

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 6345



Introduced by **REP. JAVIER MIGUEL L. BENITEZ**

EXPLANATORY NOTE

The Philippine film and creative content industry is both a cultural cornerstone and a major engine of economic growth, providing direct employment to thousands of Filipino creative and technical professionals. According to the Philippine Statistics Authority, the creative economy reached a value of ₱1.94 trillion in 2024, representing 7.3 percent of Gross Domestic Product (GDP), while employment in creative industries rose to 7.51 million workers.¹ However, despite its size and potential, the film sector faces critical challenges, including rapid escalation of production costs, stiff competition from global streaming services with deep financial backing, and aging or inadequate technological infrastructure. These factors often limit local producers' ability to scale their projects and compete effectively in international markets.

The 1987 Philippine Constitution mandates the State to conserve, promote, and popularize the nation's artistic creations² and to develop a self-reliant and independent national economy.³ A targeted fiscal intervention, such as a tax holiday, is consistent with these constitutional goals and can help level the playing field for local creatives.

This bill proposes a three-year Income Tax Holiday ("ITH") exclusively for new, accredited film production projects. By tethering the tax benefit to *project-based income*, the incentive will spur fresh investment rather than rewarding mere corporate existence.

¹Philippine Statistics Authority, *Creative Economy*, PSA.gov.ph (Mar. 20, 2025), <https://psa.gov.ph/statistics/creative-economy>.

² 1987 Philippine Constitution, Article XIV, Section 15.

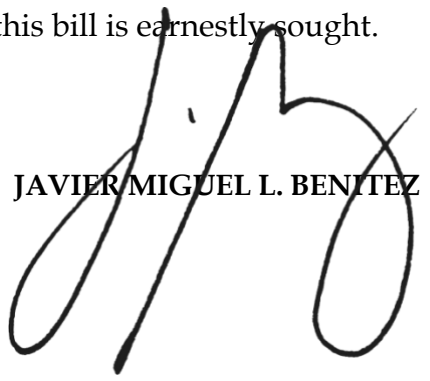
³ *Ibid.* Article XII, Section 12.

With a minimum Qualified Philippine Expenditure (QPE) requirement, the bill ensures that these tax breaks translate into real local economic activity, formal employment, and the hiring of Filipino creative and technical professionals.

Furthermore, this measure is designed to be streamlined and efficient, ensuring compliance and proper implementation through mandatory coordination between the Film Development Council of the Philippines (FDCP), the Bureau of Internal Revenue (BIR), and the Department of Finance (DOF). Granting targeted fiscal relief for new projects will encourage the production sector to take greater risks, invest in high-quality content, and ultimately, enhance the visibility and competitiveness of Filipino films on the global stage.

In sum, this bill offers a focused, constitutional, and economically rational solution. By reducing the tax burden on new film productions, it encourages reinvestment, stabilizes employment in the creative sector, and strengthens the global competitiveness of Filipino cinema.

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


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**AN ACT GRANTING A THREE (3) YEAR INCOME TAX HOLIDAY TO
ACCREDITED FILM PRODUCTION ENTITIES FOR QUALIFYING NEW
PROJECTS, TO PROMOTE THE DEVELOPMENT AND COMPETITIVENESS
OF THE NATIONAL FILM INDUSTRY, AND FOR OTHER PURPOSES**

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

SECTION 1. Title. – This Act shall be known as the “*Film Production Income Tax
Holiday Act of 2025*”

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to support
and promote the local film and creative content industry as a vital engine for economic
and cultural development. To achieve this, the State shall grant targeted fiscal relief in
the form of Income Tax Holiday to encourage continuous investment in film production,
promote employment of Filipino creative and technical talent, and enhance the
competitiveness of Filipino films in the global market.

SEC. 3. Income Tax Holiday (“ITH”) Grant for Production Projects. – Notwithstanding
any law to the contrary, any accredited film production entity shall be entitled to an
Income Tax Holiday (ITH) on its income derived exclusively from the commercial
operation and exploitation of its registered new film production projects for a period of
three (3) years.

The three-year ITH period shall commence from the date of the film's first commercial exhibition or release, as certified by the Film Development Council of the Philippines ("FDCP").

The ITH shall apply exclusively to income derived from the qualified film production project and shall fully replace the corporate income tax otherwise imposed under Title II of the National Internal Revenue Code (NIRC) of 1997, as amended, for the duration of the tax holiday period. Income from other projects, business activities, or unrelated sources shall remain subject to applicable corporate income tax under existing laws.

SEC. 4. *Conditions for Accreditation and Qualification* – The incentives granted under this Act shall apply only to entities and projects that are duly accredited by the Film Development Council of the Philippines (FDCP). The FDCP shall establish criteria for accreditation and qualification, including:

- (a) The film production entity must be duly-registered and accredited by the FDCP;
- (b) The film project must be a feature film, television series, documentary, or animation, or major digital content;
- (c) The production project investment must meet a minimum expenditure threshold in Qualified Philippine Expenditures (QPE), as defined by the FDCP in its Implementing Rules and Regulations, to ensure substantial local economic activity; and
- (d) The project must represent a new and distinct investment.

SEC. 5. *Non-Diminution of Employee Benefits*. – The grant of incentives under this Act shall not authorize any employer, whether public or private, to reduce, defer, withhold, or otherwise diminish the compensation, allowances, or benefits being enjoyed by the employees of the accredited stakeholders within the duration of this Act, consistent with the provisions of the Labor Code of the Philippines, as amended.

SEC. 6. *Non-Prejudice of Existing Incentives*. – The incentives provided under this Act shall be without prejudice to any other existing incentive, exemption, or preferential tax treatment that any accredited film industry stakeholder may be entitled to under any other law, rule, or regulation.

SEC. 7. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the FDCP, in coordination with the Bureau of Internal Revenue (BIR), and the Department of Finance (DOF), shall jointly promulgate the necessary rules and regulations to effectively implement the provisions of this Act, including:

- (a) Accreditation procedures;
- (b) Minimum QPE thresholds;
- (c) Verification and documentation processes; and
- (d) Compliance monitoring and reporting requirements.

SEC. 8. *Rules of Construction.* – In case of doubt in the interpretation of any of the provisions of this Act, the same shall be construed liberally in favor of the taxpayers.

SEC. 9. *Separability Clause.* – If, for any reason, any provision or part of this Act is declared invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

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

Approved,