NINETEENTH CONGRESS OF THE   )
REPUBLIC OF THE PHILIPPINES   )
First Regular Session   )

SENATE

P. S. RES. No. ___227___

Introduced by SEN. WIN GATCHALIAN

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE GOVERNMENT'S REVENUE COLLECTION FROM THE IMPLEMENTATION OF REPUBLIC ACT NO. 11590 AND THE ECONOMIC AND SOCIAL COSTS INCURRED BY THE GOVERNMENT IN ADDRESING CRIMES RELATED TO THE PHILIPPINE OFFSHORE GAMING OPERATIONS INDUSTRY

1   WHEREAS, Republic Act No. 11590, An Act Taxing Philippine Offshore Gaming

2   Operations, Amending for the Purpose Section 22, 25, 28, 108 and Adding New

3   Sections 125-A and 288(G) of the National Internal Revenue Code, as amended, and

4   for Other Purposes, was signed into law on 22 September 2021 and took effect on 09

5   October 2021;

6

7   WHEREAS, Republic Act No. 11590 provided for the taxation of Alien Individuals

8   Employed by an Offshore Gaming License and Service Providers, Offshore Gaming

9   Licensees, and Accredited Service Providers to Offshore Gaming Licensees;

10

11   WHEREAS, Section 10 of Republic Act No. 11590 requires the Bureau of Internal

12   Revenue (BIR) to submit a report to the Congress on its tax collection performance in

13   relation to the enforcement of the said law;

14

15   WHEREAS, during the committee hearing of Senate Bill Nos. (SBNs) 1295 and

16   2076 and House Bill No. (HBN) 5777, the BIR reported that in the year **2020**, the tax

1   collections from Philippine Offshore Gaming Operators (POGOs) is **PHP7.176 billion**

2   and **PHP 6.424 billion** in **2019**[1];

3

4   WHEREAS, based on news report, the BIR reported that the total tax collections

5   from the enforcement of Republic Act No. 11590 during the **Fourth Quarter of 2021**

6   amounted to **PHP1.22 billion**[2] and a total of **PHP3.91 billion** tax collections from

7   POGOs in **2021** [3];

8

9   WHEREAS, based on news report, the BIR reported that the total tax collections

10   from the enforcement of Republic Act No. 11590 during the First Quarter of 2022 is at

11   **P1.55 billion**[4];

12

13   WHEREAS, based on news report, the Department of Finance (DOF) projected

14   total tax collections from POGOs for the year **2022 to 2023** is at **P76.2 billion**[5];

15

16   WHEREAS, based on news reports, the Anti Kidnapping Group of the Philippine

17   National Police (PNP) bared that kidnapping of workers from the Philippine Offshore

18   Gaming Operation (POGO) industry has increased by twenty five percent (25%) as of

19   September 2022[6];

20

21   WHEREAS, there are a lot of unreported crimes relating to the POGO industry;

22

23   WHEREAS, due to the increase in crimes relating to the POGO industry, the PNP

24   and the Local Government Units are ramping up their efforts to curb these crimes and

25   maintain peace and order in the country, incurring additional costs and allocating

26   additional resources to this measure;

[1] Page 18, Transcript of Stenographic Notes (TSN), Senate Hearing on the Committee on Ways and Means on 4 March 2021.
[2] https://mb.com.ph/2022/04/07/pogo-tax-collections-drop-45-in-2021/ [Date last accessed: 19 September 2022].
[3] https://business.inquirer.net/345482/pogo-tax-take-drops-46-percent-to-p3-91-billion-in-2021 [Date last accessed: 19 September 2022].
[4] https://www.philstar.com/business/2022/02/14/2160582/bir-nets-p122-billion-pogo-taxes-q4 [Date last accessed: 19 September 2022].
[5] https://www.bworldonline.com/top-stories/2021/10/13/403071/pogo-tax-collection-may-reach-p76-billion/ [Date last accessed: 19 September 2022].
[6] https://www.philstar.com/nation/2022/09/14/2209578/pnp-eyes-clearances-pogo-workers [Date last accessed: 19 September 2022].

1   RESOLVED BY THE SENATE, as it is hereby resolved by the Senate, to direct
2   the appropriate Senate committee to conduct an inquiry, in aid of legislation, on the
3   dwindling revenue collection from POGOs despite the passage into law and subsequent
4   implementation of Republic Act No. 11590, the economic costs incurred by the
5   government in investigating and addressing POGO-related crimes, and the social costs
6   involved.

Adopted,

WIN GATCHALIAN