



PHILIPPINES - April 2017

SUPREME COURT HALTS QC'S REAL PROPERTY TAX HIKE..... 1

Supreme Court halts QC's real property tax hike

The Supreme Court (SC) on Tuesday stopped the Quezon City government from implementing a resolution that raises the city's real property tax rates by 100 to 500 percent.

Sitting en banc, the High Court issued a temporary restraining order (TRO) against QC Ordinance No. 2556 (Series of 2016), which approved the fair market value of lands and basic unit construction costs for buildings and other structures towards a revision of real property assessments in Quezon City.

The ordinance meant to increase existing real property values from 100% to 500%, to be effective this year for land, and in 2018 for buildings and other structures.

The QC government earlier estimated that the local measure would increase its collection by P700 million on the first year of implementation.

The SC order was in response to a petition by the Alliance of Quezon City Homeowners' Association Inc. (AQCHI), which sought relief from the ordinance, arguing that its rates were "unjust and excessive."

Acknowledging the need to increase property valuation in the city, AQCHI is calling for smaller or staggered increases.

The court ordered respondents QC Mayor Herbert Bautista, the City Assessor's Office, and the City Treasurer's Office to file their comment on the petition within 10 days.

Bautista earlier asked the city council to make the necessary revisions on real property rates to comply with the recommendations of the Commission on Audit (COA) and Department of Finance (DOF), asserting that the rates were last updated 21 years ago, on December 19, 1995.

In an official statement, the QC government had said "[c]learly, the P5,000 per square meter land value is unrealistic, and no property owner in that area will transact at this rate."

The QC government compared its rates with those of Caloocan City and Makati City at P55,000-P80,000 per square meter.

The local government further stressed that under the Local Government Code, "a general revision of real property assessments should be conducted every three years."

International Property Tax Institute

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.