

“Revenue generation, collection efficiency, and fiscal sustainability: Evidence from a Philippine municipality”

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ARTICLE INFO

Glorina C. Damong (2026). Revenue generation, collection efficiency, and fiscal sustainability: Evidence from a Philippine municipality. *Public and Municipal Finance*, 15(1), 14–26. doi:[10.21511/pmf.15\(1\).2026.02](https://doi.org/10.21511/pmf.15(1).2026.02)

DOI

[http://dx.doi.org/10.21511/pmf.15\(1\).2026.02](http://dx.doi.org/10.21511/pmf.15(1).2026.02)

RELEASED ON

Tuesday, 13 January 2026

RECEIVED ON

Monday, 20 October 2025

ACCEPTED ON

Tuesday, 23 December 2025

LICENSE



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JOURNAL

"Public and Municipal Finance"

ISSN PRINT

2222-1867

ISSN ONLINE

2222-1875

PUBLISHER

LLC “Consulting Publishing Company “Business Perspectives”

FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

46



NUMBER OF FIGURES

1



NUMBER OF TABLES

2

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BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Type of the article: Research Article

Received on: 20th of October, 2025
Accepted on: 23rd of December, 2025
Published on: 13th of January, 2026

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Conflict of interest statement:
Author(s) reported no conflict of interest

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REVENUE GENERATION, COLLECTION EFFICIENCY, AND FISCAL SUSTAINABILITY: EVIDENCE FROM A PHILIPPINE MUNICIPALITY

Abstract

Sustainable local revenue generation is fundamental for fiscal sustainability and effective service delivery within decentralized governance systems. This study investigates revenue trends, collection efficiency, the implementation of revenue-generation strategies, and ongoing challenges influencing fiscal sustainability in the municipality of La Trinidad, Benguet, the Philippines. An explanatory sequential mixed-methods design was employed. Quantitative data were sourced from municipal records spanning 2014–2023 and surveys of 301 taxpayers and 24 revenue implementers. Qualitative insights were gathered through in-depth interviews with 10 key informants. The findings indicate a sustained increase in total municipal revenue, from PHP 278 million in 2014 to PHP 690 million in 2023, with locally sourced revenues comprising 45% of the total. Collection efficiency consistently surpassed annual targets, reflecting robust administrative performance. Nevertheless, the implementation of revenue-generation strategies was moderate. One-stop-shop systems and information campaigns were widely adopted, whereas electronic payment systems and enforcement measures, particularly property auctions, were implemented only minimally. Persistent challenges include unregistered businesses, inadequate monitoring of delinquencies, taxpayer resistance to reassessments, and institutional constraints in digital revenue administration. The results demonstrate that high collection efficiency may coexist with underutilized revenue measures and lenient enforcement, thereby constraining the full realization of revenue potential. This study contributes to the literature by underscoring the need to evaluate fiscal sustainability beyond target-based efficiency metrics and by highlighting the importance of institutional capacity, enforcement practices, and digital readiness in enhancing local revenue mobilization. These insights are pertinent for local governments in developing countries aiming to strengthen fiscal resilience within decentralized systems.

Keywords

local government finance, local fiscal management, municipal revenue strategies, locally sourced revenue, collection efficiency, La Trinidad, Benguet

JEL Classification

H21, H71

INTRODUCTION

Local government units (LGUs) are central to public service delivery and local development, yet their effectiveness depends largely on their ability to generate sustainable revenues. Effective revenue mobilization remains a significant challenge, especially in developing countries such as the Philippines. Although decentralization reforms in the Philippines aimed to enhance fiscal autonomy and empower LGUs, their tax authority is limited by the national government's control over major taxable activities and revenue sources. This restricted fiscal autonomy impedes LGUs' capacity to finance development projects independently. It increases their reliance on intergovernmental transfers, particularly on the National Tax Allotment (NTA), formerly the Internal Revenue Allotment (IRA). Such structural dependence un-

dermines the long-term financial viability of LGUs, making them vulnerable to fluctuations in national budget allocations and restricting local sustainable development efforts. Addressing the complex challenges of local revenue generation, including administrative inefficiencies, taxpayer compliance issues, and institutional constraints, is essential for designing reforms that strengthen LGUs' fiscal capacity and sustainability.

