

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

SENATE

S. No. 28



Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
REVIVING THE PHILIPPINE MOVIE INDUSTRY BY PROVIDING INCENTIVES
TO THE PROPRIETORS, LESSEES, OPERATORS OF THEATERS AND CINEMAS**

EXPLANATORY NOTE

In recent years, the evolving technology completely changed the movie film industry. The competition with online websites providing their own movies and shows to watch comfortably in one's home caused the movie industry a lot of possible earnings. There is also no doubt that the industry went into a steady decline in terms of quality, as well as, quantity. 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.

The Philippines is one of Southeast Asia's most prolific film-producing nations, turning out about 70-80 movies a year and, occasionally, winning an award or two at one of the leading international film festivals.¹ However, the commercial environment in our own country's market is far from ideal. In 2017, Philippine films had a 29% share of their domestic box office, which is more or less in line with many other Southeast Asian territories, but way lower than the 50% or more market share enjoyed by local films in mainland China, South Korea or Japan.¹ Like in many Southeast Asian countries, low-budget local productions find it difficult to compete with Hollywood blockbusters. Unfortunately, the Philippine Movie Industry experiences rampant piracy

¹Filipino Film Industry Ponders Funding Problems and Cinema Shortfall, Retrieved from: "<http://economists-pick-research.hktdc.com/business-news/article/International-Market-News/Filipino-Film-Industry-Ponders-Funding-Problems-and-Cinema-Shortfall/imn/en/1/1X000000/1X0AF27N.htm>"

as well as the lack of a strong home entertainment market, making it more difficult for local Filipino producers to recoup their costs.

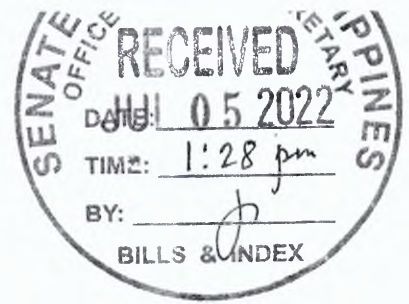
With the continuous decline of the Philippine Movie Industry during the last couple of years, concerned members of the industry, after numerous consultations and dialogues, decided to take action. To revive and ensure its future, industry leaders are now seeking Congressional intervention by way of amendatory legislation to reduce the rates of taxes that are levied and collected by the national and local governments.

This bill may be overly ambitious and this representation may be tagged for conflict of interest because I am part of this industry; but I am still putting this issue forward for possible debate and interpellation and for further study and scrutiny of my colleagues.

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


RAMON BONG REVILLA, JR.

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

1 Section 1. *Short Title.* – This Act shall be known as the "The Revival of the
2 Philippine Movie Industry Act 2022."

3 Sec. 2. *Declaration of Policy.* – Except for real property tax on land, no local
4 and national taxes as prescribed under Republic Act No. 8424, also known as the
5 "National Internal Revenue Code of 1997, As Amended" such as income tax, excise
6 tax, value added tax and under Republic Act No. 7160, also known as the "Local
7 Government Code of 1991" such as amusement tax, shall be imposed on proprietors,
8 lessee, operators of theaters and cinemas in relation to the showing or exhibition of
9 movies and films produced by the Philippine movie industry.

10 In lieu thereof, five percent (5%) of the gross income earned shall be paid as
11 follows:

- 12 1. Three percent (3%) to the national government;
- 13 2. Two percent (2%) shall be remitted by the business establishments to
14 the treasurer's office of the municipality or city where the enterprise is
15 located.

16 Sec. 3. *Definition of terms.* – The term "Philippine Movie Industry" shall pertain
17 to a Filipino citizen or juridical entity engaged in the production of movies or films. In

1 case of juridical entities, Filipino ownership must be at least sixty percent (60%) to
2 qualify as part of the Philippine movie industry.

3 *Sec. 4. Implementation.* – The term "Philippine Movie Industry" shall pertain to
4 a Filipino citizen or juridical entity engaged in the production of movies or films. In
5 case of juridical entities, Filipino ownership must be at least sixty percent (60%) to
6 qualify as part of the Philippine movie industry.

7 *Sec. 5. Separability Clause.* – If any provision of this Act is declared
8 unconstitutional or invalid, the provisions not affected thereby shall continue to be in
9 full force and effect.

10 *Sec. 6. Repealing Clause.* — All laws, republic acts, presidential decrees, orders,
11 rules and regulations or other issuance of government agencies inconsistent with the
12 provisions of this Act are hereby repealed, amended or modified accordingly.

13 *Sec. 7. Effectivity Clause.* — This Act shall take effect fifteen (15) days after its
14 publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,