



HOUSE OF REPRESENTATIVES

H. No. 10541

BY REPRESENTATIVES CABOCHAN, DE VENECIA, TAMBUNTING, CO (A.N.), ARROYO, VERGARA, ROBES, SAVELLANO, NOGRALES (J.J.), MACAPAGAL ARROYO, ONG (R.), LEGARDA, ALONTE, BAUTISTA, ARENAS, ESCUDERO, BAGATSING, SANTOS-RECTO, SAGARBARRIA, DEFENSOR (L.), MACEDA, SINGSON-MEEHAN, GATCHALIAN, SUNTAY, HOFER, VARGAS, REVILLA, FERNANDEZ, BELMONTE, TIANGCO, BENITEZ AND BOLILIA, PER COMMITTEE REPORT NO. 1346

AN ACT
GRANTING TAX EXEMPTIONS AND SUBSIDIES
FOR THE LOCAL FILM AND MUSIC INDUSTRIES,
AMENDING FOR THE PURPOSE SECTION 140 OF REPUBLIC ACT NO. 7160, AS
AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

- 1 SECTION 1. This Act shall be known as the “*Film and Live Events Recovery Act.*”
2
- 3 SEC. 2. Recognizing that culture is a human right and a manifestation of the freedom of belief and
4 expression, and that creative industries are engines for socio-economic growth and inclusion, the
5 State shall accord the utmost priority to the preservation of Filipino national culture and bolster
6 the development of our creative industries, including film, music, and live events. It shall
7 encourage and promote the creation of original Filipino films, music, and live events, and provide
8 support to make these industries internationally competitive. It shall ensure that these industries
9 provide livelihood opportunities to all Filipinos working in these fields, and cultural and creative
10 opportunities to all local workers.
11
- 12 SEC. 3. Section 140 of Republic Act No. 7160, as amended by Republic Act No. 9640, otherwise
13 known as the Local Government Code of 1991, is hereby further amended to read as follows:
14
- 15 “SEC. 140. *Amusement Tax.* – (a) The province may levy an amusement tax to be collected from
16 the proprietors, lessees or operators of theaters, cinemas, concert halls, circuses, boxing stadiums
17 and other places of amusement at a rate of not more than [ten percent (10%)] FIVE PERCENT
18 (5%) of the gross receipts from the admissions fees.

1 (b) In the case of theaters or cinemas, the tax shall first be deducted and withheld by their
2 proprietors, lessees, or operators and paid to the provincial treasurer before the gross receipts are
3 divided between said proprietors, lessees, or operators and the distributors of the cinematographic
4 films.

5
6 (c) The holding of **LOCALLY-PRODUCED** operas, concerts, dramas, **MUSICAL PLAYS**,
7 recitals, painting and art exhibitions, flower shows, musical programs, literary and oratorical
8 presentations, **AND LOCAL FILM PRODUCTIONS**, [except pop, rock, or similar concerts] shall
9 be exempt from the payment of the tax herein imposed: *PROVIDED*, **THAT AT LEAST TEN**
10 **PERCENT (10%) OF THE EQUITY OF SUCH LOCAL PRODUCTIONS ARE OWNED BY**
11 **FILIPINOS AS CERTIFIED BY THE INTELLECTUAL PROPERTY OFFICE OF THE**
12 **PHILIPPINES (IPOPHL) OR THE DEPARTMENT OF TRADE AND INDUSTRY (DTI).**

13
14 (d) The Sangguniang Panlalawigan may prescribe the time, manner, terms and conditions for the
15 payment of tax. In case of fraud or failure to pay the tax, the Sangguniang Panlalawigan may
16 impose such surcharges, interest and penalties as it may deem appropriate.

17
18 (e) The proceeds from the amusement tax [shall be shared equally by the province and the
19 municipality where such amusement places are located.] **FROM LOCALLY-PRODUCED**
20 **OPERAS, CONCERTS, DRAMAS, MUSICAL PLAYS, RECITALS, PAINTING AND ART**
21 **EXHIBITIONS, FLOWER SHOWS, MUSICAL PROGRAMS, LITERARY AND**
22 **ORATORICAL PRESENTATIONS, AND LOCAL FILM PRODUCTIONS SHALL BE**
23 **ALLOCATED FOR PROGRAMS, ACTIVITIES, AND PROJECTS IN THE CULTURAL AND**
24 **CREATIVE SECTORS. THE REMAINING PROCEEDS SHALL BE SHARED EQUALLY BY**
25 **THE PROVINCE AND THE MUNICIPALITY WHERE SUCH AMUSEMENT PLACES ARE**
26 **LOCATED:**

27
28 *PROVIDED*, **THAT WITHIN TWO (2) YEARS FROM THE EFFECTIVITY OF THIS ACT,**
29 **FROM JULY 1, 2022 TO JUNE 30, 2024, THE POWER OF THE LOCAL GOVERNMENTS**
30 **TO LEVY AN AMUSEMENT TAX PURSUANT TO SECTION 140 OF REPUBLIC ACT NO.**
31 **7160, AS AMENDED, IS SUSPENDED WITH AN EXTENDIBLE PERIOD OF A MINIMUM**
32 **OF TWO (2) YEARS SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF FINANCE**
33 **(DOF)."**

34
35 **SEC. 4.** Within sixty (60) days from the effectivity of this Act, the DOF shall, in consultation with
36 the Department of the Interior and Local Government, DTI, IPOPHEIL, and the Union of Local
37 Authorities of the Philippines, League of Provinces of the Philippines, League of Cities of the
38 Philippines, League of Municipalities of the Philippines, different film music, and live events
39 industry guilds and organizations, as well as producers and other stakeholders, promulgate the
40 necessary rules and regulations for its effective implementation.

41
42 **SEC. 5.** If any portion or provision of this Act is declared unconstitutional, the remainder of this
43 Act or any provisions not affected thereby shall remain in force and effect.

1 SEC. 6. All laws, decrees, executive orders, issuances, rules and regulations which are inconsistent
2 with this Act are hereby repealed, amended, or modified accordingly.

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4 SEC. 7. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or
5 in a newspaper of general circulation.

Approved,