

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

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7113



Introduced by Representative Hon. Christopher V.P. de Venecia, Hon. Angelo Marcos Barba, Hon. Marlyn “Len” B. Alonte, Hon. Antonio B. Legarda, Jr., Hon. Margarita Ignacia B. Nograles, Hon. Camille A. Villar, Hon. Kristine Singson-Meehan, Hon. Lord Allan Jay Q. Velasco, Hon. Rufus B. Rodriguez, Hon. Anna Victoria Veloso-Tuazon, Hon. Lani Mercado-Revilla, Hon. Jefferson F. Khonghun, Hon. Jose Francisco “Kiko” B. Benitez, Ph.D., Hon. Juan Carlos “Arjo” C. Atayde, Hon. Maria Vanessa C. Aumentado, Hon. Rachel Marguerite B. Del Mar, Hon. Edward Vera Perez Maceda, Hon. Linabelle Ruth R. Villarica, Hon. Richard I. Gomez, DPA, Hon. Eduardo Roa Rama Jr., Hon. Florida “Rida” P. Robes, Hon. Rosanna “Ria” V. Vergara, Hon. Luisa Lloren Cuaresma, Hon. Lianda B. Bolilia, Hon. Amparo Maria J. Zamora, Hon. Jose Arturo S. Garcia, Jr., Hon. Vincent Franco “Duke” D. Frasco, Hon. Samuel S. Verzosa, Jr., Hon. Dan S. Fernandez, Hon. Ma. Rachel J. Arenas, Hon. Claudine Diana D. Bautista-Lim

AN ACT
EXEMPTING ADVERTISING ON LOCALLY-PRODUCED NEWSPAPERS,
MAGAZINES, NEWSLETTERS, JOURNALS, REVIEW BULLETINS AND OTHER
PRINT MATERIALS FROM VALUE-ADDED TAX, AMENDING FOR THE PURPOSE
SECTION 109 (1) OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED

EXPLANATORY NOTE

The COVID-19 pandemic gravely affected the creative industries, who were all forced to close shop for multiple years. Even despite the reopening of the economy, several industries have yet to fully recover the losses sustained since 2020. One of these sectors is the print and publishing media industry.

The shift to digitalization heavily lessened demand for print materials such as newspapers and magazines, as its contents have become available online. In fact, according to *Forbes*, even before the pandemic, there was already a major decline in readership and ad revenue in the print and publishing media sector. This decline caused the growth of the industry to stunt and lessened its sustainability in the future.

Further, according to the United Print Media Group, the largest trade organization for print media in the Philippines, a majority of the profits of this sector is heavily reliant of advertising sales, and

not readership. However, that has been on a decline as well, due to the increasing prices of advertising space, and the advertisers' preference to shift to digital media.

This bill intends to exempt advertising on locally-produced print media materials from payment of the Value-Added Tax under the National Internal Revenue Code to increase demand for advertisers to engage with the print and publishing media sector, and to effectively create revenue to revitalize the print and publishing media sector.

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



**HON. CHRISTOPHER V.P. DE
VENECIA**



HON. ANGELO MARCOS BARBA



HON. MARLYN "LEN" B. ALONTE



HON. ANTONIO B. LEGARDA, JR.



**HON. MARGARITA IGNACIA B.
NOGRALES**



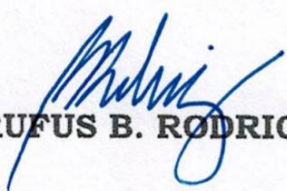
HON. CAMILLE A. VILLAR



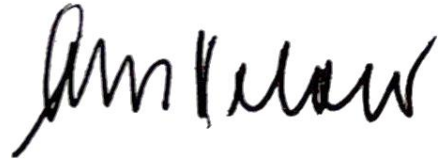
**HON. KRISTINE SINGSON-
MEEHAN**



HON. LORD ALLAN JAY Q. VELASCO



HON. RUFUS B. RODRIGUEZ



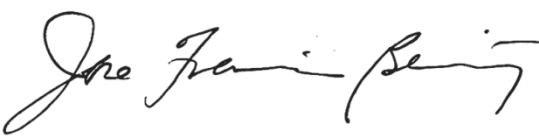
HON. ANNA VICTORIA VELOSO-TUAZON



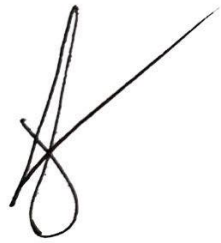
HON. IANI MERCADO-REVILLA



HON. JEFFERSON F. KHONGHUN



HON. JOSE FRANCISCO "KIKO" B. BENITEZ, PH.D.



HON. JUAN CARLOS "ARJO" C. ATAYDE



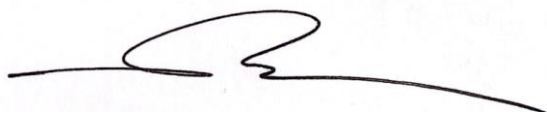
HON. MARIA VANESSA C. AUMENTADO



HON. RACHEL MARGUERITE B. DEL MAR



HON. EDWARD VERA PEREZ MACEDA



HON. EDUARDO ROA RAMA JR.



HON. FLORIDA "RIDA" P. ROBES



HON. ROSANNA "RIA" V. VERGARA



HON. LUISA LLOREN CUARESMA



HON. LIANDA B. BOLILIA



HON. AMPARO MARIA J. ZAMORA



HON. JOSE ARTURO S. GARCIA, JR.



HON. VINCENT FRANCO "DUKE"
D. FRASCO



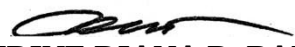
HON. SAMUEL S. VERZOSA, JR.



HON. DAN S. FERNANDEZ



HON. MA. RACHEL J. ARENAS



HON. CLAUDINE DIANA D. BAUTISTA-LIM

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SECTION 109 (1) OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED

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

SECTION 1. A new subparagraph is hereby inserted after subparagraph (CC) of Section 109 (1) of the National Internal Revenue Code of 1997, as amended, to read as follows:

“Sec. 109. *Exempt Transactions.* –

“(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

“(A) x x x

“ x x x

“ (DD) **ADVERTISMENT SPACES OR PLACEMENTS IN**
LOCALLY-PRODUCED PRINT MEDIA SUCH AS

**NEWSPAPERS, MAGAZINES, NEWSLETTERS, JOURNALS
AND REVIEW BULLETINS**

SECTION 2. *Implementing Rules and Regulations.* – The Secretary of Finance, shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate not later than thirty (30) days upon the effectivity of this Act the necessary rules and regulations for its effective implementation.

SECTION 3. *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.

SECTION 4. *Repealing Clause.* – All 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 or a newspaper of national circulation.

Approved,