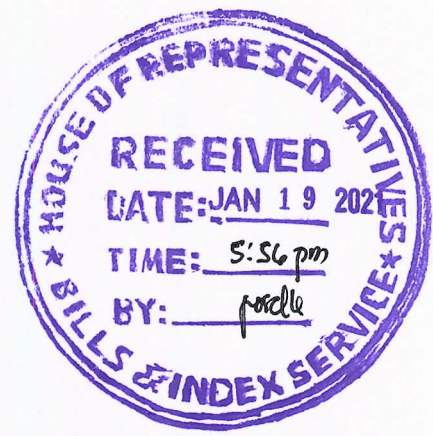


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8428



Introduced by Hon. Christopher V.P. De Venecia, Hon. Angelica Natasha Co, Hon. Ma. Lourdes T. Arroyo, Hon. Rosanna "Ria" V. Vergara, Hon. Florida "Rida" P. Robes, Hon. Deogracias Victor "DV" B. Savellano, Hon. Jericho Jonas B. Nograles, Hon. Juan Miguel Macapagal Arroyo, Hon. Ronnie L. Ong, Hon. Loren Legarda, Hon. Marlyn "Len" B. Alonte, Hon. Joy Myra S. Tambunting, Hon. John Marvin "Yul Servo" C. Nieto, Hon. Francisco "Kiko" B. Benitez, Hon. Claudine Diana D. Bautista, Hon. Rose Marie "Baby" J. Arenas, Hon. Evelina G. Escudero, Hon. Cristal L. Bagatsing, Hon. Vilma Santos-Recto, Hon. Manuel T. Sagarbarria, Hon. Lorenz R. Defensor, Hon. Edward Vera Perez Maceda, Hon. Kristine Singson-Meehan, Hon. Weslie Gatchalian, Hon. Jesus "Bong" C. Suntay, Hon. Ann K. Hofer, Hon. Alfred D. Vargas, Hon. Strike B. Revilla, Hon. Dan S. Fernandez, Hon. John Christopher Y. Belmonte, and Hon. John Reynald M. Tiangco

**AN ACT AMENDING SECTION 140 (A) OF REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS "THE LOCAL GOVERNMENT CODE OF 1991",
AS AMENDED BY REPUBLIC ACT NO. 9640.**

EXPLANATORY NOTE

Filipinos love music and Filipinos love culture. At the dawn of the new millennium, the Fourth Industrial Revolution, and the Internet of Things, they have also become very much digital-savvy, with the Philippines being dubbed as the social media capital of the world. As a consequence of this digital disruption, Filipinos now also enjoy consuming content on streaming and on-demand platforms - whether it be music or audiovisual.

Nonetheless, Filipinos still enjoy the on-site, in-person experience of attending a concert, live event or watching a movie in the cinema. Whether it be in music halls or stadiums, there's nothing like being able to catch your favorite artist live, performing right before their very eyes. Meanwhile, Filipino families, young couples, and even senior citizens like to flock to the movie theaters at the end of a workday to catch a premiere or unwind, and most especially during weekends as part of family bonding.

While watching concerts and movies are certainly among some of the Filipinos' favorite past times, they are also subject to a fiscal regime that has generated substantial income for both the country and local government units - amusement tax.

Some of the biggest cities in the country collect up to more than 50 million pesos a year worth of amusement tax. The imposition of this fiscal policy on places of amusement has been justified as being directed at persons with disposable income, indulging in what may be perceived to be non-essential expenditures.

However, while both the live events and movie industries employ around 760,000 workers and generate no less than 100 billion pesos per annum for the national economy, with local governments taking a piece of that pie, it is important to evaluate the amusement tax in light of CoVid-19.

The National Live Events Coalition PH, a broad based coalition of workers in the field formed during the pandemic, shared that their industry, despite being able to contribute billions of pesos to the economy, was first to feel the impact of the crisis due to the ban on mass gatherings. They also predict that they will be among the last to return. This was further preempted as early as January 2020 when concerts and live events in Metro Manila were being cancelled or postponed due to the eruption of Taal Volcano. Soon after, CoVid-19 would deleteriously sound the death knell for the live events, performing arts, and movie industries due to the community quarantine.

The pandemic took its toll not just on the Philippine live events and movie industries, but also across stages, theaters, and venues across the globe. Many governments, however, were quicker than the rest to run to the aid of these key sectors, understanding the cultural and economic impact of keeping them afloat. In France, for example, the government waived the theatrical release requirement for films that were scheduled for release during the pandemic. The Netherlands also implemented a voucher system that gave ticket holders of cancelled live events an option, as an alternative to a simple refund, to hold on to their ticket until the show is allowed again or to donate the payment altogether, all in order to help the shows' producers get back up on their feet.

