

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday,
the twenty second day of July, nineteen hundred and ninety-one

[REPUBLIC ACT NO. 7171]

**AN ACT TO PROMOTE THE DEVELOPMENT OF THE FARMER
IN THE VIRGINIA TOBACCO PRODUCING PROVINCES**

Be it enacted by the Senate and House of Representative of the Philippines in Congress assembled:

SECTION 1. Declaration of Policy - It is hereby declared to be the policy of the government to extend special support to the farmers of the Virginia tobacco-producing provinces inasmuch as these farmers are the nucleus of the Virginia tobacco industry which generates a sizeable income, in terms of excise taxes from locally manufactured Virginia-type cigarettes and customs duties on imported blending tobacco, for the National Government. For the reason stated, it is hereby further declared that the special support for these provinces shall be in terms of financial assistance for developmental projects to be implemented by the local governments of the provinces concerned.

SECTION 2. Objective - The special support to the Virginia tobacco-producing provinces shall be utilized to advance the self-reliance of the tobacco farmers through:

- a. Cooperative projects that will enhance better quality of products, increase productivity, guarantee the market and as a whole increase farmer's income;
- b. Livelihood projects particularly the development of alternative farming systems to enhance farmers income;
- c. Agro-industrial projects that will enable tobacco farmers in the Virginia tobacco producing provinces to be involved in the management and subsequent ownership of these projects such as post-harvest and secondary processing like cigarette manufacturing and by-product utilization; and
- d. Infrastructure projects such as farm-to-market roads.

SECTION 3. Financing and remittance - The financial support given by the National Government for the beneficiary provinces shall be constituted and collected from the proceeds of fifteen percent (15%) of the excise taxes on locally manufactured Virginia type of cigarettes.

The funds allotted shall be divided among the beneficiary provinces pro rata according to the volume of Virginia tobacco production.

Provinces producing Virginia tobacco shall be the beneficiary provinces under this Act: Provided, however, That, to qualify as beneficiary under this Act, a province must have an average annual production of Virginia leaf tobacco in an amount not less than one million kilos: Provided further, that the Department of Budget and Management (DBM) shall each year determine the beneficiary provinces and their computed share of the funds under this Act, referring to the National Tobacco Administration (NTA) records of tobacco acceptances, at the tobacco trading centers for the immediate past year.

The Secretary of Budget and Management is hereby directed to retain annually the said funds equivalent to fifteen percent (15%) of excise taxes on locally manufactured Virginia type cigarettes to be remitted to the beneficiary provinces qualified under this Act.

The provisions of existing laws to the contrary notwithstanding the fifteen percent (15%) share from government revenues mentioned in this Act and due to the Virginia tobacco producing provinces shall be directly remitted to the provinces concerned.

SECTION 4. Repeating and Amending Clause. All enactment, legislative acts and rules and regulations inconsistent or incomparable with the provisions of this Act are hereby repealed.

SECTION 5. Effectivity Clause - This Act shall take effect upon its approval.

Approved:

(Sgd.) JOVITO R. SALONGA
President of the Senate

(Sgd.) RAMON V. MITRA
Speaker of the House of Representative

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on December 10, 1991 and December 9, 1991, respectively.

(Sgd.) EDWIN P. ACOBA
Secretary of the Senate

(Sgd.) CAMILO L. SABIO
Secretary-General of the House of
Representative

Approved: January 9, 1992

(Sgd.) **CORAZON C. AQUINO**
President of the Philippines