



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 10406



Introduced by Representative Luisa Lloren Cuaresma

AN ACT
PROVIDING FOR TAX EXEMPTIONS AND SUBSIDIES FOR THE
FILIPINO MUSIC INDUSTRY, AMENDING FOR THIS PURPOSE
SECTION 140, PARAGRAPHS C AND E, OF REPUBLIC ACT NO. 7160
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

For decades, the Local Music Industry is being haunted by various issues and problems which threaten not only its existence, but the earnings of the local artists and talents, as well. Besides dealing with piracy and with the failing record industry, Filipino music artists are also competing with foreign singers and performers who, it would seem, occupy a large part of the local market.

Plagued with the difficulty of contending with gigantic shifts and problems in the recording industry, most of our talented local artists who lack the financial and technical resources to compete in the expanding world of digital media are left to rely on live shows to make a living.

Venturing into live shows and performances to showcase their talents, however, is not a “walk in the park” to our local artists. It was revealed by various producers, artists and record labels of live performances that they are burdened by the amusement tax paid to local government units. The different rates of amusement taxes being imposed by cities or municipalities where our local artists conduct their live performances make it nearly impossible for them to earn enough, or even to just recover their production costs and expenses.

To protect the interests and to further empower local music producers and artists, this bill aims to exempt local artists promoting original Filipino music from the payment of amusement tax. Also proposed is to earmark the proceeds of the amusement tax for subsidizing workshops of local theatre musicals or training and workshops for local artists and composers.

In view of the foregoing, the passage of this bill is earnestly requested.


LUISA LLOREN CUARESMA



Republic of the Philippines

House of Representatives

Quezon City, Metro Manila

Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 10406

Introduced by Representative Luisa Lloren Cuaresma

AN ACT

**PROVIDING FOR TAX EXEMPTIONS AND SUBSIDIES FOR THE
FILIPINO MUSIC INDUSTRY, AMENDING FOR THIS PURPOSE
SECTION 140, PARAGRAPHS C AND E, OF REPUBLIC ACT NO. 7160
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991**

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

ARTICLE I

GENERAL PROVISIONS

Section 1. **Title** – This Act shall be known as the “*Filipino Music Industry
Amusement Tax Relief Act.*”

Section 2. **Declaration of Policy.** – It is hereby declared the policy of the State
to encourage Filipino artists and musicians to showcase their abilities and talents, as a
mode of exercising their freedom of expression. As such, the State shall endeavor to
make the industry internationally competitive, ensure that the local music industry is
empowered, and that the interests of local music producers and artists are amply
protected.

Section 3. *Section 140 of Republic Act No. 7160*, otherwise known as the “The
Local Government Code of 1991,” as amended by Republic Act No. 9640, is hereby
amended to read as follows:

“SEC. 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 stadiums and other places of amusement at a rate of not more than ten percent (10%) of the gross receipts from the admission fees.

Xxx

(c) The holding of operas, concerts, dramas, recitals, paintings and art exhibitions, flower shows, musical programs, literary and oratorical presentations, **INCLUDING POP, ROCK, OR SIMILAR CONCERTS WHICH FEATURE FILIPINO ARTISTS AND FILIPINO COMPOSITIONS** shall be exempt from the payment of the tax herein imposed.

Xxx

(1)(e) TWENTY PERCENT (20%) OF THE TOTAL PROCEEDS FROM THE AMUSEMENT TAX FROM CONCERTS AND OTHER MUSCI-RELATED PRESENTATIONS SHALL BE EARMARKED FOR SUBSIDIZING WORKSHOPS OF LOCAL THEATER MUSICALS AND/OR TRAINING AND WORKSHOPS FOR LOCAL ARTISTS AND COMPOSERS. The **REMAINING** proceeds shall be shared equally by the province and the municipality where such amusement places are located.”

Section 4. ***Implementing Rules and Regulations.*** – The Department of Interior and Local Government (DILG), National Commission for Culture and the Arts (NCCA), different music industry guilds and organizations, as well as producers and other stakeholders shall, within sixty (60) days from the effectivity of this Act, 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 remainder of this Act or any provision not affected thereby shall remain in force and effect.

Section 6. ***Repealing Clause.*** – All laws, decrees, executive issuances, rules and regulations contrary or inconsistent with this Act are hereby repealed, amended or modified accordingly.

1
2
3
4
5
6
7
8

Section 7. ***Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved.