These are just some of the ways by which governments are helping these hard-hit sectors through the economic crisis brought about by the Covid-19 pandemic, saving them today so they could be productive again as soon as it is safe for people to gather in large groups again.

It is important to note that amusement tax collections in the Philippines hardly account for one percent of an LGUs' revenues for a year. In Quezon City, the biggest local amusement tax collector in the country, collections for 2019 reached more than 133 million pesos, which accounts for only 0.6% of the total 20 billion pesos revenues of the city for the same year. Makati City, another big amusement tax collector, raked in a measly 58 million pesos as compared to its 18 billion-peso budget, which is a mere 0.3% share in the pie. Iloilo City's amusement tax collections account only for .25% of their total revenues, while Davao City attributes its own collections to only around 0.5% of total revenues.

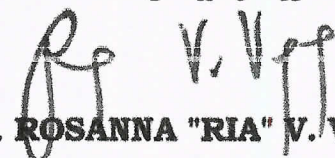
Yet on the other side, amusement taxes are significantly felt by those liable to pay. According to stakeholders, the reduction of amusement taxes will embolden them to take risks again in the holding of live events once it is already safe to do so.

In view of the foregoing, the passage of the bill is earnestly sought.


HON. CHRISTOPHER V.P. DE VENECIA

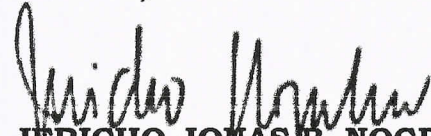

HON. ANGELICA NATASHA CO


HON. MA. LOURDES T. ARROYO


HON. ROSANNA "RIA" V. VERGARA


HON. FLORIDA "RIDA" P. ROBES


HON. JUAN MIGUEL MACAPAGAL
ARROYO

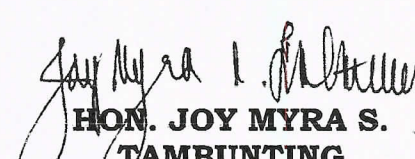

HON. JERICHO JONAS B. NOGRALES

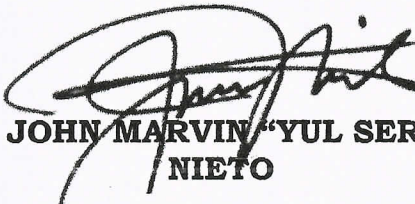

HON. DEOGRACIAS VICTOR
"DV" B. SAVELLANO


HON. RONNIE L. ONG


HON. LOREN LEGARDA


HON. MARLYN "LEN" B. ALONTE

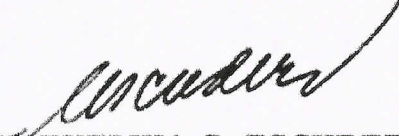

HON. JOY MYRA S.
TAMBUNTING


HON. JOHN MARVIN "YUL SERVO" C.
NIETO


HON. FRANCISCO "KIKO" B.
BENITEZ


HON. CLAUDINE DIANA D. BAUTISTA


HON. ROSE MARIE "BABY" J.
ARENAS


HON. EVELINA G. ESCUDERO


HON. CRISTALL L. BAGATSING



HON. VILMA SANTOS-RECTO



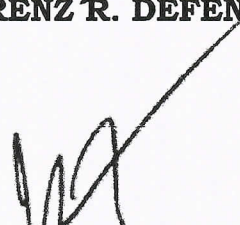
HON. MANUEL T. SAGARBARRIA



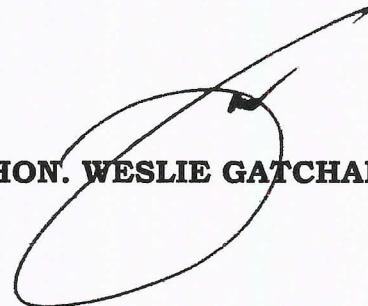
HON. LORENZ R. DEFENSOR



HON. EDWARD VERA PEREZ MACEDA



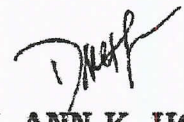
HON. KRISTINE SINGSON-MEEHAN



HON. WESLIE GATCHALIAN



HON. JESUS "BONG" C. SUNTAY



HON. ANN K. HOFER



HON. STRIKE B. REVILLA



HON. ALFRED D. VARGAS



HON. JOHN CHRISTOPHER Y.
BELMONTE



HON. DAN S. FERNANDEZ



HON. JOHN REYNALD M. TIANGCO

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**Eighteenth Congress
Second Regular Session**