The existing literature offers substantial insights into local revenue generation, fiscal decentralization, and administrative challenges. However, notable gaps persist. Many studies examine either revenue trends or administrative efficiency in isolation, with limited integration of revenue structure, strategy implementation, and governance challenges within a unified framework. Additionally, there is a lack of municipality-level studies in the Philippine context that combine financial data with stakeholders' perspectives to provide a comprehensive assessment of fiscal sustainability.

1. LITERATURE REVIEW

Fiscal sustainability at the local level extends beyond revenue growth and refers to the ability of local governments to finance current and future obligations without compromising service delivery (Habanabakize et al., 2021). A diversified, stable revenue structure, particularly a strong base of locally sourced revenue, is widely recognized as a prerequisite for sustainable local finance (Kelly, 2023; Smoke, 2019).

Several studies emphasize that reliance on inter-governmental transfers may generate short-term fiscal stability but undermine long-term sustainability by reducing incentives for local revenue mobilization (Panao, 2020). This is characterized as a "fiscal dependency trap," in which local governments focus on transfers rather than cultivating internal revenue sources (Fitrianti et al., 2025). This phenomenon is known as the 'flypaper effect', in which transfers from higher levels of government tend to remain with recipient local governments, reducing their incentives to increase local revenue collection (Masaki, 2018). As a result, local governments with high transfer dependence often exhibit weaker fiscal resilience and limited capacity to respond to economic shocks. Conversely, empirical evidence indicates that jurisdictions with higher shares of locally sourced revenue exhibit stronger accountability, improved governance quality, and enhanced economic outcomes (Hall & O'Hare, 2024; Shrestha & Kautish, 2020), like poverty reductions (Tang, 2024). These findings support the argument that strengthening internal revenue generation is not merely a fiscal objective but also a governance strategy.

Revenue generation is a central pillar of fiscal decentralization, as it determines the extent to which local governments can exercise autonomy in financing public services and development programs. Fiscal decentralization theory posits that local governments are more efficient and responsive when they possess both expenditure responsibilities and corresponding revenue-raising powers (Oates, 1999; Bird, 2006). In practice, however, the degree of fiscal autonomy enjoyed by local governments varies widely, particularly in developing countries where major tax powers, such as income tax, value-added tax (VAT), and excise tax, remain centralized (Bird & Zolt, 2014).

Empirical studies consistently show that limited tax authority constrains local governments' capacity to mobilize sufficient internal revenues, resulting in heavy reliance on intergovernmental transfers (Panao, 2020; Business World Online, 2021; Guevara, 2000; Smoke, 2019). In the Philippine context, despite the Local Government Code of 1991's intent to enhance fiscal autonomy, local governments continue to depend substantially on the National Tax Allotment (NTA), which often constitutes more than half of total revenues (DOF, 2022a). This structural reliance weakens fiscal discipline and dampens incentives for local revenue effort, reinforcing what the literature describes as a 'soft budget constraint' at the local level (Kornai et al., 2003).

Collection efficiency is commonly used as an indicator of local revenue administration performance, reflecting a local government's ability to meet or exceed revenue targets (Kelly & Musunu, 2000). High collection efficiency is often associat-

ed with effective administrative systems, capable personnel, and coordinated institutional practices (Nasution et al., 2021). However, scholars caution that efficiency metrics must be interpreted carefully, as they depend on the realism and comprehensiveness of revenue targets (Munteanu et al., 2025).

In many developing countries, collection efficiency is constrained by weak administrative capacity (Roble & Ibrahim, 2024; Tambunan, 2024; Toyin, 2015), outdated valuation systems, and incomplete taxpayer databases (Brown et al., 2019; Amin et al., 2020). McCluskey et al. (2022) highlight that property tax remains underutilized across developing Asia due to outdated valuations, political resistance, and administrative capacity constraints, but also show that systematic valuation reforms can significantly increase collections. In the Philippines, inefficiencies in real property tax (RPT) administration persist, with many local governments relying on outdated fair market value schedules (Cruz et al., 2018; CPBRD, 2023). Such structural weaknesses limit the revenue potential of property taxation, which is widely regarded as one of the most stable and sustainable sources of local revenue.

