

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

Office of the Secretary

'22 JUL 13 P1 :25

SENATE

S. No. 499

RECEIVED BY



Introduced by Senator Loren B. Legarda

AN ACT
TO REVIVE THE RESTAURANT INDUSTRY FOR A POST-COVID19
ECONOMY AND ENSURE THEIR TRANSITION TO A BETTER NORMAL

EXPLANATORY NOTE

The COVID-19 pandemic created a global health crisis and has severely affected the international and domestic economies. The restaurant industry is one of the sectors affected by the rapid spread of COVID-19. The pandemic has changed the restaurant industry landscape, affecting its business operations, retail to customers, and logistics service.

In a 2019 Annual Survey of the Philippine Business and Industry (ASPBI) released by the Philippine Statistics Authority (PSA) on 24 February 2022, the accommodation and food service activities sector generated an estimated Php 918.01 billion total revenue and a total expense of Php 751.80 billion. The restaurants and mobile food service industry accounted for the most significant share of the total income amounting to Php 643.79 billion, and a total expense amounting to Php 534.82 billion. The sector employed a total number of 611,271 workers in 2019.

However, the community quarantines imposed during the beginning of the pandemic have caused food establishments to cease business operations. It has been challenging for them to sustain their businesses, sacrificing sales revenue, balancing their remaining cashflows to cover rental and other fees and taxes, and ensuring they

can still provide daily wages to their employees. Most of them suffered from foregone dine-in sales and the new complex requirements of supply chains, thus resulting in closures and unprecedented mass lay-offs. As the pandemic continues, the restaurant industry is still at risk.

To help the restaurant industry cope with the economic crisis brought by the pandemic, this bill seeks to provide economic measures to the restaurant industry to ensure that they can provide jobs, prevent their closure through the creation of payment extensions and bridge funding, assist them in the transition to a better normal that would reduce food wastage, sustain biodiverse agriculture and prevent the spread of diseases in their business establishments.

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



LOREN LEGARDA

SENATE
S. No. 499

RECEIVED


Introduced by Senator Loren B. Legarda

AN ACT
TO REVIVE THE RESTAURANT INDUSTRY FOR A POST-COVID19
ECONOMY AND ENSURE THEIR TRANSITION TO A BETTER NORMAL

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

1 Section 1. *Title.* – This Act shall be known as the "*Restaurant Industry Revival Act*
2 *of 2022*".

3 Sec. 2. *Policy Declaration.* – It is the policy of the State to assist the restaurant
4 industry during the pandemic, through economic measures that will ensure that they
5 keep as many of their employees on payroll as possible, prevent their closure through
6 the creation of payment extensions and bridge funding, assist them in the transition
7 to a better normal that would reduce wastage, sustain biodiverse agriculture, and
8 prevent non-communicable diseases and the spread of communicable diseases.

9 Sec. 3. *Restaurants in a Better Normal.* – The following incentives shall be
10 provided to restaurants as they transition to a better normal. The Department of Trade
11 and Industry shall issue rules and regulations for the implementation of these
12 incentives:

13 a. That all local government fees and charges shall not be due and demandable
14 and that only 50% of what would have been assessed during the COVID-19
15 pandemic will be chargeable to succeeding years upon effectivity of this Act
16 in a restaurant-owned proposed payment scheme approved by the local
17 government of the area where the establishment is located: *Provided, that*

1 the local government may check the financial status of the restaurant in
2 determining whether the proposal has merit;

- 3 b. Commercial spaces where the restaurants are established, upon showing
4 that the tenant has endeavored to stay open and retain at least $\frac{3}{4}$ of their
5 staff, shall not be taxed for the current year for rentals paid;
- 6 c. That for restaurants paying percentage taxes on their income, the 20%
7 burden from senior citizens and PWD discounts borne by the restaurants
8 shall be counted as deductions in the computation of the income taxes, and
9 for those paying value added tax (VAT), such burden shall be counted as
10 input VAT;
- 11 d. That for restaurants with mandated payments to the government or to
12 government-owned and controlled corporations (GOCCs), such as taxes,
13 employee insurance, and benefits, permit fees, and the like, the owners may
14 propose a reasonable payment plan that is spread out over twenty-four (24)
15 months, and the government entity or GOCC shall, upon a finding that
16 denial will cause the closure of the restaurant within the current year, grant
17 the request or negotiate the reasonable terms of payment with the objective
18 of letting the business recover their investments as well as overcome the
19 economic hardship caused by the pandemic; and
- 20 e. That no government agency, local government unit, or GOCC shall apply
21 any penalties for failure to pay any of the fees enumerated in Sec 3(d) herein.

22 *Sec. 4. Restaurant Industry Bridge Fund.* – There shall be a Restaurant Industry
23 bridge fund in the amount of Thirty Billion Pesos (Php 30,000,000,000.00) to be set up
24 to grant loans and bridge funds in order for restaurants to continue to operate and
25 keep operating. The funds shall be sourced from the General Appropriations Act.

26 *Sec. 5. Separability Clause.* – If for any reason or reasons, any part or provision
27 of this Act shall be declared or held to be unconstitutional or invalid other parts or
28 provisions hereof, which are not affected thereby shall continue to be in full force and
29 effect.

30 *Sec. 6. Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
31 publication in the Official Gazette or in at least two (2) national newspapers of general
32 circulation. It shall be automatically repealed from effectivity once the World Health

- 1 Organization announces that there is no more pandemic unless amended or extended
- 2 before then.

Approved,