REVENUE MEMORANDUM ORDER NO. 37-2000 issued September 8, 2000 prescribes the guidelines and procedures in the computation of the share of Local Government Units (LGU) in the 2% Special Privilege Taxes collected by the BIR from Mini-Hydroelectric Power Developers. For internal revenue tax purposes, the 2% Special Privilege Tax shall be based on the gross receipts derived by the mini-hydroelectric power developer from the sale of the electric power and from transactions incident to the generation, transmission and sale of electric power. Said tax is payable to the Commissioner of Internal Revenue or his duly authorized representative on or before the 20th day of the month following the end of each calendar or fiscal quarter.

The Treasurer of the LGU concerned shall be responsible in informing the Chief, Revenue Accounting Division (RAD) of the actual Special Privilege Tax collections paid to the BIR, based on the certifications of the Revenue Collection Officers (RCOs) of the Revenue District Office (RDO) concerned. Evidence of tax payments secured by the LGU Treasurer on the actual Special Privilege Tax paid by the mini-hydroelectric power developer shall be submitted to the Chief, RAD, together with the certification/s from the Revenue District Officer and Chief, Finance Division and the mini-hydroelectric power company. The LGU Treasurer shall inform the BIR, through the RCO of the RDO concerned, of any taxpayer who fails to pay the 2% Special Privilege Tax. All RCOs receiving such information from LGUs shall coordinate with the Chief, Finance Division and the Chief, RAD in enforcing the collection of said tax.