

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

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 3377



**Introduced by Hon. Bryan B. Revilla, Hon. Lani Mercado-Revilla and
Hon. Ramon "Jolo" Revilla III**

EXPLANATORY NOTE

The Philippine film industry is among the most heavily taxed in Asia, if not the world.¹ Taxes levied from the film industry includes, amusement tax, culture tax, value added tax, and tax on raw materials not to mention the income taxes of the talents and permit fees.

The Philippine movie industry has been struggling for its very existence in the face of the rising costs of production – in the face of COVID-19 restrictions, fierce global competition and the burden of excessive taxation. The decline in the number of locally produced films may be attributed to heavy taxation by both the national and local government.

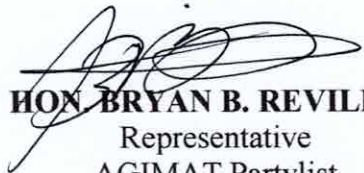
The Philippines is one of Southeast Asia's most prolific film-producing nations, turning out about 70-80 movies a year, and occasionally, winning an award or two at one of the leading international film festivals. However, the commercial environment in our own country's market is far from ideal. In 2017, Philippine films had a 29% share of their domestic box office, which is more or less in line with many other Southeast Asian territories, but way lower than the 50% or more market share enjoyed by local films in mainland China, south Korea and Japan.² Like many Southeast Asian countries, low-budget local productions find it difficult to compete with Hollywood blockbusters. Unfortunately, the Philippine Movie Industry experiences rampant piracy as well as the lack of a strong home entertainment market, making it more difficult for local Filipino producers to recoup their costs.

¹ Hill Soriano, Rianne. Philippine Cinema in the 2000s: Issues to solve in the film industry, Retrieved from: <https://riannehillsoriano.com/blog/philippine-cinema-in-the-2000s-issues-to-solve-in-the-film-industry/>

² Filipino Film Industry Ponders Funding Problems and Cinema Shortfall, Retrieved from: " <http://economistspick-research.hktdc.com/business-news/article/International-Market-News/Filipino-Film-Industry-Ponders-Funding-Problems-and-Cinema-Shortfall/imn/en/1/X000000/X0AF27N.htm> "

With the continuous decline of the Philippine Movie Industry during the last couple of years, concerned members of the industry, after numerous consultations and dialogues, decided to take action. To revive and ensure its future, industry leaders are now seeking Congressional intervention by way of amendatory legislation to reduce the rates of taxes that are levied and collected by the national and local government.

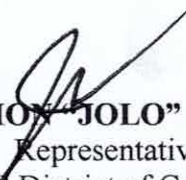
In view of the foregoing reasons, the approval of this bill is earnestly sought.



HON. BRYAN B. REVILLA
Representative
AGIMAT Partylist



HON. LAM MERCADO-REVILLA
Representative
2nd District of Cavite



HON. RAMON "JOLO" REVILLA III
Representative
1st District of Cavite



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AN ACT
REVIVING THE PHILIPPINE MOVIE INDUSTRY BY PROVIDING
INCENTIVES TO THE PROPRIETORS, LESSEES, OPERATORS OF
THEATERS AND CINEMAS

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

1 **Section 1. Short Title.** – This Act shall be known as the “The Revival of the Philippine
2 Movie Industry Act.”
3

4 **Sec. 2. Declaration of Policy.** – Except for real property tax on land, no local and national
5 taxes as prescribed under Republic Act No. 8424, also known as the “National Internal
6 Revenue Code of 1997, As Amended” such as income tax, excise tax, value added tax and
7 under Republic Act No. 7160, also known as the “Local Government Code of 1991” such
8 as amusement tax, shall be imposed on proprietors, lessee, operators of theaters and cinemas
9 in relation to the showing or exhibition of movies and films produced by the Philippine
10 movie industry.
11

12 In lieu thereof, five percent (5%) of the gross income earned shall be paid as follows:
13

- 14 1. Three percent (3%) to the national government;
15 2. Two percent (2%) shall be remitted by the business establishment to the treasurer’s
16 office of the municipality or city where the enterprise is located.
17

18 **Sec. 3. Definition of Terms.** – The term “Philippine Movie Industry” shall pertain to a
19 Filipino citizen or juridical entity engaged in the production of movies or films. In case of
20 juridical entities, Filipino ownership must be at least sixty percent (60%) to qualify as part
21 of the Philippine movie industry.
22

23 **Sec. 4. Implementing Rules and Regulations.** – Within thirty (30) days from the effectivity
24 of this Act, NCCA, FDCP, CCP and the Department of Finance (DOF), in consultation with
25 other government agencies and concerned stakeholders, shall promulgate the Implementing
26 Rules and Regulations (IRR) to carry out the provisions of this Act: *Provided*, That the non-
27 promulgation of the rules and regulations provided under this section shall not prevent the
28 immediate implementation of this Act upon effectivity.
29

1 **Sec. 5. Separability Clause.** – If any part or provision of this Act is held invalid or
2 unconstitutional, the remaining parts or provisions not affected shall remain in full force and
3 effect.
4

5 **Sec. 6. Repealing Clause.** – All laws, decrees, orders, rules, and regulations, and other
6 issuances or parts thereof, which are contrary to or inconsistent with this Act are hereby
7 repealed, amended, or modified accordingly.
8

9 **Sec. 7. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the
10 *Official Gazette* or in a newspaper of general circulation.
11

12 Approved,