



HOUSE OF REPRESENTATIVES

H. No. 9702

BY REPRESENTATIVES OLIVAREZ, VILLAFUERTE (M.L.), VILLAFUERTE (V.R.L.), HORIBATA, RIDON, FERRER (A.), DY (F.), MARCOS, RODRIGUEZ (M.), LAZATIN, DE JESUS, BAUTISTA (J.M.), CALIXTO, TAN (J.), GONZALES (R.), TUAN, CHUNGALAO, YAP (ERIC), HERNANDEZ (R.), RIVERA AND QUIMBO

AN ACT
FIXING THE SHARE OF THE LOCAL GOVERNMENT UNIT HOSTING GAMING
OPERATIONS LICENSED OR OPERATED BY THE PHILIPPINE AMUSEMENT
AND GAMING CORPORATION 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, as amended, is hereby further amended to read as follows:

“SEC. 12. *Special Condition of Franchise.* – After deducting THE five percent (5%) [as] Franchise Tax, the fifty percent (50%) GOVERNMENT’S share [of the government] in the [aggregate gross earnings] GROSS GAMING REVENUE of the Corporation DERIVED from this Franchise, or sixty percent (60%) if SUCH [the aggregate gross earnings] GROSS GAMING REVENUE IS [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.

1 THE ABOVE FIVE PERCENT (5%) FRANCHISE TAX SHALL
2 BE REMITTED AS FOLLOWS: THREE PERCENT (3%) TO
3 THE NATIONAL GOVERNMENT AND TWO PERCENT (2%)
4 TO THE LOCAL GOVERNMENT UNIT (LGU) WHERE
5 PAGCOR-OPERATED OR LICENSED GAMING
6 OPERATIONS SUCH AS, BUT NOT LIMITED TO, LAND-
7 BASED CASINOS, ONLINE CASINOS, BINGO, ELECTRONIC
8 GAMES (E-GAMES) AND ELECTRONIC BINGO (E-BINGO),
9 ARE LOCATED: *PROVIDED*, THAT THE TWO PERCENT (2%)
10 SHARE SHALL BE PAID DIRECTLY TO THE LGU
11 CONCERNED.”
12

13 **SEC. 2.** If any provision of this Act is declared invalid or unconstitutional, the
14 other provisions not affected thereby shall remain valid and subsisting.
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16 **SEC. 3.** Section 12 of Presidential Decree No. 1869, entitled: “Consolidating
17 and Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399, and 1632,
18 Relative to the Franchise and Powers of the Philippine Amusement and Gaming
19 Corporation (PAGCOR)”, as amended by Presidential Decree No. 1993, entitled:
20 “Amending Section Twelve of Presidential Decree No. 1869 Consolidating and
21 Amending Presidential Decrees Nos. 1067-A, 1067-B, 1067-C, 1399, and 1632,
22 Relative to the Franchise and Powers of the Philippine Amusement and Gaming
23 Corporation (PAGCOR)”, and all laws, executive orders, memorandum circulars,
24 guidelines, and other issuances or parts thereof, which are inconsistent with this Act,
25 are hereby repealed or modified accordingly.
26

27 **SEC. 4.** This Act shall take effect fifteen (15) days after its publication in the
28 *Official Gazette* or in a newspaper of general circulation.

Approved,