

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **3237**



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

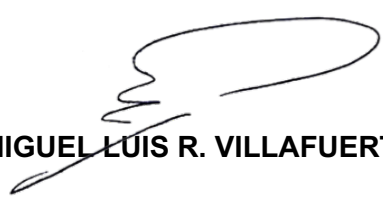
The Philippine Amusement and Gaming Corporation (PAGCOR) reported that the local gaming industry's gross revenues reached a record-high of P410.5 billion in 2024.¹ Moreover, in the first half of 2025, the PAGCOR recorded P215 billion in gross revenues.² By yearend, it is expected to reach P450 billion to P 480 billion.³

Section 7, Article X of the 1987 Constitution provides that "Local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits." In accordance with this constitutional mandate, this bill seeks to amend Section 12 of Presidential Decree No. 1869, changing the source of franchise tax levied to gaming operators from the previous aggregate gross earnings to the gross gaming revenue.

This measure also aims to ensure that local government units (LGUs) hosting gaming operations that are licensed or operated by the PAGCOR receive their 2% share out of the 5% total franchise tax. In effect, this proposed measure institutionalizes the augmentation of LGU resources enabling them to provide basic social services to their constituents such as healthcare, agriculture, disaster response, infrastructure projects, and other social welfare programs.

This bill was passed on third reading during the 19th Congress and transmitted to the Senate.

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


HON. MIGUEL LUIS R. VILLAFUERTE

¹ Gonzales, A.L. (2025). *Local gaming industry's revenues hit record-high in 2024*. <https://www.pna.gov.ph/articles/1244964>

² Rocamora, J.A. (2025). *PH records P215-B gross gaming revenue in 1H 2025 – PAGCOR*. <https://www.pna.gov.ph/articles/1255061>

³ Cigaral, I.N. (2025) *PAGCOR bets on hefty growth in 2025 PH gaming revenue*. <https://business.inquirer.net/508702/pagcor-bets-on-hefty-growth-in-2025-ph-gaming-revenue>

A stylized, cursive handwritten signature in black ink, featuring a large, sweeping loop at the top and a sharp, angular end.

HON. VINCENZO RENATO LUIGI R. VILLAFUERTE

A cursive handwritten signature in black ink, with the first letter being a large, elegant 'S' and the rest of the name flowing in a series of connected loops.

HON. TSUYOSHI ANTHONY G. HORIBATA

A cursive handwritten signature in blue ink, with the first letter being a large, stylized 'T' and the rest of the name in a fluid, connected script.

HON. TERRY L. RIDON

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RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND
HON. TERRY L. RIDON

**AN ACT FIXING THE SHARE OF THE LOCAL GOVERNMENT UNIT (LGU) HOSTING
GAMING OPERATIONS LICENSED OR OPERATED BY THE PHILIPPINE AMUSEMENT
AND GAMING CORPORATION (PAGCOR) IN THE PROCEEDS OF THE FRANCHISE
TAX, FURTHER AMENDING SECTION 12 OF PRESIDENTIAL DECREE NO. 1869, AS
AMENDED**

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

SECTION 1. Section 12 of Presidential Decree No. 1869 is hereby further amended to read
as follows:

“Sec. 12. *Special Condition of Franchise.* – After deducting five percent (5%)
as Franchise Tax, the fifty percent (50%) share of the government in the [~~aggregate
gross earnings~~] **GROSS GAMING REVENUE** of the Corporation from this Franchise,
or 60% if the [~~aggregate gross earnings~~] **GROSS GAMING REVENUE** be less than
P150,000,000.00, shall immediately be set aside and shall accrue to the General Fund
to finance the priority infrastructure development projects and to finance the restoration
of damaged or destroyed facilities due to calamities, as may be directed and authorized
by the Office of the President of the Philippines.

**“THE ABOVE FIVE PERCENT (5%) FRANCHISE TAX SHALL BE
REMITTED AS FOLLOWS: THREE PERCENT (3%) TO THE NATIONAL
GOVERNMENT AND TWO PERCENT (2%) TO THE LOCAL GOVERNMENT UNIT
(LGU) WHERE PAGCOR OPERATED AND LICENSED GAMING OPERATIONS
SUCH AS, BUT NOT LIMITED TO, LAND-BASED CASINOS, ONLINE CASINOS,
BINGO, ELECTRONIC GAMES (EGAMES), AND ELECTRONIC BINGO (EBINGO)
ARE LOCATED: PROVIDED, THAT THE TWO PERCENT (2%) SHARE SHALL BE
PAID DIRECTLY TO THE LGU CONCERNED.”**

SECTION 2. *Separability Clause.* – If any provision of this Act is declared invalid or
unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 3. *Repealing Clause.* – Section 12 of P.D. No. 1869, entitled: “Consolidating and
Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399 and 1632, Relative to the
Franchise and Powers of the Philippine Amusement and Gaming Corporation (PAGCOR),” as
amended by Presidential Decree No. 1993, entitled: “Amending Section Twelve of Presidential
Decree No. 1869 Consolidating and Amending Presidential Decree Nos. 1067-A, 1067-B,
1067-C, 1399, and 1632, Relative to the Franchise and Powers of the Philippine Amusement

and Gaming Corporation (PAGCOR),” and all laws, executive orders, memorandum circulars, guidelines, and other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SECTION 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,