II, Geleen "Dok G" G. Lumbad, Albert Alvin
"Chuckie" L. Antonio III, Don S. De Leon, Wencerom
Benedict C. Lagumbay, Edgar "Egay" G. Yap, Raquel S.
Malañgen, Irene R. Belmonte, Nanette Castelo-Daza,
Marra C. Suntay, Joseph Joe Visaya, Alfred Vargas,
MPA, Ram V. Medalla, Shaira "Shay" L. Liban, Aiko S.
Melendez, Mutya Castelo, Maria Eleanor "Doc Ellie" R.
Juan, O.D., Kristine Alexia R. Matias, Eric Z. Medina,
Emmanuel Banjo A. Pilar, Vito Sotto Generoso, Victor
"Vic" Bernardo, Alfredo "Freddy" Roxas and Julian
Marcus D. Trono*

*WHEREAS, Section 139 of Republic Act No. 7160, otherwise known as
the "Local Government Code of 1991", provides the legal basis for provinces
to impose and collect professional tax on each person engaged in the exercise
or practice of his/her profession;*

*WHEREAS, Section 151 of the same law likewise authorized cities to
impose professional tax. It provides that a city "may levy the taxes, fees, and
charges which the province or municipality may impose";*

*WHEREAS, Section 139(b) of the same law further provides that a
"person who has paid the corresponding professional tax shall be entitled to
practice his profession in any part of the Philippines without being subjected
to any other national or local tax, license, or fee for the practice of such
profession";*

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WHEREAS, relative to Section 139(b) of Republic Act No. 7160, the Bureau of Local Government Finance (BLGF), in their Opinion dated December 6, 1999 signed by then Department of Finance (DOF) Secretary Edgardo B. Espiritu, stated that “professions requiring government examinations xxx are required to pay professional tax xxx but are exempted from paying Mayor’s permit or license fee for the practice of such profession”;

WHEREAS, BLGF Opinion dated February 25, 2015 reiterated the above stand, and also stated: “xxx all previous rulings and/or opinions issued by this Bureau relative to the herein subject matter which are inconsistent with the views expressed herein are hereby modified and/or repealed accordingly”;

WHEREAS, a business permit is issued primarily to regulate the conduct of business or trade and the issuing local government unit cannot, through the issuance of such permit, regulate the practice of a profession, such regulation being within the exclusive domain of the agency or office specifically empowered by law to supervise and regulate the profession;

WHEREAS, there have been reports that professionals were made to pay fees for the issuance of business permits in contravention with the existing laws;

WHEREAS, the DOF issued Local Finance Circular No. 001-2019 to address reports and complaints on the improper imposition of taxes, fees and charges on professionals by local government units and to clarify the circumstances when professionals may avail certain local tax exemptions;

WHEREAS, DOF Circular No. 001-2019 prescribed guidelines governing the taxing powers of provinces, cities and municipalities within their respective jurisdictions relative to the practice of profession, pursuant to Section 139 of the Local Government Code of 1991, in relation to Sections 147 and 153 thereof;

WHEREAS, the DOF Circular No. 001-2019 explicitly provides that except on cases covered by Section 7 of the same Circular, “A professional who has paid his/her professional tax shall be exempt from the payment of business permit fee in the operation of his/her clinic or office. However, a professional shall still be required to secure a business permit, at no cost, from the concerned LGU during the registration of the office/clinic and renewal thereof, subject to a duly enacted local ordinance”;

WHEREAS, DOF Circular No. 001-2019 enjoined local government units to properly, efficiently and strictly comply with its provisions;

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WHEREAS, the DOF Circular No. 001-2019 required the BLGF to monitor compliance of local government units and to provide the necessary technical assistance to local governments for the purpose of compliance to the said Circular;

WHEREAS, there is a need to: (1) ensure fair, uniform and proper implementation of the provisions of the Local Government Code governing the taxability of professionals relative to the practice of their profession; and (2) complement efforts in streamlining and facilitating government transactions, pursuant to the provisions of Republic Act No. 11032 or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018".

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. SHORT TITLE. - This Ordinance shall be known as the "Business Permit Payment Exemption for Professionals Ordinance of Quezon City."

SECTION 2. DEFINITION OF TERMS. - As used in this Ordinance the following terms are defined as follows:

- a. *Business* - means trade or commercial activity regularly engaged in as a means of livelihood or with a view to profit;
- b. *Clinic* - refers to a place in which patients avail of medical consultations or treatments on an out-patient basis, which includes other clinics of similar nature, such as dental clinics, optical clinics, veterinary clinics, derma clinics, etc., privately provided or owned by an individual or an independent commercial company rather than the State;
- c. *Fee* - means a charge fixed by law or ordinance for the regulation or inspection of a business or activity;
- d. *Mayor's Permit* - also known as business permit, is issued for the purpose of regulating any business or undertaking within the jurisdiction of the LGU, which is essentially an exercise of the police power of the State within the contemplation of the general welfare clause of the Local Government Code; and

