



Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

First Regular Session

House Bill No. 9389

Introduced by
Presley C. De Jesus, PhilRECA Party-List Representative

EXPLANATORY NOTE

The Philippine horse racing industry has long formed part of the country's regulated gaming and sports sector. Beyond its entertainment value, the industry supports employment, breeding, training, jockeying, racing operations, and allied economic activities. It also contributes to government revenues through taxes, fees, and regulatory charges imposed on racing operations and betting transactions.

At present, documentary stamp tax is imposed on horse race tickets under existing tax laws and the legislative franchises governing racing clubs. However, the current rate places an additional cost on every ticket transaction, which may affect bettor participation, reduce betting volume, and limit the capacity of the industry to remain competitive. A more balanced tax structure is therefore necessary to encourage wider participation in horse racing while preserving the government's revenue interests.

This bill seeks to amend Section 190 of Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended; Section 6 of Republic Act No. 7978; and Section 10(a)(1) of Republic Act No. 11649, by lowering the documentary stamp tax imposed on horse racing tickets to Five centavos (P0.05) for every One peso (P1.00), or fractional part thereof, of the cost of each ticket.

The proposed measure also standardizes the applicable documentary stamp

tax rate on horse racing tickets across the relevant laws governing the industry. By harmonizing the tax treatment of horse race tickets, the bill promotes clarity, consistency, and ease of implementation for regulators, operators, and stakeholders.

While the proposed rate is lower, the measure is intended to stimulate greater transaction volume, encourage increased bettor participation, and support the continued viability of the horse racing industry. A more competitive payout structure may attract renewed public interest in horse racing and encourage reinvestment in the sector, including in horse breeding, training, race operations, and the organization of additional events.

At the same time, the bill recognizes the need to protect government revenues. By encouraging higher participation and increasing the volume of taxable transactions, the proposed adjustment seeks to maintain, and potentially improve, revenue collection while giving the industry a more sustainable fiscal environment.

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



REP. PRESLEY C. DE JESUS
PhilRECA Party-List



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AN ACT

STANDARDIZING THE DOCUMENTARY STAMP TAX ON HORSE RACING TICKETS, AMENDING SECTION 190 OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, SECTION 6 OF REPUBLIC ACT NO. 7978, AND SECTION 10(a)(1) OF REPUBLIC ACT NO. 11649, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** – Section 190 of the National Internal Revenue Code of
2 1997, as amended, is hereby amended to read as follows:

3 **“SEC. 190.** Stamp Tax on Jai-Alai, Horse Racing Tickets, lotto, or Other
4 Authorized Numbers Games - On each jai-alai, lotto, or other
5 authorized number games, there shall be collected a documentary
6 stamp tax of ~~Ten-centavos (P0.10)~~ **TWENTY CENTAVOS (P0.20)**:
7 Provided, That if the cost of the ticket exceeds One peso (P1.00), an
8 additional tax of ~~Ten-centavos (P0.10)~~ **TWENTY CENTAVOS (P0.20)** on
9 every One peso (P1.00), or fractional part thereof, shall be collected.

10 **ON EACH HORSE RACING TICKET, THERE SHALL BE COLLECTED**
11 **A DOCUMENTARY STAMP TAX OF FIVE CENTAVOS (P0.05):**
12 **PROVIDED, THAT IF THE COST OF THE TICKET EXCEEDS ONE**
13 **PESO (P1.00), AN ADDITIONAL TAX OF FIVE CENTAVOS (P0.05) ON**
14 **EVERY ONE PESO (P1.00), OR FRACTIONAL PART THEREOF**

1 **SHALL BE COLLECTED.”**

2 **SEC. 2.** - The documentary stamp tax provisions under existing horse
3 racing franchise laws, including Section 6 of Republic Act No. 7978, as
4 amended, and Section 10(a)(1) of Republic Act No. 11649, are hereby amended
5 and modified to conform with the rates prescribed under Section 190 of the
6 National Internal Revenue Code of 1997, as amended by this Act.

7 Accordingly, on each horse racing ticket issued pursuant to any existing
8 horse racing franchise law, there shall be collected a documentary stamp tax
9 of Five centavos (P0.05): Provided, That if the cost of the ticket exceeds One
10 peso (P1.00), an additional tax of Five centavos (P0.05) on every One peso
11 (P1.00), or fractional part thereof, shall be collected: Provided, further, That
12 all provisions of existing horse racing franchise laws imposing a different
13 documentary stamp tax rate on horse racing tickets, including special rates
14 for double forecast, quinella, trifecta, or other similar bets, are hereby deemed
15 amended, modified, or superseded accordingly.

16 **SEC. 3.** - Within ninety (90) days from the effectivity of this Act, the
17 Secretary of Finance shall promulgate the necessary guidelines for the
18 effective implementation of this Act.

19 **SEC. 4.** - All laws, decrees, orders, rules and regulations, other
20 issuances, or parts thereof inconsistent with the provisions of this Act are
21 hereby repealed or modified accordingly.

22 **SEC. 5.** - This Act shall take effect fifteen (15) days following its
23 publication in two (2) newspapers of general circulation or in the Official
24 Gazette.

Approved,