House Bill No. 8428

Introduced by Hon. Christopher V.P. De Venecia, Hon. Angelica Natasha Co, Hon. Ma. Lourdes T. Arroyo, Hon. Rosanna “Ria” V. Vergara, Hon. Florida “Rida” P. Robes, Hon. Deogracias Victor “DV” B. Savellano, Hon. Jericho Jonas B. Nograles, Hon. Juan Miguel Macapagal Arroyo, Hon. Ronnie L. Ong, Hon. Loren Legarda, Hon. Marlyn “Len” B. Alonte, Hon. Joy Myra S. Tambunting, Hon. John Marvin “Yul Servo” C. Nieto, Hon. Francisco “Kiko” B. Benitez, Hon. Claudine Diana D. Bautista, Hon. Rose Marie “Baby” J. Arenas, Hon. Evelina G. Escudero, Hon. Cristal L. Bagatsing, Hon. Vilma Santos-Recto, Hon. Manuel T. Sagarbarria, Hon. Lorenz R. Defensor, Hon. Edward Vera Perez Maceda, Hon. Kristine Singson-Meehan, Hon. Weslie Gatchalian, Hon. Jesus “Bong” C. Suntay, Hon. Ann K. Hofer, Hon. Alfred D. Vargas, Hon. Strike B. Revilla, Hon. Dan S. Fernandez, Hon. John Christopher Y. Belmonte, and Hon. John Reynald M. Tiangco

**AN ACT AMENDING SECTION 140 (A) OF REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS “THE LOCAL GOVERNMENT CODE OF 1991”,
AS AMENDED BY REPUBLIC ACT NO. 9640.**

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 ‘Film and Live Events Recovery Act.’

SECTION 2. *Local Amusement Taxes.* – Section 140 (a) of Republic Act No. 7160, otherwise known as “The Local Government Code of 1991”, as amended by Republic Act No. 9640, is hereby amended to read as follows:

“SECTION 140. Amusement Tax - (a) The province may levy an amusement tax to be collected from the proprietors, lessees, or operators of theaters, cinemas, concert halls, circuses, boxing stadia, and other places of amusement at a rate of not more than FIVE percent (5%) of the ACTUAL gross receipts from admission fees.

(b) In the case of theaters of cinemas, the tax shall first be deducted and withheld by their proprietors, lessees, or operators and paid to the provincial

treasurer before the gross receipts are divided between said proprietors, lessees, or operators and the distributors of the cinematographic films.

(c) The holding of LOCALLY-PRODUCED operas, concerts, dramas, MUSICAL PLAYS, recitals, painting and art exhibitions, flower shows, musical programs, literary and oratorical presentations, AND LOCAL FILM PRODUCTIONS, except pop, rock, or similar concerts shall be exempt from the payment of the tax herein imposed.

(d) The sangguniang panlalawigan may prescribe the time, manner, terms and conditions for the payment of tax. In case of fraud or failure to pay the tax, the sangguniang panlalawigan may impose such surcharges, interest and penalties as it may deem appropriate[.]: *PROVIDED*, THAT NOTHING IN THIS SECTION SHALL PREVENT THE SANGGUNIAN TO EXEMPT PERSONS FROM THE PAYMENT OF THE AMUSEMENT TAX SUBJECT TO THE REQUIREMENTS AND CONDITIONS AS IT MAY PROVIDE: *PROVIDED FURTHER*, THAT THE REQUIREMENTS AND CONDITIONS FOR EXEMPTION SHALL BE TO THE ULTIMATE BENEFIT OF THE ARTS, CULTURE, AND CREATIVE INDUSTRIES OF THE MUNICIPALITY AND PROVINCE WHERE THE COLLECTION OF AMUSEMENT TAX IS BEING WAIVED.

(e) The proceeds from the amusement tax shall be shared equally by the province and the municipality where such amusement places are located.”

SECTION 3. *Suspension of Amusement Tax.* — The power of local governments to levy an amusement tax pursuant to Section 140 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, as amended, is hereby suspended for two (2) years from the effectivity of this Act.

SECTION 4. *Repealing Clause.* — All other laws, decrees, orders, issuances, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 5. *Effectivity.* — This Act shall take effect fifteen (15) days after publication in the Official Gazette and two (2) newspapers of national circulation.

Approved.