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- e. *Professionals - refer to persons engaged in the exercise or practice of their profession, such as but not limited to: lawyers; certified public accountants; doctors of medicine; architects; civil, electrical, mechanical, structural, industrial, mining, sanitary, metallurgical and geodetic engineers; marine surveyors; doctors of veterinary science; dentist; professional appraisers; connoisseurs of tobacco; actuaries; interior decorators, designers, real estate service practitioners (RESP), insurance agents and actuaries; and all other professions requiring government licensure examinations regulated by the Professional Regulations Commission, Supreme Court, etc.*

SECTION 3. COVERAGE. - All professionals maintaining a clinic or office in Quezon City; provided, that the professional applying for the issuance of a business permit has a valid professional license to practice his/her profession; provided further, that the professional applying for issuance of a business permit has paid the required annual professional tax for the profession(s) he/she is applying a business permit for; provided further, that the professional applying for issuance of a business permit shall not undertake any business activity that does not constitute practice of his profession. However, corporations and partnerships that are composed of several professionals, who are practicing different professions, are hereby considered to be engaged in business other than the practice of their respective professions, and are therefore excluded.

SECTION 4. EXEMPTION FROM PAYMENT OF BUSINESS PERMIT. - Unless covered under Section 5 of this Ordinance, a professional who has paid his/her professional tax shall be exempt from the payment of business permit fee in the operation of his/her clinic or office; provided, that said clinic or office shall be solely used in the practice of his/her profession. However, the professional shall still be required to secure a business permit, at no cost, from the Business Permits and Licensing Department during the registration of office/ clinic and renewal thereof.

SECTION 5. APPLICABILITY OF LOCAL BUSINESS TAX ON PROFESSIONALS. - If, upon verification, a professional is actually engaged in selling, trading or distributing of any articles of commerce of whatever kind, or involved in the function of trade, or undertake any business activity that does not constitute the practice of profession, pursuant to applicable law(s) governing the practice of such profession, he/she shall be liable to pay the annual Local Business Tax (LBT), pursuant to the applicable rates provided under Sections 143 and 146 of the Local Government Code, and pertinent ordinance(s). The professional concerned shall likewise be subject to the payment of business permit fee during the registration of the office/ clinic and the renewal thereof.

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SECTION 6. PROCEDURE. - In order to avail of the exemption as provided in this Ordinance, the professional must, along with all the necessary requirements for issuance of a business permit, present his/her valid professional license or certification from Professional Regulation Commission (PRC) or the Integrated Bar of the Philippines (IBP) as the case may be, and his/her professional tax receipt for the current year, to the Business Permits and Licensing Department during the registration of office/ clinic and renewal thereof.

The Business Permits and Licensing Department must then issue the business permit at no cost to the professional.

SECTION 7. RENEWAL WITHOUT PENALTY. - A professional who previously applied and was issued a business permit but was unable to renew the same beginning 2020 up to the present shall be allowed renewal thereof without penalty; provided he/she will be able to present his/her valid professional license or certification from PRC or IBP as the case may be, and his/her professional tax receipt for the current year, as proof of membership or license to practice his/her profession.

SECTION 8. PENALTIES. - Failure to comply with the provisions of this Ordinance without any sufficient and valid justification shall be punished by imprisonment of not less than one (1) day but not more than thirty (30) days, or a fine of not less than Five Thousand Pesos (Php5,000.00), or both.

SECTION 9. IMPLEMENTING RULES AND REGULATIONS AND STANDARD FORMS. - Within ninety (90) days from the promulgation of this Ordinance, the necessary rules and regulations for the proper implementation of its provisions shall be formulated by the appropriate Departments, specifically the Business Permits and Licensing Department (BPLD), and the City Treasurer's Office, in coordination with the QC Information Technology Development Department.

SECTION 10. REPEALING CLAUSE. - All ordinances, rules, regulations, or parts thereof which are in conflict with or contrary to the provisions of this Ordinance are hereby deemed repealed, amended and modified accordingly.

SECTION 11. SEPARABILITY CLAUSE. - If any provision of this Ordinance is held unconstitutional or invalid, the other provisions not affected thereby shall continue in operation and remain in full force and effect.

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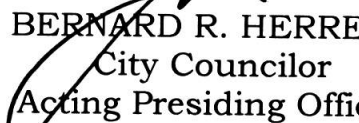
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SECTION 12. EFFECTIVITY CLAUSE. - This Ordinance shall take effect immediately upon its approval, and after due compliance with publication requirements.


ENACTED: April 3, 2023.


BERNARD R. HERRERA
City Councilor
Acting Presiding Officer

ATTESTED:

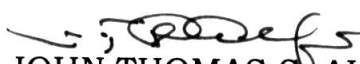

ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(City Council Secretary)

APPROVED: JUN 19 2023


MA. JOSEFINA G. BELMONTE
City Mayor

CERTIFICATION

This is to certify that this Ordinance was APPROVED by the City Council on Second Reading on April 3, 2023 and was PASSED on Third/Final Reading under Suspended Rules on the same date.


ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(City Council Secretary)