Governance quality plays a critical role in shaping taxpayer compliance and revenue performance. Literature consistently links transparency, accountability, and institutional integrity to higher levels of institutional integrity and improved revenue outcomes (Grabosky & Larmour, 2000; Bird & Zolt, 2014). Conversely, weak governance, corruption, and inconsistent enforcement undermine taxpayer trust and reduce willingness to comply with tax obligations (Gebrihet, 2024).

Institutional constraints, including limited workforce, bureaucratic delays, and inconsistent policy implementation, further exacerbate revenue generation challenges (Manasan & Villanueva, 2006). In local government settings, enforcement decisions are often influenced by political considerations and social norms, leading to selective or lenient application of tax laws (Perez-Truglia & Troiano, 2018). While such practices may reduce social conflict in the short term, they weaken horizontal equity and erode the credibility of the tax system over time.

Empirical studies from both African and Southeast Asian contexts demonstrate that informal economic activity, discretionary tax reporting, and weak monitoring systems significantly reduce local revenue potential (Toyin, 2015; Roble & Ibrahim, 2024). These challenges highlight the need for institutional reforms that balance administrative enforcement with taxpayer education and engagement. Successful mobilization typically combines policy measures with sustained administrative reforms, including more vigorous enforcement and improved taxpayer services (Akitoby et al., 2020).

Digital transformation has emerged as a key strategy for improving local revenue administration by enhancing efficiency, transparency, and taxpayer convenience. The adoption of electronic tax filing systems, online payment platforms, and GIS-based property mapping has been shown to improve compliance and reduce leakage in several jurisdictions (Canares, 2016; OECD, 2023). Digital systems also facilitate data integration and real-time monitoring, strengthening enforcement capacity.

However, the effectiveness of digital revenue systems depends on institutional readiness, infrastructure, and user trust (Putri et al., 2019; Cheng et al., 2024). In many developing country contexts, disparities in technological capacity and financial resources lead to uneven adoption and limited impact. Studies note that digital tools are often underutilized due to connectivity issues, fear of transaction failure, and limited digital literacy among taxpayers (Tambunan, 2024).

In the Philippine setting, while national platforms such as LinkBizPortal provide opportunities for digital revenue collection, local governments vary significantly in their ability to integrate these systems into their revenue operations (DOF, 2022b). This uneven digital transition suggests that digitalization alone is insufficient; it requires complementary institutional reforms and taxpayer engagement strategies.

Drawing from fiscal decentralization theory, the flypaper effect, and revenue administration literature, this study conceptualizes fiscal sustainability as a function of revenue structure, administrative

efficiency, strategy implementation, and enforcement capacity. This study aims to analyze revenue trends, collection efficiency, the implementation of revenue-generation strategies, and revenue challenges within a specific Philippine LGU.

Through the integration of quantitative financial analysis, survey data, and qualitative interviews, the study strives to provide empirical evidence on how administrative practices and associated challenges influence fiscal sustainability at the local government level.

2. METHOD

The study employed an explanatory sequential mixed-methods design, integrating quantitative and qualitative approaches to assess revenue-generation strategies and challenges in the municipality of La Trinidad, Benguet, Philippines. The sequential design enabled initial quantification of revenue trends, collection efficiency, revenue strategies, and challenges, followed by qualitative exploration to contextualize and deepen understanding of the quantitative findings. Quantitative data were collected from two sources. First, municipal financial documents, such as the Statement of Financial Operations, Revenue Target and Actual Collection Reports, and records of Locally Sourced Revenues, were collected from the relevant local government offices. The data spanned 10 years, from 2014 to 2023. Second, a structured survey was administered to a sample of 301 randomly selected taxpayers and 24 purposively identified LGU revenue implementers in the municipality. The survey was conducted between November 2024 and March 2025. The survey instrument was developed based on indicators from DOF Order No. 006, Series of 2015, used in local revenue administration for the Philippine fiscal policy assessments, as well as prior empirical studies. Experts from local government finance offices conducted content validation, and reliability testing yielded a Cronbach's alpha coefficient of .86, indicating strong internal consistency. Anonymity was maintained, and informed consent was obtained from all participants.

