

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6480

Introduced by HON. GUS S. TAMBUNTING



**AN ACT ESTABLISHING A FRAMEWORK FOR FILM AND TELEVISION TOURISM
IN THE PHILIPPINES, CREATING AN INTER-AGENCY COMMITTEE ON FILM AND
TELEVISION TOURISM AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Section 17, Article II of the 1987 Constitution provides that “The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.”

Film tourism in the Philippines is becoming a growing interest nowadays as it creates significant impact in connecting audiences to destinations used as film locations. Through film tourism, more people can be encouraged to visit these scenic spots in real life, which can boost the tourism industry of a certain place.

This bill encourages people to visit tourist attractions in the Philippines once they view Filipino films. Through the Department of Tourism, this bill hopes that the number of local and foreign tourists will increase in the hopes that the tourism sector will recover from the Covid- 19 pandemic. This bill aims that billions of pesos worth of investments will flow through Filipino businesses through film tourism.

On behalf of the people of Parañaque City’s Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. GUS S. TAMBUNTING
2nd District, Parañaque City

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

SECTION 1. Short Title. Be it enacted by the Senate and House of Representatives of
the Philippines in
Congress assembled:

Section 1. Title. - This Act shall be known as the "Philippine Film and Television
Tourism Act"

Section 2. Declaration of Policy. - It is hereby declared to be the policy of the
State to treat the film and television tourism as a special investment and tourism tool
for national development.
Consistent with the national goal of creating new areas of business to generate
employment opportunities as well as to recognize Filipino talent and culture, film and
television tourism in the country is hereby made a new investment priority, including
but not limited to: making the Philippines a location for shooting or filming area;
preserving or promoting the nation's historical and cultural heritage and resources as
well as artistic creations or sceneries depicted in films, and converting it into tourist
attractions; and championing Filipino film practitioners and artists and their
participations in foreign productions.

Section 3. Creation of the Philippine Inter-Agency Committee on Film and
Television Tourism (PIAC-FTT). - The Philippine Inter-Agency Committee on Film and
Television Tourism (PIAC-FTT) is hereby created, replacing the Philippine Film Export
Service Office (PFESO) under the Film Development Council of the Philippines (FDCP),
organized under Executive Order No. 674, Series of 2007.
The PIAC-FTT shall be headed by an Executive Director, a position which shall
be equivalent to an Executive Director III position of the FDCP and which shall be a
career executive service officer position to be recommended by the Chairperson of the
FDCP and appointed, by the President.

It shall be composed of representatives from the following agencies:

1. Department of Tourism;
2. Department of Trade and Industry;
3. Department of Interior and Local Government;
4. Department of Finance;
5. Department of Foreign Affairs;
6. Bureau of Immigration and Deportation;
7. Department of Labor and Employment; and
8. Tourism Infrastructure and Enterprise Zone Authority.

The heads of the above stated departments of government shall designate their regular representatives, based on their position in the organization, but not lower than a Director-level position. The said representatives of the various government agencies shall, in addition to their duties provided in this Act, also serve as the direct link to streamline and develop a one-stop-shop system. The Secretariat of the PIAC-FFT shall be based in the Film Development Council of the Philippines for financial and administrative support. It shall be composed of existing plantilla positions and new positions that the Department of Budget and Management may create that shall be necessary for the effective implementation of this Act.

Section 4. Functions of PIAC-FTT. - The PIAC-FTT shall facilitate a one-stop-shop system for foreign film or television production entities. It shall perform the following:

1. Facilitate the promotion and marketing of the Philippines as location site for the production of international films and television programs, such as but not limited to: creating and maintaining a website and/ or a manual of Philippine Film and Television Tourism sites for overseas contract workers; participating and exposure in World Expo, recognized international film festivals, activities for cinema and television with global market penetration, tourism fairs of international significance;
2. Formulate a ten-year Comprehensive Plan detailing an inventory of film tourism sites in the country, areas for improvement, sectors to be tapped, partnerships and marketing strategies both local and international in application;
3. Offer tax credits to productions deemed eligible under this Act, which it shall issue no more than one month after the completion of principal photography;
4. Formulate and recommend a reward and incentive package for foreign film/television entities interested in shooting films/television programs in the country and monitor the implementation thereof;
5. Provide assistance to foreign film production entities in processing pertinent documents and various requirements relative to the production of international films/television programs in the country and in complying with environmental regulations;
6. Coordinate with various government agencies and local government units in assisting the entry and exit of a foreign film/television production team, such as but not limited to producers, artists and production crew;

7. Provide direct link between foreign production entities, producers, filmmakers and artists with local production manpower services, local artists, bit players and technical crew, facilities and the like;
8. Utilize the services of tourism attaches abroad, through the Department of Tourism, in the promotion and marketing of Philippine locations sites/resources and local film production manpower;
9. Maintain an inventory of areas in the country that may be utilized as a film and television tourism site and a registry of sectors including artists, film practitioners, technical personnel and others for ready referrals;
10. Identify key film and television tourism sites used by international or local filmmakers and establish a PIAC-FFT mark;
11. Keep a progress report and actual impact of the initiative taking into consideration the increase in the number of film tourists and its contribution to the economy;
12. Conduct the feasibility of establishing a film and television museum;
13. Coordinate with various stakeholders and market players for research and study on feasibility of a reward and incentive system, and other aspects combining tourism and film, including, but not limited to the system of categories for the application of rewards and incentives depending on the cinema grade and length of exposure of the identified Philippine Film and Television Tourism site;
14. Coordinate with all Embassies and Consulates of the country to promote film and television tourism;
15. Coordinate and partner with various associations of Filipino overseas workers abroad in marketing, disseminating and propagating information on Philippines as a film tourism destination, and
16. Coordinate and partner with known Filipinos of international stature in promoting the country and fulfilling the implementation of this Act.

SECTION 5. Partnership with Local Government Units (LGUs)— The PIAC-FFT shall partner and collaborate with Local Government Units in the performance of the following:

1. Identifying and promoting film and television tourism sites;
2. Facilitating and providing assistance in the easy issuance of permits, certificates and other documents related thereto;
3. Assisting in screening, providing, and identifying the necessary complementary manpower requirements before, during and after film and television production; and
4. Providing monetary and non-monetary incentives to the over-all film production team as far as practicable.

SECTION 6. Amount of Tax Credit -

- a. The minimum tax credit awarded to eligible productions shall be equal to twenty percent (20%) of qualified expenses, as defined in Section 7 of this Act.
- b. In addition to the minimum tax credit, qualifying films, television shows, movies of the week, mini-series, and web-series may gain further credits under a point-

based incentive system, to be administered by the PIAC-FFT. Each point shall correspond with an additional one percent rebate on all qualifying expenses. Any production shall only be able to claim one rebate from the following subsections in their entirety:

1. Eligible productions may receive twenty (20) points if the final product is set completely or largely within the Philippines, fifteen (15) points if the final product contains ten (10) or more substantive scenes set within the Philippines, and ten (10) points if the final product contains at least five substantive scenes set within the Philippines;

2. Eligible productions may receive twenty (20) points if at least one-half of filming within the Philippines occurs within a community recovering from a significant natural disaster that occurred within the preceding three years or ten (10) points if at least one-fourth of filming within the Philippines occurs within the same areas; and

3. Eligible productions may receive two (2) points if they dedicate at least ten (10) seconds worth of screen time during the credit roll to a message acknowledging the films participation in the film tax credit program of the Philippines and providing the URL to a website where viewers can learn about tourism opportunities in the country.

c. All qualifying international productions shall also receive the following tax credits. However, in no situation may the total tax credit amount received for any particular expense exceed forty percent (40%):

1. Twenty percent (25%) of the cost of construction of any permanent and useful infrastructure built in the Philippines for the purposes of filming, including likely tourist attractions, subject to approval of the Department of Tourism;

2. Fifteen percent (15%) of all lodging within the Philippines booked for production team members, for production-related purposes,

3. Ten percent (10%) of the cost of all transportation to or from the Philippines for production team members conducting either production-related travel or the transportation of filming equipment into the Philippines;

4. Five percent (5%) of the cost associated with the provision of utilities or technology purchased within the Philippines and the employment, as far as practicable, of local talents.

