REVENUE MEMORANDUM ORDER NO. 36-2004 issued on August 18, 2004 establishes the tax base for the computation of the 2% Special Privilege Tax collections by the BIR for the share of Local Government Units and its disbursement thereof.

If the mini-hydroelectric power development is located in a city, 60% of the 2% Special Privilege Taxes collected shall accrue to the city and 40% to the National Government. If it is located in the municipality, 30% of the said taxes collected shall accrue to the municipality, 30% to the province and 40% to the National Government.

All Revenue District Officers shall prepare and submit a report to the BIR – Revenue Accounting Division showing the total amount of the 2% Special Privilege Taxes collected 2 years back. Collections should be reported on or before April 30 in time for the preparation of the proposed annual General Appropriations Act.