Following the initial quantitative data analysis, semi-structured interviews were conducted with

10 key informants, comprising six taxpayers and four LGU revenue implementers. The key informants were identified based on their expertise and involvement in revenue collection processes. Interviews were guided by protocols aligned with the research objectives to ensure ethical standards, including voluntary participation, confidentiality, and the right to withdraw without consequences. Pseudonyms were assigned to maintain participant anonymity, and the analysis was conducted independently of the LGU to mitigate bias.

Quantitative data were subjected to descriptive statistical analysis to identify revenue trends and collection efficiency metrics. Qualitative interview data were analyzed inductively using thematic analysis to deepen understanding of the quantitative results. Findings from multiple data sources were then triangulated to enhance the validity and reliability of the interpretations.

3. RESULTS AND DISCUSSION

The analysis of municipal records revealed a generally upward trend in total revenue over the 10 years under study (Figure 1). Total revenue increased from P278 million in 2014 to P462 million in 2018, reaching P690 million by 2023. The average annual growth rate was approximately 9%. However, a minor decline was observed in 2023, primarily due to fiscal disruptions caused by the COVID-19 pandemic. Locally sourced revenues (LSR) followed a similar upward pattern, with consistent annual growth averaging 9%. Notably, LSR accounted for 45% of total revenue, while 55% originated from intergovernmental transfers, predominantly the National Tax Allotment. This revenue composition indicates moderate fiscal autonomy, with the municipality generating nearly half of its revenues locally. Key contributors to LSR included permit fees, parking fees, business income, market operation receipts, and garbage collection fees. This highlights the importance of service-related income streams in local revenue generation.

Collection efficiency analysis for the period covering 2019–2023 demonstrates consistently strong revenue performance. The municipality exceeded its annual collection targets in all five years, achieving rates above 100% each year. The high-

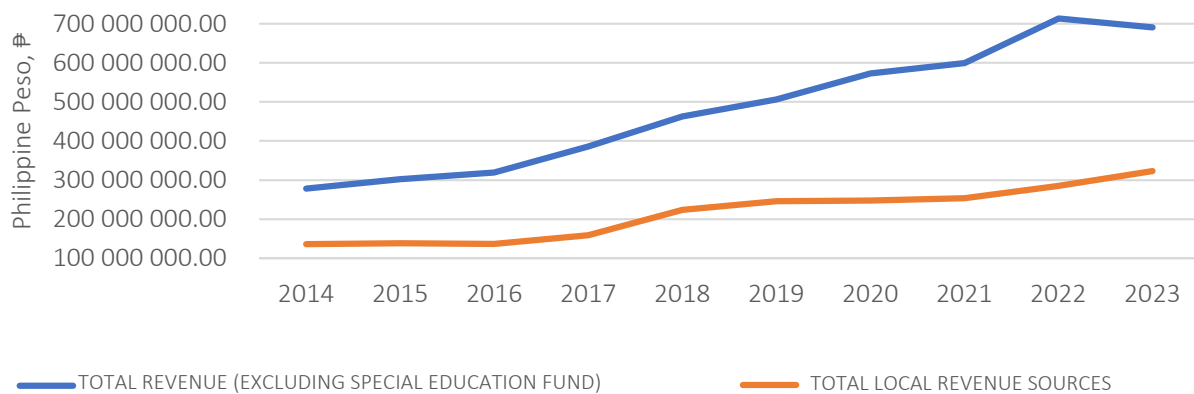


Figure 1. Revenue trend

est performance was recorded in 2021, when collection efficiency peaked at 173%, while the lowest performance during the period remained above 129%. This supports the 2024 report that Benguet ranks first in local revenue generation across the region (Herald Express, 2024).

The process for setting annual collection targets involves a comprehensive evaluation of past performance trends, adjustments based on projected economic conditions, and consultations with key stakeholders. To account for potential macroeconomic shocks, such as those experienced during the COVID-19 pandemic, targets are periodically reviewed and recalibrated to maintain their relevance and feasibility. By adapting to such changes, the municipality ensures that its efficiency measures remain robust and credible.