SECTION 7. Qualified Expenses, -

a. Qualified expenses for the purposes of determining the amount of a tax credit shall include any expense incurred within the Philippines directly related to pre-

production, production, or post-production conducted within the Philippines, unless otherwise exempted. However, expenses must be reasonable and prices may not substantially exceed the market value of the procured product or service.

Qualified expenses include, but are not limited to, expenses such as or related to:

1. Salary, wages, or other compensation such as per diem provided to members of the production team or subcontractors for any services rendered within the Philippines; Creation, decoration, or operation of sets or shooting locations and production offices; Filming equipment or supplies;. Locally-sourced photography equipment or services;. Locally-sourced editing equipment or services;. Locally-sourced music; Catering equipment or services; Costumes, make-up, and similar products and services;. Lodging and domestic, or international travel; or. Insurance. The PFTTO shall reserve the right to disqualify any expenses that clearly do not fall within the spirit of the tax credit program, subject to administrative and judicial appeal.

b. As an assumption, the following shall not be recognized as qualified:

1. Those related to distribution of the film, including but not limited to marketing and promotion;
2. Such as attorney or accounting fees, incurred in the process or as a result of acquiring or challenging a government determination of eligibility for incentives later reimbursed to the production;
3. Items that are later resold by the production, minus any loss incurred;
4. Any amounts paid to members of the production as a result of profit participation, residual, or similar agreements; and
5. Expenses associated with the financing of production.

Section 8. Tax Incentives Eligibility. - The following requirements must be attained to be eligible for the incentives program:

a. Upon certification by PIAC-FFT that the production is a professional endeavor and has met the PIAC-FFT's requirements in terms of the amount of investment and the amount of jobs the production will generate;

b. Participating productions must agree to cooperate with any audits conducted to ensure compliance with program eligibility requirements, both during and after production;

Section 9. Offer Preferential Incentives. - International or foreign film and television production entities may, upon certification from the PIAC-FFT, be granted the following:

1. Multiple Entry Visa. - Foreign nationals who are members of the international film production entities, as duly endorsed by the PFTTO, shall be issued a multiple entry special visa within seventy-two (72) hours upon submission of all required documents, and which shall be valid for a period of one (1) year to enter the Philippines: Provided, That a responsible officer of the applicant entity submits a duly authenticated certificate to the effect that the person who seeks entry into the Philippines is a member of the applicant entity and will work exclusively for film and television production.

The admission and stay shall be coterminous with the validity of the multiple entry special visa. The stay, however, is extendible for one hundred eighty (180) days upon submission to the Bureau of Immigration of a sworn certification by a responsible officer of the applicant entity, that its permit remains valid and subsisting, and that no other source of income has been made.

2. Tax and Duty Free Importation. - The international or foreign film or television production entity shall enjoy tax and duty free importation of filming equipment as determined and endorsed by the PIAC-FFT.

Section 10. Implementing Rules and Regulations. - The Film Development Council, Department of Tourism, Department of Finance and the Bureau of Immigration and Deportation, shall promulgate and issue the implementing rules and regulations within ninety (90) days upon approval of this Act.

Section 11. Appropriations. - The amount necessary to implement the provision of this Act shall be included in the Annual General Appropriations Act.

Section 12. Separability Cause. - In the event that any provision or part of this Act shall be declared unconstitutional, the remaining provisions shall remain valid and in full force and effect.

Section 13. Repealing Cause. - Executive Order No. 674, Series of 2007, is hereby amended. All laws, decrees, executive orders, issuances, rules and regulations, or parts thereof not consistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 14. Effectivity. - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved