

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



'15 AUG 11 AIO :01

SENATE
S.B. No. 2895

RECEIVED BY: 

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

It has been observed that the Philippine movie industry is in the continuous decline due to a number of factors. Among which are high costs of production, global competition, and excessive taxation.

This bill seeks to address one of these concerns by reducing the rate of tax levied to workers in the industry. There are at least nine (9) different kinds of taxes, duties and fees collected from the movie industry. These are, among others: cultural tax, amusement tax, withholding tax, municipal tax, value added tax, excise tax on positive prints, customs duties on films, corporate income tax, MTRCB screening fee.

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.


RAMON BONG REVILLA, JR.

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**AN ACT
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THE PROPRIETORS, LESSEES, OPERATORS OF THEATERS AND CINEMAS**

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

1 **SECTION 1.** Except for real property tax on land, no local and national taxes as
2 prescribed under Republic Act No. 8424, also known as the "National Internal Revenue
3 Code of 1997, As Amended" such as income tax, excise tax, value added tax and under
4 Republic Act No. 7160, also known as the "Local Government Code of 1991" such as
5 amusement tax, shall be imposed on proprietors, lessee, operators of theaters and
6 cinemas in relation to the showing or exhibition of movies and films produced by the
7 Philippine movie industry.

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

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

13
14 **SEC. 2.** The term "Philippine Movie Industry" shall pertain to a Filipino citizen or
15 juridical entity engaged in the production of movies or films. In case of juridical entities,
16 Filipino ownership must be at least sixty percent (60%) to qualify as part of the
17 Philippine movie industry.

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SEC. 3. The Bureau of Internal Revenue shall implement this law and promulgate the necessary rules and regulations within sixty (60) days from its effectivity.

Sec. 4. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, the provisions not affected thereby shall continue to be in full force and effect.

Sec. 5. *Repealing Clause.* All laws, republic acts, presidential decrees, orders, rules and regulations or other issuance of government agencies inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 6. *Effectivity Clause.* This Act shall take effect fifteen days after its publication in the Official Gazette.

Approved.