Department of Finance (DOF) benchmarks indicate that sustained collection efficiency above 100% reflects effective revenue management and target-setting practices. Qualitative data from key informant interviews attribute this performance to strong internal teamwork, collaborative inter-office efforts, field verification visits, and voluntary overtime. Information and education campaigns were also identified as key factors in promoting taxpayer awareness and compliance. These findings demonstrate that human resource practices and administrative coordination play a critical role in translating revenue policies into effective collection outcomes.

The implementation of revenue generation strategies was assessed using survey responses from 301 tax-

payers and 24 revenue implementers across 12 indicators (Appendix A). Overall implementation was rated as moderate, with a composite mean score of 2.18, indicating partial but uneven execution of existing revenue strategies.

Among the strategies evaluated, the operation of one-stop-shop systems for business permit processing received the highest implementation ratings, indicating strong adoption. This reflects efforts to streamline transactions and reduce compliance costs for taxpayers. The use of social media platforms and official LGU communication channels to disseminate tax-related information also showed relatively high levels of implementation. This suggests adaptation to present communication practices.

In contrast, digital financial services show limited adoption. Electronic banking facilities for tax and fee payments were rated as minimally implemented. Moreover, public auctions for delinquent real properties and the application of auction proceeds to settle tax obligations were largely absent, minimally implemented, or absent. Qualitative responses revealed mixed attitudes toward digitalization. Some respondents emphasized the convenience of online systems, whereas others expressed greater confidence in face-to-face transactions, citing immediate payment confirmation and concerns about system reliability. These findings suggest that, despite visible administrative streamlining initiatives, digital revenue systems remain underdeveloped and not uniformly accepted by clients.

Revenue-generation challenges were rated as moderately serious, with an overall mean score of 1.84

(Appendix B). This indicates the presence of persistent structural and administrative constraints that partially affected revenue optimization. The most significant challenge identified was the prevalence of businesses operating without permits or licenses, which obtained the highest mean rating (2.67). Closely related issues included the failure to issue or systematically monitor delinquency notices, suggesting enforcement gaps within the local revenue administration framework.

Taxpayer resistance to increased tax obligations, particularly those arising from expanded tax bases or reassessment, was also rated as moderately serious. Informant interviews revealed frequent misunderstandings regarding the basis for business tax assessments, particularly the distinction between gross sales declarations required by the LGU and net income reporting to the Bureau of Internal Revenue. Discretion in the declaration of gross receipts was identified as a potential source of underreporting, thereby weakening equity and accuracy in tax assessments.

In the context of real property taxation, resistance to property reassessment and limited implementation of enforcement mechanisms, such as warrants of levy and public auctions, were highlighted as constraints. Participants cited humanitarian considerations, administrative constraints, and political sensitivity as factors contributing to leniency in enforcement. Challenges related to workforce shortages and limited digital payment options were rated as less serious overall. However, they were considered significant by revenue implementers, underscoring differing perceptions between taxpayers and LGU implementers.

Overall, the results indicate that the municipality of La Trinidad exhibits strong revenue growth and efficient revenue collection, reflecting effective administrative practices and organizational commitment. However, the moderate implementation of revenue-generation strategies and persistent challenges in enforcement and digitalization limit the municipality's ability to optimize its locally sourced revenue base fully.

The findings of this study provide important insights into the dynamics of local revenue generation and fiscal sustainability in the Philippine mu-

nicipalities. While the municipality of La Trinidad demonstrates strong revenue growth and consistently high collection efficiency, the results reveal a critical distinction between administrative performance and structural fiscal sustainability. This distinction contributes to the broader literature by showing that high collection efficiency does not necessarily translate into optimal revenue mobilization or reduced dependence on intergovernmental transfers.

The sustained upward trend in both total revenue and locally sourced revenue over the ten years reflects both economic expansion and improvements in the local revenue administration. The municipality's ability to generate 45% of its revenue from local sources indicates a relatively stronger fiscal position compared to many Philippine LGUs, which remain heavily reliant on the National Tax Allotment. These findings align with fiscal decentralization theory, which emphasizes the importance of locally generated revenues in strengthening fiscal autonomy and accountability (Oates, 1999; Bird, 2006).

