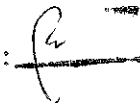


FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

10 AUG 17 P2:40

SENATE
P. S. R. No. 109

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE COMMITTEE ON GAMES, AMUSEMENT AND SPORTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED NEED TO GENERATE ADDITIONAL REVENUE FOR THE CITY GOVERNMENT BY IMPOSING TAX ON E-CASINO SOFTWARE SUPPLIERS

WHEREAS, the Constitution, Article 2, Section 19 provides: The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos;

WHEREAS, there have been several reports alleging that the city government taxes only the 28 percent net commission of operators, leaving the 72 percent gross sale of the Philippine Amusement and Gaming Corp. (Pagcor) and Philweb untouched; hence, the city government should exercise its right to impose an additional tax on a private company supplying software to online gaming operators in the city;

WHEREAS, Philweb, a private company contracted by Pagcor to install and maintain the computer software in online casinos, is liable to pay the three percent tax imposed by the city government requiring online gaming centers to remit a franchise fee representing three percent of their yearly gross revenue since it entered into a proprietary function with Pagcor, a government entity;

WHEREAS, it was alleged that Philweb, which also monitors the cash flow from e-casino operators, could not claim to be exempted from the payment of local taxes, which, if collected, will boost the revenue of the local government;

WHEREAS, due to the effect of the global financial crisis, the government should find ways to generate more revenue for its projects;

WHEREAS, given that gambling is a game of chance that needs to be regulated by the government, local government units should exercise their discretion in taxing companies that are part of the gambling industry in order to gain more revenue for its projects;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the reported need to generate additional revenue for the city government by imposing tax on e-casino software suppliers.

Adopted,


MIRIAM DEFENSOR SANTIAGO