

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

THIRTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 5074



Introduced by **HONORABLE PROSPERO A. PICHAY, JR.**

EXPLANATORY NOTE

This bill seeks to further amend Republic Act No. 8199, the congressional franchise of Taxinet, Inc. which lapsed into law on 11 July 1995.

House Bill No. 11617, the substitute bill earlier reported by the Committee on Legislative Franchises, already introduced substantial amendments to the company's congressional franchise by expanding its coverage to all forms of public transportation and the general public, both local and international. The amendments were adopted by the Committee in recognition of the company's pioneering efforts in the public transport communications industry and its firm commitment to finding a viable solution to the country's traffic problem. House Bill No. 11617 seeks to fully tap, utilize and realize the potential of the company by allowing it to acquire and use state-of-the-art communications technologies and take advantage of their convergence with immensely improved transportation technologies such as the Global Positioning System.

Nonetheless, the commitment to support Taxinet's endeavors and enable it to truly maximize its capability necessitates the introduction of amendments to Republic Act No. 8199 that will not only expand the coverage of the company's franchise but also authorize its partnership with other visionary telecommunications groups to strengthen its viability. Further, it is important for the company to be able to avail of existing and future tax incentives that are or will be granted to other holders of legislative franchises. This will greatly motivate the company to contribute to the country's economic development.

The amendments introduced in this bill are envisioned to achieve these noble objectives. In view thereof, approval of this bill is favorably endorsed.


PROSPERO A. PICHAY, JR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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THIRTEENTH CONGRESS

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HOUSE BILL NO. 5074

Introduced by Honorable PROSPERO A. PICHAY, JR.

AN ACT
AMENDING REPUBLIC ACT NO. 8199, ENTITLED "AN ACT GRANTING
THE TAXINET, INC. A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, MAINTAIN AND OPERATE A TAXI COMMUNICATIONS
SYSTEMS IN THE PHILIPPINES"

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

Section 1. Section 1 of Republic Act No. 8199 is hereby amended to read as follows:

"SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to TAXINET, INC. [the Taxinet, Inc.], hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, establish, maintain and operate for commercial purposes and in the public interest, [a taxi communication] TELECOMMUNICATIONS SYSTEM THROUGHOUT THE PHILIPPINES AND BETWEEN THE PHILIPPINES AND OTHER COUNTRIES AND TERRITORIES, INCLUDING MOBILE, CELLULAR, WIRED OR WIRELESS TELECOMMUNICATIONS SYSTEMS AND THEIR VALUE ADDED SERVICES SUCH AS, BUT NOT LIMITED TO, TRANSMISSION OF VOICE, DATA, FACSIMILE, CONTROL SIGNS, AUDIO AND VIDEO, INFORMATION AND SERVICES BUREAU, AND ALL OTHER TELECOMMUNICATIONS SYSTEM

TECHNOLOGIES AS ARE AT PRESENT AVAILABLE OR WILL BE MADE AVAILABLE THROUGH TECHNOLOGICAL ADVANCES OR INNOVATIONS IN THE FUTURE AND TO CONSTRUCT, ACQUIRE, LEASE, MANAGE AND OPERATE TRANSMITTING AND RECEIVING STATIONS, LINES, CABLES OR SYSTEMS, AS IS, OR ARE, CONVENIENT OR ESSENTIAL TO EFFICIENTLY CARRY OUT THE PURPOSE OF THIS FRANCHISE, INCLUDING PUBLIC TRANSPORTATION monitoring system and use all the apparatus, conduits, appliances, receivers, transmitters, antennas, satellites and equipment necessary for the reception and transmission of telecommunications, conversations, messages, and signals with the corresponding technological auxiliaries, facilities, distribution or relay stations, throughout the Philippines.

Sec. 2. Section 10 of Republic Act No. 8199 is hereby amended to read as follows:

"SEC. 10. *Tax Provisions.* – The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax of three percent (3%) per annum or at such percentage as may be prescribed by law on all gross receipts of its telecommunications business transacted under this franchise: Provided, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto. PROVIDED, FURTHER, THAT ALL RIGHTS, PRIVILEGES, BENEFITS AND EXEMPTIONS GRANTED UNDER EXISTING AND FUTURE TELECOMMUNICATIONS FRANCHISES SHALL LIKEWISE BE EXTENDED TO THE GRANTEE.

The grantee shall file the return with, and pay the taxes due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.”

Sec. 3. Section 14 of Republic Act No. 8199 is hereby amended to read as follows:

“SEC. 14. *Sale, Lease, Transfer, Usufruct, etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any corporation or entity nor shall the controlling interest of the grantee be transferred whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines, EXCEPT WHEN SUCH PERSON, FIRM, COMPANY, CORPORATION OR ENTITY HAS A VALID AND EXISTING LEGISLATIVE FRANCHISE FOR TELECOMMUNICATIONS OR IT IS IN PURSUANCE OF THE PROVISIONS OF SECTION 15 OF THIS ACT. Any person or entity to which this franchise is sold, transferred or assigned, shall be subject to the same conditions, terms, restrictions and limitations of this Act.

Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

APPROVED,

ELEVENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES

SECOND REGULAR SESSION

COMMITTEE REPORT NO. _____

Submitted by the Committee on Legislative Franchises on _____

Re : House Bill No. _____, prepared by the Committee;

Recommending its approval, in substitution of House Bill No. 11617.

Sponsors : Representatives Prospero A. Pichay, Jr., _____
and other Members of the Committee on Legislative Franchises

MR. SPEAKER:

The Committee on Legislative Franchises to which was referred House Bill No.
_____, introduced by Representative Prospero A. Pichay, Jr. entitled,

“AN ACT AMENDING REPUBLIC ACT NO. 8199, ENTITLED “AN ACT
GRANTING THE TAXINET, INC. A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, MAINTAIN AND OPERATE A TAXI COMMUNICATIONS
SYSTEMS IN THE PHILIPPINES”

has considered the same and has the honor to report it back to the House of
Representatives with the recommendation that the said House Bill No. _____ be
consolidated with House Bill No. 11617 and that House Bill No. 11617 be substituted
by the attached consolidated House Bill No. _____, prepared by the Committee,
entitled:

“AN ACT AMENDING REPUBLIC ACT NO. 8199, ENTITLED “AN ACT
GRANTING THE TAXINET, INC. A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, MAINTAIN AND OPERATE A TAXI COMMUNICATIONS
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and that the substitute bill be approved with the following as the authors thereof:

Representatives Prospero A. Pichay, Jr., _____,
_____, _____.

Respectfully submitted:

Chairman
Committee on Legislative Franchises

THE HONORABLE
THE SPEAKER
House of Representatives

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

Second Regular Session

House Bill No. _____

Introduced by Reps. Prospero A. Pichay, _____, _____,
_____, _____,

AN ACT
AMENDING REPUBLIC ACT NO. 8199, ENTITLED "AN ACT GRANTING THE
TAXINET, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, MAINTAIN
AND OPERATE A TAXI COMMUNICATIONS SYSTEMS IN THE PHILIPPINES"

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

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AND RECEIVING STATIONS, LINES, CABLES OR SYSTEMS, AS IS, OR ARE, CONVENIENT OR ESSENTIAL TO EFFICIENTLY CARRY OUT THE PURPOSE OF THIS FRANCHISE, INCLUDING PUBLIC TRANSPORTATION monitoring system and use all the apparatus, conduits, appliances, receivers, transmitters, antennas, satellites and equipment necessary for the reception and transmission of telecommunications, conversations, messages, and signals with the corresponding technological auxiliaries, facilities, distribution or relay stations, throughout the Philippines.

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Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

Approved,