However, despite this comparatively favorable revenue structure, dependence on intergovernmental transfers remains substantial. This suggests that even economically dynamic municipalities face structural constraints in expanding their local tax base, reinforcing the persistence of vertical imbalance in decentralized systems. Consistent with the 'flypaper effect' literature, continued reliance on transfers may dampen incentives to fully exploit local revenue instruments, particularly those that are politically sensitive or administratively demanding (Masaki, 2018; Pano, 2020).

One of the study's most notable findings is the municipality's consistently high annual collection efficiency, which surpassed 100% from 2019 to 2023. This performance exceeds the national average collection efficiency of 71%, as reported by the Asian Development Bank (2018). At face value, this performance signals strong administrative capacity, effective coordination among revenue offices, and high levels of staff commitment. Qualitative evidence supports this interpretation, highlighting teamwork, field verification, and taxpayer information campaigns as factors of performance.

Nevertheless, the results also underscore a critical limitation of collection efficiency as a standalone performance indicator. As cautioned in the literature, efficiency metrics are contingent on the realism and scope of revenue targets (Kelly & Musunu, 2000; Munteanu et al., 2025). In this case, high efficiency coexists with underutilized revenue instruments, limited enforcement, and moderate implementation of revenue strategies. This finding reinforces narrow tax bases, conservative target-setting, and lenient enforcement practices. This fiscal sustainability requires assessment frameworks that go beyond efficiency ratios.

The moderate implementation of revenue-generation strategies indicates uneven institutional progress. The strong adoption of one-stop-shop systems and the extensive use of social media to disseminate tax information demonstrate meaningful administrative innovation aimed at reducing compliance costs and improving taxpayer engagement. These measures are consistent with international evidence showing that simplified procedures and improved information flows can enhance voluntary compliance (Devas & Kelly, 2001). The widespread use of social media to disseminate information is attributed to its broad reach among Filipinos. Data indicated that more than 80% of Filipinos use social media (Brutas, 2015), particularly Facebook (Caparas, 2024), and that they spend the most time on social media each day in 2024 (Tila, 2025).

In contrast, the limited implementation of electronic payment systems and the near absence of property auctions indicate persistent institutional and behavioral constraints. While digitalization is widely promoted as a tool for improving efficiency and transparency, the findings suggest that technology alone is insufficient. Taxpayers' hesitation toward electronic payments reflects issues of trust, digital literacy, and system reliability. These factors have been identified in interviews as significant barriers to effective digital tax administration, a finding consistent with evidence in developing contexts (Putri et al., 2019; Tambunan, 2024). This highlights that digital revenue systems require not only infrastructure investment but also complementary reforms in institutional capacity, user education, and service reliability.

The persistence of unregistered businesses, weak monitoring of delinquency notices, and limited use of enforcement mechanisms point to deeper political and institutional challenges in local revenue administration. The issue of discretion in gross sales declarations raises concerns regarding equity and accuracy in tax assessments. While the Bureau of Local Government Finance (BLGF) discourages automatic upward adjustments without justifiable grounds, as highlighted by Grant Thornton (2019), the interviews disclose that miscommunication and misunderstanding continue to affect compliance. This aligns with the existing literature, which emphasizes transparency, clear communication, and standardized practices. Research suggests that tax compliance is associated with higher personal income tax remittances and enhanced property tax collections, whereas non-compliance results in revenue losses for local governments (Augustine & Ifayemi, 2023). The sensitivity of publishing the names of delinquent taxpayers aligns with the findings by Perez-Truglia and Troiano (2018), who argued that such approaches do not necessarily improve compliance and may even reduce the effectiveness of moral pressures. Qualitative evidence suggests that humanitarian considerations, political accommodation, and constraints on administrative capacity contribute to lenient enforcement. While such practices may reduce social conflict in the short term, they undermine horizontal equity and weaken the credibility of the tax system over time.

Resistance to real property reassessment and the non-use of public auctions further illustrate the political sensitivity of local taxation. These findings echo broader debates in the literature, which emphasize that property taxation, although stable and potentially progressive, is often constrained by political resistance and outdated valuation systems (McCluskey et al., 2022; Berry, 2021). The study thus demonstrates how local political economy dynamics shape revenue outcomes, reinforcing the notion that fiscal sustainability is not only an institutional and governance challenge but also a technical one.

