AN ACT
IMPOSING TAXES ON OFFSITE BETTING ACTIVITIES
ON LOCALLY LICENSED COCKFIGHTS AND DERBIES,
AMENDING SECTION 125 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. Section 125 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 125. Amusement Taxes. There shall be collected from the proprietor, lessee and operator of cockpits, INCLUDING OPERATORS OF ONLINE PLATFORMS AND OFFSITE BETTING STATIONS FOR SUCH COCKPITS, cabarets, night or day clubs, boxing exhibitions, professional basketball games, Jai-Alai and racetracks, a tax equivalent to:

(a) Eighteen percent (18%) in the case of cockpits: PROVIDED, THAT FOR OFFSITE BETTING ACTIVITIES ON LOCALLY LICENSED COCKFIGHTS AND DERBIES AND OTHER DERIVATIVE ACTIVITIES, THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED A TAX EQUIVALENT TO FIVE PERCENT (5%)
BASED ON GROSS GAMING RECEIPTS, WHICH SHALL BE
DIRECTLY REMITTED TO THE BUREAU OF INTERNAL
REVENUE (BIR) AND SHALL BE IN LIEU OF ALL OTHER
PERCENTAGE TAXES PURSUANT TO SECTION 109 (1)(E),
BUT NOT OF LOCAL GOVERNMENT TAXES AND
REGULATORY FEES AND CHARGES APPLICABLE TO SUCH
ACTIVITIES.

(b) xxx

(c) xxx

(d) xxx

(e) xxx

For the purpose of the amusement tax, the term ‘gross receipts’
embraces all receipts of the proprietor, lessee, or operator of the
amusement place. Said gross receipts also include income from
television, radio and motion picture rights, if any. A person or entity or
association conducting any activity subject to the tax herein imposed
shall be similarly liable for said tax with respect to such portion of the
receipts derived by him or it.

FOR PURPOSES OF SECTION 125 (a) HEREIN, THE TERM
‘GROSS GAMING RECEIPTS’ EMBRACES ALL THE RECEIPTS
DERIVED BY THE PERSON, ENTITY OR ASSOCIATION,
INCLUDING INCOME DERIVED FROM ‘PLASADA’ OR NET
COMMISSION FROM OFFSITE BETTING ON LOCALLY
AUTHORIZED AND REMOTELY BROADCAST COCKFIGHTING
MATCHES OF ALL GAMING OPERATORS.

“OFFSITE BETTING ACTIVITIES ON LOCALLY LICENSED
COCKFIGHTS AND DERBIES” SHALL REFER TO ACTIVITIES BY
GAMING OPERATORS, AS DEFINED IN THIS SECTION, WHICH
INVOLVE PLACING AND ACCEPTANCE OF WAGERS, INCLUDING
FACILITATION THEREOF, BY REMOTE AND/OR ELECTRONIC
MEANS, ON COCKFIGHTING ACTIVITIES DULY AUTHORIZED
AND LICENSED BY LOCAL GOVERNMENT UNITS (LGU) IN THE
EXERCISE OF THEIR POWERS UNDER REPUBLIC ACT NO. 7160:
PROVIDED THAT, WHENEVER APPLICABLE, OFFSITE BETTING
STATIONS, ACTIVITIES, OR OPERATIONS SHALL BE DULY
AUTHORIZED OR LICENSED BY THE LGU IN WHICH THE
STATIONS, ACTIVITIES, OR OPERATIONS ARE PHYSICALLY
LOCATED: PROVIDED, FURTHER, THAT OFFSITE BETTING, AS
REFERRED TO IN THIS SECTION, SHALL NOT INCLUDE OTHER
GAMES AND ACTIVITIES SPECIFICALLY AUTHORIZED BY LAW
TO BE PERFORMED BY OTHER GOVERNMENT GAMING
AUTHORITIES SUCH AS THE PHILIPPINE AMUSEMENT AND
GAMING CORPORATION AND THE PHILIPPINE CHARITY AND
SWEEPSTAKES OFFICE.
“GAMING OPERATOR” SHALL REFER TO A REGISTERED RESIDENT ENTITY, SUCH AS A CORPORATION, A PARTNERSHIP, AN INDIVIDUAL OR AN ASSOCIATION, DULY AUTHORIZED BY THE GAMES AND AMUSEMENT BOARD (GAB) TO SUPERVISE, MANAGE AND OPERATE OFFSITE BETTING ACTIVITIES ON LOCALLY LICENSED COCKFIGHTS AND DERBIES AS DEFINED IN THIS SECTION. WHEREVER APPLICABLE, OFFSITE BETTING ACTIVITIES ON LOCALLY LICENSED COCKFIGHTS AND DERBIES SHALL BE INCLUDED BY THE GAMING OPERATOR IN DISCLOSURES AND DOCUMENTATIONS REQUIRED BY THE BIR, THE GAB AND OTHER REGULATORY GOVERNMENT AGENCIES AND INSTRUMENTALITIES.”

The taxes imposed herein shall be payable at the end of each quarter and it shall be the duty of the proprietor, lessee or operator concerned, as well as any party liable, within twenty (20) days after the end of each quarter, to make a true and complete return of the amount of the gross receipts derived during the preceding quarter and pay the tax due hereon.

THE COMMISSIONER OF INTERNAL REVENUE SHALL ISSUE RULES AND REGULATIONS AS MAY BE ALLOWED BY THE NATIONAL INTERNAL REVENUE CODE AND OTHER LAWS, RULES, AND REGULATIONS.

SEC. 2. Implementing Rules and Regulations. – Within thirty (30) days after the effectivity of this Act, the Commissioner of Internal Revenue and the Chairperson of the GAB shall promulgate the rules and regulations necessary for its implementation.

SEC. 3. Separability Clause. – If any part or provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 4. Repealing Clause. – All laws, decrees, orders, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 5. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,