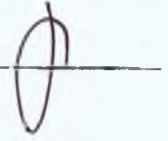


NINETEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

23 FEB -6 P 6 :41

SENATE
P.S. Res. No. 466

RECEIVED BY: _____



Introduced by: **Senator Raffy T. Tulfo**

RESOLUTION

**DIRECTING THE APPROPRIATE COMMITTEE OF THE SENATE TO
UNDERTAKE AN INQUIRY IN AID OF LEGISLATION ON THE STATUS OF
THE PRIZE FUND TAX REMITTED BY THE PHILIPPINE CHARITY
SWEEPSTAKES OFFICE (PCSO) TO THE BUREAU OF INTERNAL REVENUE
(BIR).**

1 **WHEREAS**, Republic Act (RA) No. 1169, or The Philippine Charity Sweepstakes Office
2 charter, was enacted into law in 1954 with the mandate of providing and raising funds
3 for health programs, medical assistance and services, and charities of national
4 character. It was amended by Batas Pambansa Big. 42 and Presidential Decree No.
5 1157 in 1979 and 1977, respectively.

6 **WHEREAS**, pursuant to its mandate and goal of providing assistance to the
7 government in its effort to eradicate the pernicious effect of the illegal numbers game
8 of jueteng, PCSO conceptualized the Small Town Lottery (STL). STL is a state-run local
9 lottery under the control and supervision of the PCSO.

1 **WHEREAS**, Section 5 of Republic Act No. 10963 or Tax Reform for Acceleration and
2 Inclusion Law provides that final tax at the rate of twenty percent (20%) is hereby
3 imposed on winnings (except winnings amounting to Ten thousand pesos (₱10,000)
4 or less from Philippine Charity Sweepstakes and Lotto which shall be exempt) in lieu
5 of the five percent (5) % Prize Fund Tax¹.

6 **WHEREAS**, despite the foregoing , it has been reported that the prize fund tax of five
7 percent (5) was still allegedly collected.

8 **WHEREAS**, the TRAIN Law, took effect on January 1, 2018

9 **WHEREAS**, The PCSO remitted Prize Fund Tax and Taxes Withheld on Winnings in
10 the amount of 2,502.50 Billion in 2018, 1,676.4 Billion in 2019 and 891.4 Million in
11 2020².

12 **WHEREAS**, Under Section 4 of the 2020 Small Town Lottery Revised Implementing
13 Rules and Regulations (STL RIRR), the retail receipts from the STL are still subject to
14 the Prize Fund Tax to be remitted to the Bureau of Internal Revenue.

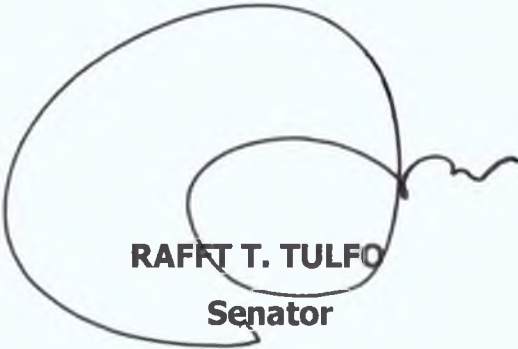
¹Philippine News Agency (April 2, 2018). *PCSO to enhance strategies for higher revenues*
<https://www.pna.gov.ph/articles/1030544>

² Congressional Policy and Budget Research Department (July 2021). *PCSO Financial
Statistics 2016-2020*.

https://cpbrd.congress.gov.ph/images/PDF%20Attachments/Facts%20in%20Figures/FF2021-47_PCSO_Financial_Stats_2016-2020.pdf

1 ***NOW, THEREFORE, BE IT RESOLVED***, as it is hereby resolved, to direct the Senate
2 Committee on Games and Amusement to conduct an investigation, in aid of legislation,
3 on the continued remittance of the Philippine Charity Sweepstakes Office
4 (PCSO) remittance of the Prize fund Tax to the Bureau of Internal Revenue despite the
5 imposition of the final tax under RA 10693 or the Tax Reform and Inclusion Law.

Adopted,



RAFFI T. TULFO
Senator