Collectively, the findings contribute to the literature by illustrating that high collection efficiency

may coexist with structural revenue constraints, moderate strategy implementation, and lenient enforcement. This coexistence underscores the need for a comprehensive approach to fiscal sustainability that integrates revenue structures, administrative practices, institutional capacity, and political factors. Strengthening locally sourced revenues requires not only administrative efficiency but also the expansion of digital systems, consistent enforcement of regulations, updated property valuations, and the cultiva-

tion of taxpayer trust through transparent and equitable practices. By integrating financial data with stakeholders' perspectives, this study provides empirical evidence that municipal fiscal sustainability depends on institutional reforms that extend beyond achieving annual collection targets. These insights are especially pertinent for rapidly urbanizing municipalities in developing countries, where revenue pressures and demands for improved public service delivery are intensifying.

CONCLUSION

This study assessed revenue-generating strategies and the challenges influencing fiscal sustainability in the municipality of La Trinidad, Benguet, the Philippines. The findings indicate that total municipal revenue increased at an average annual rate of 9%, with locally sourced revenues accounting for 45% of the total. Collection efficiency exceeded 100% from 2019 to 2023, reflecting strong fiscal performance and administrative capacity. The implementation of revenue strategies was moderate, characterized by strong adoption of one-stop shops and information campaigns, but limited utilization of electronic payments and property auctions. Persistent challenges included unregistered businesses, enforcement gaps, taxpayer resistance to reassessment, and underdeveloped digital systems.

To address these findings, a reform roadmap is proposed, comprising phased actions for short-term, medium-term, and long-term implementation. In the short term, enhancing the adoption of electronic payment systems and strengthening enforcement measures to address unregistered businesses are recommended. Medium-term actions should prioritize expanding digital infrastructure and improving tax reassessment processes to increase taxpayer compliance. In the long term, systematic property valuation updates and comprehensive taxpayer education initiatives are necessary to sustain revenue growth and fiscal sustainability. This structured approach seeks to translate current insights into actionable agendas for policymakers, thereby enhancing the municipality's fiscal resilience. While the study focuses on a single municipality, the findings reflect challenges common to rapidly urbanizing LGUs in developing countries.

AUTHOR CONTRIBUTIONS

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 Formal analysis: Glorina C. Damong.
 Funding acquisition: Glorina C. Damong.
 Investigation: Glorina C. Damong.
 Methodology: Glorina C. Damong.
 Resources: Glorina C. Damong.
 Validation: Glorina C. Damong.
 Visualization: Glorina C. Damong.
 Writing – original draft: Glorina C. Damong.
 Writing – review & editing: Glorina C. Damong.

ACKNOWLEDGMENT

This study is made possible with the assistance of the local government of La Trinidad, Benguet, and the Commission on Higher Education (CHED), which provided the stipend. Acknowledgement is likewise extended to the LGU implementers and taxpayers for the critical data and their time.

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APPENDIX A

Table A1. Implementation of the revenue generation strategies

Indicators	Taxpayers N = 301			Implementers N = 24			Overall N = 325	
	M	SD	DE	M	SD	DE	M	DE
1 Tax clearance (Real Property Tax clearances) is required for renewal of business permits	1.78	1.48	SI	1.21	0.82	NI	1.74	SI
2 One-stop shop systems are being conducted by the local government unit (LGU) (municipality), where the application up to issuance of permit is in the same place	3.70	3.21	HI	3.50	3.00	HI	3.69	HI
3 Local tax caravans or tax information campaigns (i.e., during barangay assemblies) are being conducted by the municipality	1.91	1.68	SI	3.21	2.72	I	2.01	SI
4 The municipality uses social media like Facebook or the LGU official website for tax information, like tax payment reminders, etc.	3.28	2.88	I	3.54	3.10	HI	3.30	HI
5 The municipality is using tri-media (TV, radio, and print) for tax information	2.09	1.76	SI	2.29	1.89	SI	2.10	SI
6 There is an available electronic banking system to facilitate the payment of fees and/or taxes in the municipality	1.51	1.33	NI	2.58	2.22	I	1.59	NI
7 Incentives (Awards/tokens) are accorded to top and/or prompt taxpayers	3.09	2.70	I	2.75	2.43	I	3.07	I
8 There is an audit of assessment of real properties being conducted every three years	1.81	1.47	SI	1.67	1.50	NI	1.80	SI
9 Publication of delinquent properties/taxpayers is practiced within the LGU premises to discourage delinquency	1.99	1.48	SI	2.33	2.31	SI	2.02	SI
10 Warrants of levy (letter of collection) are issued to delinquent taxpayers	2.20	1.48	SI	2.08	2.04	SI	2.19	SI
11 Auctions are conducted to forfeit properties	1.35	1.48	NI	1.08	0.87	NI	1.33	NI
12 Use of the proceeds from the auction to settle the tax obligations	1.33	1.48	NI	1.07	1.35	NI	1.33	NI
OVERALL	2.17	–	SI	2.28	–	SI	2.18	SI

