



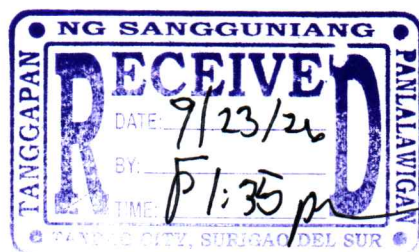
**Republic of the Philippines  
MUNICIPALITY OF CAGWAIT  
PROVINCE OF SURIGAO DEL SUR**

**Office of the Sangguniang Bayan Secretary**

**September 23, 2026**

**The Honorable  
Sangguniang Panlalawigan Members**

**Thru: Hon. Manuel O. Alameda  
Provincial Vice Governor  
Tandag City**



**Sir:**

**Pursuant to pertinent provision of the Local Government Code of 1991, I have the honor to submit the herein approved ordinance by the Sangguniang Bayan of Cagwait, for your review and approval, to wit:**

**ORDINANCE NO. 39-26 – AN ORDINANCE DECLARING THE OPERATION OF THE KALIGUAN BEACH RESORT AS A PROPRIETARY FUNCTION OF THE MUNICIPAL GOVERNMENT OF CAGWAIT, AUTHORIZING ITS REGISTRATION WITH THE BUREAU OF INTERNAL REVENUE PURSUANT TO REVENUE MEMORANDUM CIRCULAR NO. 89-2024 AND OTHER APPLICABLE TAX LAWS, PROVIDING GUIDELINES FOR TAX COMPLIANCE, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.**

**Hoping for your favorable consideration and appropriate action.**

**Attached herewith:**

- **Certificate of Posting and Publication;**
- 

**Very truly yours,**

**ALAN A. CABRERA  
Secretary to the Sanggunian**



Republic of the Philippines  
MUNICIPALITY OF CAGWAIT  
SURIGAO DEL SUR

**Office of the Sangguniang Bayan Secretary**

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## **CERTIFICATE OF POSTING AND PUBLICATION**

This is to certify that, in compliance to Section 59 of RA 7160; Article 113, IRR of R.A. No. 7160, copy of approved Ordinance titled hereunder was properly posted and published in three conspicuous places in the municipality.

**ORDINANCE NO. 39-26 – AN ORDINANCE DECLARING THE OPERATION OF THE KALIGUAN BEACH RESORT AS A PROPRIETARY FUNCTION OF THE MUNICIPAL GOVERNMENT OF CAGWAIT, AUTHORIZING ITS REGISTRATION WITH THE BUREAU OF INTERNAL REVENUE PURSUANT TO REVENUE MEMORANDUM CIRCULAR NO. 89-2024 AND OTHER APPLICABLE TAX LAWS, PROVIDING GUIDELINES FOR TAX COMPLIANCE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.**

|               |   |                                                                                                                     |
|---------------|---|---------------------------------------------------------------------------------------------------------------------|
| Date Enacted  | : | September 8, 2026                                                                                                   |
| Date Approved | : | September 23, 2026                                                                                                  |
| Date Posted   | : | September 23, 2026                                                                                                  |
| Place Posted  | : | Municipal Hall Bulletin Board;<br>Tubo-tubo Public Terminal; and<br>Poblacion Gymnasium<br>Cagwait, Surigao del Sur |

Certified Correct:

**ALAN A. CABRERA**

Secretary to the Sanggunian



Republika ng Pilipinas  
LALAWIGAN NG SURIGAO DEL SUR  
BAYAN NG CAGWAIT

Tanggapan ng Sangguniang Bayan

EXCERPT FROM THE MINUTES OF THE 34<sup>th</sup> REGULAR SESSION OF THE SANGGUNIAN BAYAN OF THE MUNICIPALITY OF CAGWAIT, SURIGAO DEL SUR HELD AT THE SESSION HALL ON SEPTEMBER 8, 2026:

PRESENT:

Hon. Melchie C. Tuscano ----- Municipal Vice Mayor  
(Presiding Officer)

REGULAR SANGGUNIAN BAYAN MEMBERS:

Hon. Armando P. Reyes  
Hon. Joanne Socorro L. Ubongen  
Hon. Arthur M. Sanchez  
Hon. Amelito E. Estrada

Hon. Rogen P. Tabugoc  
Hon. Joel E. Bayogbog, CE  
Hon. Guardian C. Lora  
Hon. Angelyn P. Prado

EX-OFFICIO MEMBERS:

Hon. Bernard V. Loma ----- LnB Fed. Pres./SB Member  
Hon. Princess Chewon C. Park ----- SK Fed. Pres./SB Member



ORDINANCE NO. 39-26

AN ORDINANCE DECLARING THE OPERATION OF THE KALIGUAN BEACH RESORT AS A PROPRIETARY FUNCTION OF THE MUNICIPAL GOVERNMENT OF CAGWAIT, AUTHORIZING ITS REGISTRATION WITH THE BUREAU OF INTERNAL REVENUE PURSUANT TO REVENUE MEMORANDUM CIRCULAR NO. 89-2024 AND OTHER APPLICABLE TAX LAWS, PROVIDING GUIDELINES FOR TAX COMPLIANCE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.



