

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

HOUSE BILL NO. 3222



Introduced by: **HON. MAYO Z. ALMARIO**

EXPLANATORY NOTE

Tagged as the “Texting Capital of the World”, the Philippines have come a long way in terms of communication technology. Cellular phones are no longer confined to being a means of communication but have also become a personal necessity of most Filipinos who “can’t leave home without it”. They bring their cellular phones to schools, churches and even in toilets.

So attached are the Filipinos to their cell phones that mobile phone companies and manufacturers have installed and included in its features cameras, gaming units and music players, to name a few. Today, cellular phones are no longer considered a gadget solely for the rich as mobile phone companies have made cellular phones available to the masses through marketing strategies that allow even below minimum wage earners to own one.

Unfortunately, mobile carriers seem to have taken advantage of the Filipinos predilection to their cellular phones that they have managed to include the use of Short Messaging Service (SMS) in almost every aspect of the consumer’s lives. SMS are now used not only to send messages but also to conduct polls and surveys, text brigades and even games of chance otherwise known as “text gambling”.

The bill proposes to impose a tax on all text entries for all text games, specifically on text polls, surveys and text brigades where participants are most likely to win or lose anything of pecuniary value through excessive text messaging. Considering the profits these text messages bring to these mobile carriers, whose franchises may not even include text gambling, a tax imposition would not only protect consumers but could mean additional revenue to the government to address our increasing budget deficit.

The influx of text gambling with the use of cellular phones in our country has affected all sectors of the society. It has reached our homes through the use of powerful mediums such as the television, newspapers and the radio, thus bringing the popularity of cellular phones and text games to an unprecedented high.

The tax however, shall not be imposed on regular text messages other than those sent to participate in text games such as polls, survey, brigades and gambling. Mobile carriers are also prohibited from passing on the tax to the consumers through additional fees or charges.

Enactment of this bill is earnestly sought.


MAYO Z. ALMARIO

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HOUSE BILL NO. 3222

Introduced by **REP. MAYO Z. ALMARIO**

AN ACT
IMPOSING A TAX ON MOBILE CARRIERS FOR EVERY TEXT ENTRIES ON
ALL TEXT GAMES, SPECIFICALLY ON TEXT POLLS, SURVEYS,
BRIGADES AND OTHER GAMES OF CHANCE THROUGH TEXT MESSAGES
USING CELLULAR PHONES OTHERWISE KNOWN AS “THE TEXT
GAMBLING TAX OF 2004”

*Be it enacted by the Senate and House of Representatives
of the Philippines in Congress assembled:*

SECTION 1. *Short Title.* - This Act shall be known as “The Text Gambling Tax of 2004.”

SECTION 2. *Imposition of Tax.* - There is hereby levied, assessed and collected a tax from mobile carriers/cellular companies for every text entry sent for text games, specifically on text polls, surveys and text brigades, and the likes.

This tax shall be in addition to and separate from the income and value-added taxes remitted by these cellular companies to the Bureau of Internal Revenue (BIR).

SECTION 3. *Prohibition on the Imposition of the Tax.* - This Act prohibits cellular companies from imposing additional charges or fees to their subscribers as a result of the imposition of the “text gambling tax”.

The tex gambling tax shall not be imposed on regular text messages other than those sent to participate in text games such as polls, surveys, brigades and gambling.

SECTION 4. *Implementing Rules and Regulations* – Within ninety (90) days from the effectivity this Act, the Secretary of Finance and the Secretary of the Department of Transportation and Communication (DOTC) shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 5. *Separability Clause* – If any portion or provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions not affected thereby.

SECTION 6. *Repealing Clause* – Any provision of law decree, executive order, rules and regulations, or any part thereof, in conflict with, or contrary to this Act, is hereby repealed or modified accordingly.

SECTION 7. *Effectivity Clause* – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or any newspaper of general circulation.

Approved,