Note: M – mean; SD – standard deviation; DE – descriptive equivalence; N – sample size.

APPENDIX B

Table B1. Seriousness of the challenges in revenue generation

Indicators	Taxpayers N = 301			Implementers N = 24			Overall N = 325	
	M	SD	DE	M	SD	DE	M	DE
1 There are businesses operating without permits and licenses	2.70	2.29	S	2.21	1.83	MS	2.67	S
2 Businesses operating without permits and licenses are not issued with delinquency reports to comply with	2.62	2.22	S	2.33	1.87	MS	2.6	S
3 Delinquency reports or notices were issued to comply with, but there is no monitoring conducted to enforce collection	2.53	2.14	S	2.63	2.20	S	2.54	S
4 LGU inconsistently imposes tax rates on its respective citizens, wherein fees are charged to some business establishments but not to others	1.69	1.39	MS	1.71	1.26	NS	1.69	NS
5 There is resistance among taxpayers when there is an increase in tax due from last year, due to an increase in the tax base	2.10	1.72	MS	2.33	1.91	MS	2.12	MS
6 There is discretion being enjoyed by the business owners in declaring gross sales and receipts, resulting in possible under declaration of gross sales	2.09	1.71	MS	2.83	2.42	S	2.15	MS

Table B1 (cont.). Seriousness of the challenges in revenue generation

	Indicators	Taxpayers N = 301			Implementers N = 24			Overall N = 325	
		M	SD	DE	M	SD	DE	M	DE
7	There is no online tax filing system where the taxpayer may apply	1.86	1.66	MS	2.58	2.18	S	1.54	NS
8	The process of renewing business permits took MORE than what is required in the citizen charter	1.46	1.12	NS	1.63	1.32	NS	1.84	MS
9	No regular revision of the Schedule of Fair Market Values of Real Property Units	1.61	1.34	MS	2.50	2.18	MS	1.67	NS
10	In case of delinquent real property units, notice of delinquency is not published	1.76	1.45	MS	2.00	1.61	MS	1.78	MS
11	Warrants of levy (collection) are not issued to delinquent taxpayers	2.00	1.68	MS	2.04	1.61	MS	2.00	MS
12	Delinquent Real property units are not auctioned	1.59	1.31	MS	2.29	2.00	MS	1.65	NS
13	Discounts on real property taxes are granted at varied amounts to some taxpayers belonging to the same class without the corresponding ordinances	1.43	1.20	NS	1.67	1.53	NS	1.44	NS
14	The unit values of real property and assessment levels are not uniformly applied; some RPUs are assessed either higher or lower than the prescribed rates	1.48	1.22	NS	1.67	1.29	NS	1.49	NS
15	There is a lack of workforce in the LGU to handle tax-related concerns	1.41	1.19	NS	3.08	2.86	S	1.53	NS
16	There is no GCASH or online bank transfer other than Linkbiz to do online payment	1.54	1.38	MS	2.21	1.89	MS	1.59	NS
17	There are instances that political accommodation (like bargaining to pay lower/ <i>nakiusap</i>) are taking place that results in lower tax collection	1.35	1.16	NS	2.29	2.25	MS	1.42	NS
18	There is leniency of the LGU in the enforcement of penalties	1.37	1.16	NS	2.50	2.16	MS	1.45	NS
	OVERALL	1.81	–	MS	2.25	–	MS	1.84	MS

Note: M – mean; SD – standard deviation; DE – descriptive equivalence; N – sample size.