

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE
S.B. NO. 894 RECEIVED BY: [Signature]

Introduced by Senator JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE


The Philippine movie industry has been struggling for its very existence in the face of the rising costs of production, fierce global competition and the burden of excessive taxation.

Indeed, from the Golden Era of the movies during the late 40's and 50's, it has been observed that the industry went into a steady decline in terms of quality, as well as, quantity through most of the 70's and 80's.

In the last couple of years, concerned members of the industry, after numerous consultations and dialogues, decided to take action. To revive and ensure its future, industry leaders are now seeking Congressional intervention by way of amendatory legislation to reduce the rate of amusement taxes that be levied and collected by local governments.

At present, the industry shoulders about nine (9) different kinds of taxes, duties and fees, to wit: (1) cultural tax; (2) amusement tax; (3) withholding tax; (4) municipal tax; (5) value-added tax; (6) exercise or specific tax on positive prints; (7) customs duties on films; (8) corporate income tax and (9) the MTRCB screening fee. In view of this heavy burden, many doubt if the industry can survive into the 21st century.

In response to the movie industry's urgent appeal, we seek the immediate passage of this bill.


JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
AMENDING SECTION 140 (a) OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN
AS THE LOCAL GOVERNMENT CODE OF 1991, AND FOR OTHER PURPOSES.

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

SECTION 1. Section 140 (a) of R.A. No. 7160, otherwise known as the "Local
Government Code of 1991", is hereby amended to read as follows:

SEC. 140. *Amusement Tax.* – (a) The province may levy an amusement
tax to be collected from the proprietors, lessees, or operators of theatres,
cinemas and concert halls AT A RATE OF NOT MORE THAN TEN PERCENT
(10%) OF THE GROSS RECEIPTS FROM ADMISSION FEES, AND FROM
PROPRIETORS, LESSEES, OR OPERATORS OF circuses, boxing stadia, and
other places of amusement at a rate of not more than thirty percent (30%) of
the gross receipts from admission fees."

SECTION 2. **Repealing Clause.** – All laws, rules, regulations and orders
inconsistent with this Act are hereby repealed.

SECTION 3. **Effectivity.** – This Act shall take effect upon completion of its
publication in at least two (2) newspapers of general circulation.

Approved,