

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

8 FEB 1917

SENATE

P.S. Resolution No. 287

RECEIVED

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Introduced by Senator FRANCIS G. ESCUDERO

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**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON WAYS AND MEANS TO LOOK INTO THE TAXES WHICH THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR), ITS LICENSEES, PARTNERS, AGENTS AND ASSIGNS SHOULD BE REMITTING TO THE BUREAU OF INTERNAL REVENUE (BIR), WITH THE END IN VIEW OF ENACTING LEGISLATIVE MEASURES TO DEVELOP AND IMPROVE TAX COLLECTION AND ADMINISTRATION**

**WHEREAS**, Presidential Decree No. 1869, as amended, otherwise known as the PAGCOR Charter, provides for a FIVE PERCENT (5%) Franchise Tax on the gross revenue or earnings derived by PAGCOR, its agents, assigns and/or casino operators from their businesses.

**WHEREAS**, under the aforementioned law, dividend income, corresponding to the participation of the private sector, derived from casino and gambling operations shall be subject to a final income tax rate of TEN PERCENT (10%) in lieu of the regular income tax rates; such dividend income, moreover, can only be totally exempted from income or other forms of taxes under certain strict conditions of investment.

**WHEREAS**, the PAGCOR has granted licenses to and entered into several agreements with private individuals and corporations for the purpose of engaging in casino, slot machine, bingo and other similar gambling operations, making such entities subject to the taxes abovementioned in the same manner as the PAGCOR.

**WHEREAS**, the PAGCOR, has, thus far, refused to be totally transparent on its income derived from its operations and activities, making it impossible to ascertain if indeed the proper and correct taxes are being paid and remitted to the National Government; this transparency issue is evidenced by the fact that the PAGCOR has failed and neglected to submit its income statement to the Department of Finance (DOF), the Department of Budget and Management (DBM) and to Congress as categorically admitted by the DOF and the DBM themselves in the most recent budget deliberations.

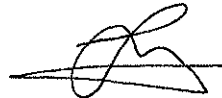
**WHEREAS**, documents reveal that the reason for such non-submission of the PAGCOR is because it can neither explain nor justify the remittances it gives to the National Government once compared with its income statement and that of its licensees and partners.

**WHEREAS**, according to reports, one such corporation, allegedly, that is not remitting, and has not remitted, to the PAGCOR its just and legal share in order that the proper taxes may be imposed and collected is JIMEL, an entity engaged in casino operations in Fontana, Clark Economic Zone;

**WHEREAS**, there is a need to look into these serious issues confronting the PAGCOR and to resolve the same through legislation if only to ensure an effective and efficient tax collection and administration.

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Committee on Ways and Means look into, in aid of legislation, the taxes which the Philippine Amusement and Gaming Corporation (PAGCOR), its licensees, partners, agents and assigns should be remitting to the Bureau of Internal Revenue (BIR), with the end in view of enacting legislative measures to develop and improve tax collection and administration.

Adopted.



**FRANCIS G. ESCUDERO**