



Republika ng Pilipinas
Pambansang Pangasiwaan ng Patubig
(NATIONAL IRRIGATION ADMINISTRATION)
Lungsod ng Quezon

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OUR REFERENCE:

MC No. 02, Series of 2007

MEMORANDUM CIRCULAR

**TO : THE DEPUTY ADMINISTRATOR, ASST. ADMINISTRATORS,
DEPARTMENT/REGIONAL/OPERATIONS/PROJECT MANAGERS,
PROVINCIAL IRRIGATION OFFICERS, IRRIGATION
SUPERINTENDENTS AND ALL OTHERS CONCERNED**

**SUBJECT : REAL PROPERTY TAX LIABILITY OF THE AGENCY
UNDER R. A. 7160 or THE LOCAL GOVERNMENT CODE
OF 1991**

The NIA Central Office and the other field offices have been receiving Notices of Assessment from various local government units (LGUs) dealing with the real property of the Agency. Said Notices declare the real property of NIA to be taxable; hence, the LGUs concerned demand payment for the real property tax (RPT) pursuant to the provision of Republic Act No. 7160, otherwise known as The Local Government Code of 1991.

In accordance with the advice of the Office of the Government Corporate Counsel (OGCC) in its letter to the Secretary of Finance, copy furnished the Administrator dated August 22, 2006, be informed that NIA may directly invoke exemption from payment of RPT in accordance with the ruling of the Supreme Court in G.R. No. 155650 entitled "*MIAA vs Court of Appeals, City of Parañaque, et., al.*," dated July 20, 2006. In said letter, the OGCC avers:

"1. With respect to NIA, it is respectfully informed that, primarily, the capitalization of NIA is "subscribed and paid entirely by the Republic of the Philippines" pursuant to Section 3 of RA 3601, as amended by PD 552 and PD 1702. This being the case, we are of the considered opinion that NIA is thus similarly situated as that of MIAA, hence a government instrumentality likewise exempt from payment of local government taxes on its real properties."

[Signature]

In view of the foregoing, it is hereby directed that, for purposes of uniformity in the Agency's position in this matter, all NIA official concerned shall endeavor to immediately contest the Notice of Assessment issued to it by the LGU in their respective localities by praying that it be exempted from paying the RPT citing the MIAA Case ruling and OGCC advice.

The Office of the Assistant Administrator for Finance and Management and the Legal Department are hereby directed to monitor all matters pertaining to RPT liability of the NIA properties nationwide.

Be guided accordingly.


Gen. ARTURO C. LOMIBAO
Administrator

January 10, 2007