Be it ordained by the Sangguniang Bayan of the Municipality of Cagwait, Province of Surigao del Sur, in session duly assembled:

**SECTION 1. Title.** This Ordinance shall be known as the "Kaliguan Beach Resort BIR Registration and Tax Compliance Ordinance of 2026."

**SECTION 2. Declaration of Policy.** It is the policy of the Municipality of Cagwait to promote accountability, transparency, and compliance with national tax laws governing local government-owned economic enterprises. The Municipality likewise recognizes the policy embodied in Revenue Memorandum Circular No. 89-2024, which clarifies that income derived by Local Government Units from proprietary functions is subject to the taxes imposed upon corporations engaged in similar businesses and, therefore, requires registration with the Bureau of Internal Revenue and compliance with all applicable internal revenue laws.

**SECTION 3. Legal Bases.** This Ordinance is enacted pursuant to:

1. Article X of the 1987 Philippine Constitution;
2. Republic Act No. 7160, otherwise known as the Local Government Code of 1991;
3. Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended;
4. Republic Act No. 11976 (Ease of Paying Taxes Act);

*[Handwritten signatures of the Sangguniang Bayan members]*

PROVINCE OF SURIGAO DEL SUR  
Office of the Secretary to the Sangguniang Bayan  
Tel. No.: 086-2115832  
Email: ossp@surigaodelsur.gov.ph  
OSSP-26-06334

5. Revenue Regulations implementing the Ease of Paying Taxes Act;
6. Revenue Memorandum Circular No. 89-2024;
7. Other pertinent laws, rules and regulations.

**SECTION 4. Definition of Terms.** For purposes of this Ordinance, the following terms shall be understood as follows:

- a. **Authority to Print (ATP)** – refers to the written authority issued by the Bureau of Internal Revenue (BIR) authorizing the printing of principal and supplementary invoices or other accountable forms by an accredited printer in accordance with existing tax laws and revenue regulations.
- b. **Books of Accounts** – refer to the manual, loose-leaf, or computerized accounting records required to be registered with the Bureau of Internal Revenue and maintained by the Kaliguan Beach Resort for recording all financial transactions in accordance with the National Internal Revenue Code, Commission on Audit (COA) rules, and applicable accounting standards.
- c. **Computerized Accounting System (CAS)** – refers to the computerized system used for recording accounting transactions and generating financial reports, subject to registration or approval by the Bureau of Internal Revenue whenever required under existing regulations.
- d. **Electronic Invoicing System (EIS)** – refers to the electronic generation, transmission, storage, and reporting of invoices or receipts in accordance with the National Internal Revenue Code and applicable BIR issuances.
- e. **Municipal Economic Enterprise** – refers to an income-generating facility, establishment, or undertaking owned and operated by the Municipality of Cagwait for the purpose of providing public services while generating revenues to support its operation, maintenance, and development.
- f. **Invoice** – refers to the BIR-compliant principal commercial document issued to evidence the sale, lease, or exchange of goods or services, whether in printed or electronic form, as prescribed under the National Internal Revenue Code and applicable revenue regulations.
- g. **Point-of-Sale (POS) Machine** – refers to an electronic device or computerized system used in recording sales transactions, generating invoices, and maintaining sales records in accordance with BIR regulations.
- h. **Proprietary Function** – refers to an activity undertaken by the Municipality in its corporate or business capacity for the purpose of generating income through the sale of goods or services, as distinguished from the exercise of purely governmental or regulatory functions as contemplated under Revenue Memorandum Circular No. 89-2024.
- i. **Registration** – refers to the process of enrolling the Kaliguan Beach Resort with the Bureau of Internal Revenue for purposes of taxpayer registration, registration of books of accounts, invoicing, tax reporting, and compliance with applicable internal revenue laws.
- j. **Revenue District Office (RDO)** – refers to the local office of the Bureau of Internal Revenue having jurisdiction over the Municipality of Cagwait and responsible for administering internal revenue laws within its territorial jurisdiction.
- k. **Tax Compliance** – refers to the timely and accurate registration, invoicing, bookkeeping, filing of tax returns, payment of taxes, withholding of taxes, submission of reports, and observance of all obligations imposed under the National Internal Revenue Code and applicable BIR rules and regulations.
- l. **Value-Added Tax (VAT)** – refers to the indirect tax imposed on the sale, barter, exchange, lease of goods or properties, and the sale or performance of services, whenever applicable under the National Internal Revenue Code, as amended.



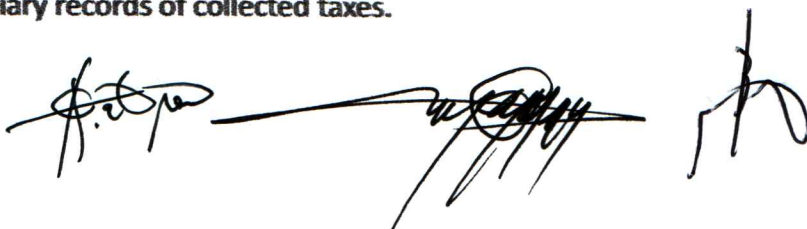
**SECTION 5. Declaration of Proprietary Function.** The Sangguniang Bayan hereby declares that the operation and management of the Kaliguan Beach Resort, including its hotel, cottages, convention hall, recreational facilities, event venues, commercial spaces, food services, souvenir shops, parking areas, and other tourism-related income-generating facilities, constitute proprietary functions of the Municipality undertaken in its corporate capacity for the purpose of generating revenues to sustain the operation, maintenance, and development of the municipal economic enterprise.

**SECTION 6. Authority to Register.** The Municipal Mayor is hereby authorized to register the Kaliguan Beach Resort with the appropriate Revenue District Office of the Bureau of Internal Revenue and to undertake all acts necessary for full tax compliance, including:

- a. Registration of the Kaliguan Beach Resort.
- b. Updating of taxpayer information whenever necessary.
- c. Registration of books of accounts.
- d. Registration of computerized accounting systems or point-of-sale systems, when applicable.
- e. Application for Authority to Print Invoices or Authority to Use Electronic or Computerized Invoicing Systems.
- f. Registration of branches or business establishments whenever necessary.
- g. Filing of applications, declarations, and documentary requirements.
- h. Payment of applicable fees and charges.
- i. Compliance with future BIR registration requirements.

**SECTION 7. Tax Obligations.** The Municipality of Cagwait recognizes that the operation of the Kaliguan Beach Resort is undertaken in its proprietary capacity and, pursuant to the National Internal Revenue Code of 1997, as amended, Revenue Regulations No. 18-2012, Revenue Memorandum Circular No. 89-2024, and other applicable Bureau of Internal Revenue (BIR) issuances, shall comply with all applicable internal revenue tax laws.

- a. **Registration.** Maintain a valid registration with the Bureau of Internal Revenue, including the registration of books of accounts, invoicing system, computerized accounting system, point-of-sale machines, and all other registration requirements prescribed by law.
- b. **Income Tax.** Declare and report all taxable income derived from the proprietary operation of the Kaliguan Beach Resort and pay the corresponding income tax whenever required under the National Internal Revenue Code and applicable BIR regulations.
- c. **Value-Added Tax (VAT).** Whenever the Kaliguan Beach Resort is required or authorized to be VAT-registered under existing tax laws, the Municipality shall collect the applicable Value-Added Tax on all taxable sales of goods and services.
- d. **Collection of Taxes from Guests.** Whenever required under existing tax laws, every guest, customer, lessee, concessionaire, or client availing of the facilities or services of the Kaliguan Beach Resort shall pay, in addition to the approved fees and charges imposed under existing municipal ordinances, the applicable Twelve (12%) percent Value-Added Tax or other internal revenue taxes required by law. Such taxes shall be separately reflected or otherwise properly indicated in the BIR-compliant Invoice issued by the Kaliguan Beach Resort.
- e. **Accounting of Tax Collections.** All VAT and other taxes collected from guests and customers shall be separately identified in the books of accounts and shall not be commingled with the operating income of the Kaliguan Beach Resort. The Municipal Accountant shall maintain subsidiary records of collected taxes.



f. **Filing and Remittance of Taxes.** The Municipal Treasurer and Municipal Accountant, in coordination with the Municipal Economic Enterprise Administrator, shall ensure the timely preparation, filing, and submission of all tax returns and the prompt remittance to the Bureau of Internal Revenue.

g. **Trust Nature of Tax Collections.** Taxes collected from guests or customers, including Value-Added Tax and taxes withheld, are held by the Municipality in trust for the National Government and shall not be expended, appropriated, transferred, or otherwise used for municipal operations except as may be expressly authorized by law pending their lawful remittance to the Bureau of Internal Revenue.

h. **Internal Control Measures.** The Municipal Economic Enterprise Administrator shall establish procedures ensuring that all collections are supported by BIR-compliant invoices, accurately recorded through the registered Point-of-Sale System or Computerized Accounting System, reconciled daily with cash collections, and reported to the Municipal Treasurer and Municipal Accountant for tax reporting purposes.

i. **Accountability of Responsible Officials.** The Municipal Mayor, Municipal Treasurer, Municipal Accountant, Municipal Economic Enterprise Administrator, Cashiers, Collecting Officers, and other accountable officials or employees shall be jointly responsible, within their respective official functions, for ensuring compliance with all tax registration, invoicing, accounting, filing, payment, withholding, and remittance requirements prescribed by law.

**SECTION 8. Issuance of BIR-Compliant Invoices.** All sales of goods and services rendered by the Kaliguan Beach Resort shall be supported by BIR-compliant Invoices issued in accordance with the National Internal Revenue Code, Revenue Regulations, and Revenue Memorandum Circulars implementing the Ease of Paying Taxes Act.

**SECTION 9. Registration and Maintenance of Books of Accounts.** The Municipal Accountant shall ensure that the books of accounts of the Kaliguan Beach Resort are duly registered with the Bureau of Internal Revenue and maintained in accordance with applicable laws and rules.

**SECTION 10. Duties of Municipal Offices.** The following offices are directly responsible in the implementation of this ordinance and shall perform their respective duties and responsibilities.

- a. **Municipal Mayor.** Shall exercise overall supervision over the implementation of this Ordinance.
- b. **Municipal Treasurer.** Shall supervise collections and ensure that all revenues are properly receipted and deposited.
- c. **Municipal Accountant.** Shall maintain the accounting records, prepare tax reports, and coordinate tax compliance.
- d. **Municipal Economic Enterprise Administrator.** Shall manage the day-to-day implementation of BIR requirements, safeguard accountable forms, and coordinate with the Revenue District Office.
- e. **Municipal Administrator.** Shall provide legal assistance in tax compliance and representation before the Bureau of Internal Revenue whenever necessary.

**SECTION 11. Funding.** The expenses necessary for the implementation of this Ordinance, including registration, acquisition of books of accounts, invoicing systems, computerized accounting systems, and other compliance costs, shall be charged against the appropriations of the Kaliguan Beach Resort or other lawful sources.



**SECTION 12. Tax Compliance and Contingent Liability Fund.** To ensure uninterrupted compliance with national tax laws, the Municipality shall appropriate and maintain sufficient funds for the payment of taxes lawfully due from the proprietary operations of the Kaliguan Beach Resort, including registration fees, income tax, Value-Added Tax, withholding taxes, documentary stamp taxes that may be assessed by the Bureau of Internal Revenue, subject to existing budgeting, accounting, and auditing laws and regulations.

**SECTION 13. Administrative Responsibility.** Any municipal officer or employee responsible for the implementation of this Ordinance who wilfully fails to comply with the requirements of the Bureau of Internal Revenue shall be subject to applicable administrative, civil, or criminal liability under existing laws, without prejudice to penalties imposed by the Bureau of Internal Revenue, the Commission on Audit, the Civil Service Commission, and other competent agencies.

**SECTION 14. Implementing Rules.** Within thirty (30) days from the effectivity of this Ordinance, the Municipal Mayor shall issue the necessary administrative guidelines for its implementation.

**SECTION 15. Separability Clause.** If any provision of this Ordinance is declared unconstitutional or invalid, the remaining provisions shall continue to be in full force and effect.

**SECTION 16. Repealing Clause.** All ordinances, resolutions, executive orders, and administrative issuances inconsistent herewith are hereby repealed or modified accordingly.

**SECTION 17. Effectivity.** This Ordinance shall take effect after approval and compliance with the publication and posting requirements.

Adopted and approved this 8<sup>th</sup> day of September 2026 authored by Hon. Guardiano C. Lozada and co-authored by Hon. Joanne Socorro L. Ubongen and Hon. Rogen P. Tabugoc.

Unanimously Approved

I HEREBY CERTIFY to the correctness of the above-quoted ordinance.

  
**ALAN A. CABRERA**  
Secretary to the Sanggunian

ATTESTED:

  
**MELCHIE C. TUSCANO**  
Municipal Vice Mayor  
Presiding Officer

APPROVED:

  
**GLENN G. BATANCILA, REE**  
Municipal Mayor

Date of Approval: \_\_\_\_\_