

DENR to back greater LGU share of mining taxes

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This July 17, 2012 photo shows a miner looking at shacks that house workers and miners at a mining site in the Mt. Diwata, Monkayo, Compostela Valley. -- AFP

THE Department of Environment and Natural Resources (DENR) said it will back rule changes raising the share of mining tax allocated local government units (LGUs).

In a statement on Monday, Environment and Natural Resources Secretary Roy A. Cimatu said: “We will propose and support regulations that will increase the share of local government units in mining taxes, including making certain its timely release, to enable the local government to implement projects that will improve the living conditions in mining communities.”

The DENR added more taxes in the hands of LGUs will help ensure that more of the wealth generated by mining will remain in local communities.

The statement was issued in the wake of the fourth country report issued last week by the Philippine Extractive Industries Transparency Initiative (PH-EITI), a multi-stakeholder effort that seeks to improve governance in the extractive industries, including oil and gas.

“We will also declare high-mineral potential areas as mineral reservations, and monitor strictly the payment of royalties by mining companies operating therein,” he added.

Government and the private sector back the inclusion of small-scale miners in the PH-EITI, which also serves as a platform to report and assess the revenue generated by the extractive sector and the taxes it pays to government.

“Ultimately, (small-scale miners) also contribute a sizeable share to the economy... Let us work towards the inclusion of the small-scale mining sector in this initiative,” Mr. Cimatú said.

“This will ensure the concrete valuation of our resources, including environmental goods and services. Eventually, this will result in higher payments to the government in the form of taxes, royalties and fees,” he added.

Executive Order No. 79 authorizes the department to ensure compliance with EITI norms, which include various reporting requirements.

Companies that fail to comply will not be issued ore transport or mineral export permits and face suspension of their Environmental Compliance Certificates. — **Anna Gabriela A. Mogato**

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