

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4782



Introduced by **HON. GUS S. TAMBUNTING**

AN ACT
PROVIDING FOR TAX EXEMPTIONS AND SUBSIDIES FOR THE LOCAL MUSIC
INDUSTRY AND AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 7160 OR
THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

The Philippines is home to numerous talents who have been recognized in the field of music and performing arts globally. The local music industry however is burdened by numerous problems which hamper its development. The most rampant is piracy in the music industry, with revenue losses due to piracy and other copyright violations reported to be at an estimated amount of PhP 1 Billion. As music piracy largely affects record sales in the Philippines, those in the industry are left to rely on live shows to make a living. This however is burdened with high production costs and various taxes.

To protect the interests of our local music producers and artists 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. Time and again, local music producers and artists complain of high amusement tax as one of the reasons for marginal earnings in concerts.

Further, under this proposed measure, amusement tax derived from concerts of foreign artists will be earmarked for workshop subsidies needed by our local theater groups; as well as for training programs and workshops for artists and composers to encourage the creation of original Filipino music.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. GUS S. TAMBUNTING
2nd District, Parañaque City

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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 "Local Music Industry Incentives Act."

Sec. 2. *Declaration of policy.* – Under the State's belief that culture is a human right and a manifestation of the freedom of belief and expression, it shall promote and protect the Filipino national culture which includes the local music industry. The State shall encourage and promote the creation of original Filipino music and provide support to make the industry internationally competitive. It shall ensure that the music industry provides cultural opportunities to all Filipinos.

Sec. 3. *Section 140 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:

"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 admissions fees.

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(c) The holding of operas, concerts, dramas, recitals, painting, and art exhibitions, flower shows musical programs, literary and oratorical presentations, ~~[except]~~ **INCLUDING** pop, rock, or similar concerts **AS LONG AS THEY FEATURE MAINLY FILIPINO ARTISTS AND FILIPINO COMPOSITIONS** shall be exempt from the payment of the tax herein imposed.

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(e) **THE PROCEEDS FROM THE AMUSEMENT TAX FROM CONCERTS AND OTHER MUSIC-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 ~~[from the amusement tax]~~ shall be shared equally by the province and the municipality where such amusement places are located.”

Sec. 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.

Sec. 5. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

Sec. 6. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, rule, or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,