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TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Local Government (Technical Working Group)	Draft Substitute Bill to HBs 4517, 8428 & 8682	Reps. Cabochan, De Venecia, and Tambunting	Amending Section 140(A) of RA 7160, otherwise known as the Local Government Code of 1991, as amended by RA 9640	<p>The technical working group (TWG) chaired by Rep. Christopher de Venecia (4th District, Pangasinan), approved the draft Substitute Bill to House Bills 4517, 8428 and 8682, subject to style.</p> <p>The Secretariat will prepare the final version of the substitute bill, which will be submitted to the mother Committee for its consideration and approval.</p> <p>At the outset, Rep. De Venecia, author of HB 8428, noted that the primary objective of the TWG is to study, deliberate, and consolidate the three bills and come up with a substitute measure that will incorporate the relevant inputs of the resource persons and stakeholders. The proposed law seeks to further amend Section 140 of RA 7160 by granting tax exemption and subsidy to the creative sector.</p> <p>Rep. De Venecia said that undeniably, Filipinos are lovers of music and culture. As such, watching concerts and movies are among their favorite pastimes. However, the COVID-19 pandemic has adversely affected live events and the local movie industry. Hence, countries around the world provided aid and assistance to stakeholders of these industries in an effort to keep them afloat during the crisis. He posited that the government can do the same by reducing amusement taxes through tax exemption and subsidy, in order to inspire key players in holding live events and other similar activities to preserve and promote culture and Filipinos' love for film and music.</p> <p>With the aid of a comparative matrix of the three bills, the TWG proceeded to craft the substitute bill. Among the agreements reached by the TWG during the meeting were the following:</p> <ul style="list-style-type: none"> • The full title of HB 8428, as well as its short title as reflected in Section 1, was adopted. Thus, the proposed law shall otherwise be known as the "Film and Live Events Recovery Act." • The Declaration of Policy under HB 4517 was adopted with amendment to include "films" and "live events" among those that shall be promoted to uphold Filipino national culture. • The provincial government shall be authorized to levy an amusement tax to be collected from the proprietors, lessees or operators of theaters,

<p>Continuation... Local Government (Technical Working Group)</p>				<p>cinemas, concert halls, circuses, boxing stadiums, and other places of amusement at a rate of not more than five percent of the gross receipts from the admission fees.</p> <ul style="list-style-type: none"> • The holding of locally-produced operas, concerts, dramas, musical plays, recitals, painting and art exhibitions, flower shows, musical programs, literary and oratorical presentations, and local film productions shall be exempt from the payment of the amusement tax, provided that such films and concerts have at least 10 percent equity by Filipino entities as certified by the Intellectual Property Office of the Philippines (IPOPIL) or the Department of Trade and Industry (DTI). • The power of the local governments to levy an amusement tax shall be suspended for two years from the effectivity of the proposed law with an extension of a minimum of two years subject to the approval of the Department of Finance. Thereafter, the local governments may revert to the collection of five percent amusement tax. <p>Rep. Rosanna "Ria" Vergara (3rd District, Nueva Ecija) supports the provision in the proposed law that will specifically earmark or allocate the proceeds from the amusement tax to ensure that the proceeds will be utilized according to its intended purpose.</p> <p>The draft substitute bill provides that proceeds from the amusement tax shall be primarily earmarked for programs, activities, and projects in the cultural and creative sectors. The remaining proceeds shall be shared equally by the province and the municipality where the amusement places are located.</p> <p>On the other hand, representatives from the Department of the Interior and Local Government (DILG) and the Union of Local Authorities of the Philippines (ULAP) expressed their objection to this provision as it encroaches on the fiscal autonomy of local governments which is enshrined in the Constitution.</p> <p>The concern of the DILG and ULAP will be discussed further in meetings of the mother Committee on the bill. In the meantime, the DILG and ULAP were requested to submit their position paper on the proposed law.</p>
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