



PHILIPPINE DENTAL ASSOCIATION INC.

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MEMORANDUM NO. 2025 - 11

TO : ALL MEMBERS OF THE PHILIPPINE DENTAL ASSOCIATION, INC
FROM : OFFICE OF THE PRESIDENT
DATE : March 14, 2025
SUBJECT : FINALLY WE WERE SUSTAINED!!

DENTISTS ARE NOW EXEMPT FROM THE PAYMENT OF BUSINESS PERMITS/MAYOR'S PERMITS, THE DILG ISSUED IN ITS LATEST ADVISORY.

Greetings! Hope all is well.

I am pleased to inform you, our dear colleagues and members of the Philippine Dental Association, Inc., that after a long struggle and endless debates, the Department of Interior and Local Government has finally issued an Advisory addressed to all Governors, Mayors, and Local Licensing Officers stating that dentists, among other professionals, are exempted from the payment of business permits in the operation of their clinics.

In an Advisory dated December 26, 2024 but just recently released, the DILG, through Undersecretary Marlo Iringan, issued the Advisory with the following features:

1. Professionals who have paid their professional tax shall be exempt from the payment of business permit in the operations of their clinic or office;
2. Professionals are still required to secure business permits but AT NO COST;
3. Professionals will only be liable to pay business permit if they are engaged in selling, trading, or distributing articles of commerce; and
4. Local government units may still collect other fees and charges (garbage, sanitary, inspection fees, occupancy permits and or other regulatory fees).

The Advisory further directed all local government units to observe the said ruling.

Again, congratulations, and we would like to thank all the members who stood with your PDA in this struggle to get an exemption from the payment of business permits.

Warm regards,

DR. RONALDO P. NUÑEZ

President 2024-2025

Philippine Dental Association, Inc.





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Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA cor. Quezon Avenue, West Triangle, Quezon City
www.dilg.gov.ph

ADVISORY

TO : ALL PROVINCIAL GOVERNORS, CITY/MUNICIPAL MAYORS, BUSINESS PERMITTING AND LICENSING OFFICERS (BPLO), DILG REGIONAL DIRECTORS AND FIELD OFFICERS, CITY AND MUNICIPAL LOCAL GOVERNMENT OPERATIONS OFFICERS AND OTHERS CONCERNED

SUBJECT : REITERATION OF LOCAL FINANCE CIRCULAR NO. 001-2019: *GUIDELINES ON THE IMPOSITION AND COLLECTION OF LOCAL TAXES, FEES, AND CHARGES ON PROFESSIONALS* AND DOF-BLGF MEMORANDUM CIRCULAR NO. 01-2020: *UPDATED REMINDERS IN THE ASSESSMENT OF LOCAL BUSINESS TAX (LBT), REGISTRATION AND RENEWAL OF BUSINESS PERMITS AND LICENSES AND THE IMPOSITION OF LOCAL TAXES, FEES, AND CHARGES*

DATE : December 26, 2024

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This is to address reports and complaints on the improper or non-compliance of Local Government Units (LGUs) regarding the imposition and collection of taxes, fees and charges on professionals in relation to registration and renewal of business permits. The applicable issuances on the subject matter are as follows:

a) Local Finance Circular No. 001-2019 by the Department of Finance

- Section 6 provides that a professional who has paid his/her professional tax shall be exempt from the payment of business permit fee in the operation of his/her clinic or office.
- However, they are still required to secure a business permit, AT NO COST, from the concerned LGU during the registration of office/clinic and renewal thereof.
- As an exception, a professional will only be liable for the payment of business permit fee, together with local business tax, if upon verification, it was found that he/she is engaged in selling, trading, or distributing any articles of commerce of whatever kind, or he/she is involved in a trade or business activity that does not constitute the practice of his/her profession.

"Matino, Mahusay at Maaasahan"
Trunkline No.: 8876-34-54





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- Section 8 provides that LGUs may also impose and collect other applicable fees and charges (i.e. garbage fee, sanitary inspection fee, occupancy permit fee etc.), provided that the amount shall be reasonably commensurate to the cost of regulation or provision of service.

b) Memorandum Circular (MC) No. 01-2020, entitled "Updated Reminders in the Assessment of the Local Business Tax (LBT), Registration and Renewal of Business Permits and Licenses, and the Imposition of Local Taxes, Fees and Charges" by DOF-BLGF

Letter C (2) of the subject MC similarly provided as follows:

- A professional who has paid his/her professional tax shall be exempt from the payment of business permit fee in the operation of his/her clinic or office.
- However, a professional shall still be required to secure a business permit, AT NO COST, from the concerned LGU during the registration of office/clinic and renewal thereof, subject to a duly enacted local ordinance.
- If, upon verification, a professional is actually engaged in any business activity that does not constitute the practice of profession, pursuant to applicable law/s governing the practice of such profession, he/she shall be liable to pay the annual LBT (*local business tax*) to the city or municipality concerned, pursuant to the applicable rates provided under Sections 143 and 146 of Republic Act (RA) No. 7160, otherwise known as the Local Government Code (LGC) of 1991, and as may be provided under a duly enacted local ordinance.

In view thereof, all LGUs are hereby directed to observe the above prevailing rule as provided under Local Finance Circular No. 001-2019 and Memorandum Circular No. 01-2020 issued by the Department of Finance – Bureau of Local Government Finance. Consequently, the DILG Memorandum Circular No. 2016-170 titled "*Exemption of Medical and Dental Clinics from Mayor's Permit or Business Permit Requirement*" dated November 28, 2016, and the DILG Opinion No. 59, Series of 2018 are no longer controlling and are hereby vacated.

All Regional Directors and Field Officers are directed to cause the widest dissemination of this Advisory within their respective areas of jurisdiction.

For information and guidance of all concerned.


MARLO LIRINGAN

Undersecretary for Local Government



Encl:

- 1) Department of Finance (DOF) Local Finance Circular (LFC) No. 001, series 2019 dated June 12, 2019
- 2) DOF-BLGF Memorandum Circular No. 001-2020 dated January 02, 2020

BLGD-LFRDD/AFB/ZIM/BFC/macb/kke



