

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

**SENATE**

**S. No. 645**



SENATE  
Office of the Secretary

19 JUL 22 PT 51

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

RECEIVED BY

**AN ACT**

**GRANTING TAX INCENTIVES TO BROADCAST AND PRINT MEDIA DEVOTING AIR TIME AND SPACE TO EDUCATIONAL PROGRAMS, AND TO ADVERTISERS OR SPONSORS SUPPORTING SUCH PROGRAMS AND FOR OTHER PUPOSES**

**EXPLANATORY NOTE**

The essentiality of utilizing media as a way of furthering the reach of education throughout our country is invaluable. The importance of media and education in national development is enshrined in the 1987 Constitutional provisions when it states that: "The State recognizes the vital roles of communication and information in nation-building" (Article II, Section 24) and that: "The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all" (Article XIV, Section 1).

The process of learning demands an effective avenue of knowledge transfer. The broadcast media and print media are always at constant contact with the population. Thus, they play a potentially active and efficient role in information dissemination, more particularly, beyond the four corners of the classroom.

Recognizing the importance of media to the present educational program, this bill grants tax incentives to media programs and publications, as well as to their respective advertisers and sponsors. It is hoped that the measures contained in this bill will become an effective tool in the success of the national educational program.

In view of the foregoing considerations, the passage of this bill into law is earnestly sought the educational programs

  
**RAMON BONG REVILLA, JR.**

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**AN ACT  
GRANTING TAX INCENTIVES TO BROADCAST AND PRINT MEDIA DEVOTING  
AIRTIME AND SPACE TO EDUCATIONAL PROGRAMS, AND TO ADVERTISERS  
OR SPONSORS SUPPORTING SUCH PROGRAMS AND FOR OTHER PURPOSES**

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

1 Section 1. *Declaration of Policy.* - It is hereby declared the policy of the State  
2 to recognize the vital roles of communication and information in nation building and  
3 shall take appropriate steps to make education accessible to all.

4 Pursuant to this policy, the State shall promote, support, and provide incentives  
5 to broadcast and print media, as well as to sponsors or advertisers, who endeavor air  
6 time and space for educational purposes.

7 Sec. 2. *Coverage.* - This Act shall apply to all kinds of mass media operating  
8 within the Republic of the Philippines.

9 Sec. 3. *Definition of Terms.* - For the purpose of this Act, the following terms  
10 mean:

11 a) *Mass media* – refers to the means of communication which  
12 includes both broadcast and print media that reach very large  
13 numbers of people;

14 b) *Broadcast media* – refers to radio, television, cable  
15 broadcast and the like;

16

1 c) *Print media* – refers to newspapers, magazines, reviews,  
2 bulletins and other publications appearing at regular interval,  
3 with fixed prices for subscription and sale and published within  
4 the Philippines;

5 d) *Commercials and Advertisement* – shall mean  
6 announcement, description presentation, advertising or  
7 promoting of something, as of good for sale, in newspaper,  
8 magazine, television, radio, etc.;

9 e) Advertiser or sponsor-shall mean the owner or the principal  
10 of the tiling of product to be advertised or sponsored;

11 f) Education purposes – includes, but no limited to, educational  
12 programs, publications, commercials and advertisement which:

13 1) give positive influence on entertainment;

14 2) promote social values;

15 3) mobilize community support to, and wage information  
16 campaigns directed at parents to promote importance of  
17 basic education;

18 4) improve the image of technical education and skills  
19 training and to inculcate the necessary values needed for  
20 productive employment;

21 5) propagate culture, foster patriotism and nationalism  
22 and other values that serve as an instrument in the struggle  
23 for Filipino sovereignty, identify, national unity and  
24 integration; and

25 6) such other similar descriptions the Secretary of  
26 Education, Culture and Sports may provide pursuant to the  
27 implementation of this Act.

28 Sec. 4. *Tax Exempt Importation.* - The provisions of existing laws to the contrary  
29 notwithstanding, the machinery, equipment, tools for production, spare parts, supplies,  
30 materials and transportation and communication facilities to be used actually, directly  
31 and exclusively for educational purposes by media producers and publishers are not  
32 subject to duty and internal revenue tax. Provided, That where the National Economic

1 and Development Authority certifies to the availability of the above mentioned items  
2 in the local market of sufficient quantity, comparable quality, and price to meet the  
3 needs of the producers and publishers subject to existing taxes, the importation of  
4 items shall be subject to existing taxes: Provided, further, That such tax-exempt items  
5 brought or imported into the Philippines are subsequently sold, transferred or  
6 exchanged in the Philippines to be devoted to non-educational purposes, the  
7 purchasers or recipients shall be considered the importer thereof, and shall be liable  
8 of the duty and internal revenue tax due on such importation subject to depreciation  
9 allowance. The tax due on such items shall constitute a lien on the article itself,  
10 superior to all other charges or liens, irrespective of the possessor thereof.

11 *Sec. 5. Donations for Educational Purpose.* - For purposes of this Act, any  
12 amount paid and contributed for educational programs and publications by any  
13 individual or corporation which shall not exceed ten percent (10%) of their respective  
14 annual computed without the benefit of any tax incentives under existing law shall be  
15 tax deductible.

16 Properties other than cash donated shall be valued in accordance with the rules  
17 and regulations prescribe by the Secretary of Finance in consultation with appropriate  
18 government agencies.

19 Contributions or gifts shall be allowable as deduction only it verified under the  
20 regulations prescribe the Secretary of Finance.

21 *Sec. 6. Program and Publication.* - The net income derived from educational  
22 programs and publications shall be tax-exempt for five (5) years from the start of its  
23 initial operation or until the producer and publisher shall have attained reasonable  
24 return of their investment. Thereafter, no part of the net income of which inures to  
25 the benefit of the producer or publisher in an amount not in excess of twenty five  
26 (25%) of the taxable income derived from the program or publication shall be allowed.  
27 The excess amount of the net income shall be devoted for the enhancement of the  
28 educational program and publication and for other educational purposes.

29 *Sec. 7. Commercial and Advertisement.* - All expenses incurred in the production  
30 of commercials and advertisements with educational impact, approved by the  
31 Secretary of Education, Culture and Sports or any equivalent government agency, shall  
32 enjoy tax deduction of not more than ten percent (10%) of the gross operating

1 expenses of the advertisers or sponsors: Provided, That these commercials and  
2 advertisements are actually delivered to the general public.

3       Sec. 8. *Airtime Rates and Cost of Space.* - Broadcast media and print shall give  
4 ten percent (10%) lower airtime rates and cost of space for every paid feature of  
5 production or publication with educational content, as approved and certified by the  
6 Secretary of Education, Culture and Sports or any equivalent government agency, the  
7 difference from the regular rate shall be chargeable to the value-added tax accruable.

8       Sec. 9. *Government Cooperation.* - Every department, bureau, office, agency  
9 or instrumentality, of the government, including government-owned or controlled  
10 corporation, are enjoined to cooperate with private sector in order to achieve the  
11 objective of this Act.

12       Sec. 10. *Separability Clause.* - If any provision of this Act shall be declared  
13 unconstitutional, the other provisions which are not affected thereby shall continue in  
14 force and in effect.

15       Sec.11. *Repealing Clause.* - Any law, act, decree, order, proclamation, regulation  
16 or any part thereof which is inconsistent with this Act is hereby repealed and modified  
17 accordingly.

18       Sec. 12. *Effectivity Clause.* - This Act shall take effect upon approval.  
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20       *Approved,*