

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

'22 AUG 31 P 4 :59

SENATE

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S.B. No. 1252

Introduced by **SENATOR IMEE R. MARCOS**

AN ACT
EXEMPTING THE PHILIPPINE FILM AND MOVIE INDUSTRY FROM THE
PAYMENT OF CERTAIN TAXES, AMENDING FOR THE PURPOSE CERTAIN
PROVISIONS OF THE R.A. NO. 8424 OTHERWISE KNOWN AS THE
"NATIONAL INTERNAL REVENUE CODE OF THE PHILIPPINES," AS
AMENDED, AND R.A. NO. 10863 OTHERWISE KNOWN AS THE "CUSTOMS
MODERNIZATION AND TARIFF ACT", AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Article II, Section 17 of the 1987 Philippine Constitution provides that, *"the State 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."*

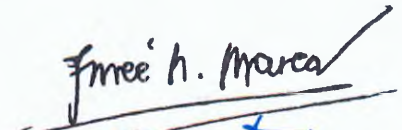
Film is a powerful instrument to propagate the country's image and distinctiveness locally and internationally. The production of Filipino films introduce who we are to the world – our country, cultural diversity, and history. However, due to the COVID-19 pandemic, the Philippine Film and Movie industry suffered substantial revenue losses that contributed to the continued weakening of the industry.

This bill proposes to exempt from value-added tax and customs duties the importation of film materials and equipment by Local Film Production companies in order to help the industry recover from the impacts of the pandemic.

It is high time that the State recognize the potential of the Film and Movie industry as a key driver in promoting the Filipino culture and increasing economic

development by attracting investments, creating new jobs for Filipinos, and stimulating local economy through tourism and consumer purchases.

For the foregoing reasons, the passage of this bill is earnestly sought.


IMEE R. MARCOS

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MODERNIZATION AND TARIFF ACT", AND FOR OTHER PURPOSES

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

1
2 **SECTION 1.** *Exemption from Value-Added Tax.* – Section 109 of the National
3 Internal Revenue Code, as amended, is hereby further amended to read as follows:

4 "Section 109. *Exempt Transactions.* – (1) Subject to the provisions of
5 Subsection (2) hereof, the following transactions shall be exempt from
6 the value-added tax:

7 (A) xxx

8 (B) xxx

9 (C) xxx

10 (D) xxx

11 (E) xxx

12 (F) xxx

13 (G) xxx

14 (H) xxx

15 (I) xxx

16 (J) xxx

- 1 (K) xxx
- 2 (L) xxx
- 3 (M) xxx
- 4 (N) xxx
- 5 (O) xxx
- 6 (P) xxx
- 7 (Q) xxx
- 8 (R) xxx
- 9 (S) xxx
- 10 (T) xxx
- 11 (U) xxx
- 12 (V) xxx
- 13 (W) xxx
- 14 (X) xxx
- 15 (Y) xxx
- 16 (Z) xxx
- 17 (AA) xxx
- 18 (BB) xxx

19 **(CC) IMPORTATION OF FILM MATERIALS AND EQUIPMENT BY**
20 **PERSONS ENGAGED IN THE BUSINESS OF MAKING LOCAL**
21 **FILMS AND OTHER CINEMATOGRAPHIC WORKS, FOR USE**
22 **IN PRODUCING SUCH FILMS AND OTHER RELATED WORK;**
23 **PROVIDED, THAT THE BUREAU OF INTERNAL REVENUE**
24 **SHALL ISSUE THE NECESSARY GUIDELINES IDENTIFYING**
25 **THE FILM MATERIALS AND EQUIPMENT THAT SHALL BE**
26 **EXEMPT FROM VALUE-ADDED TAX AFTER PRIOR**
27 **CONSULTATION WITH FILM PRODUCTION COMPANIES**
28 **AND FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES."**

29 **SEC. 2. *Exemption from Customs Duties.*** – Section 800 of Republic Act No.
30 10863, or the Customs Modernization and Tariff Act, is hereby amended to read as
31 follows:

32 "SEC. 800. *Conditionally Tax and/or Duty-Exempt Importation.* – The
33 following goods shall be exempt from the payment of import duties
34 upon compliance with the formalities prescribed in the regulations
35 which shall be promulgated by the Commissioner with the approval of
36 the Secretary of Finance: xxx xxx xxx

- 1 (a) xxx
- 2 (b) xxx
- 3 (c) xxx
- 4 (d) xxx
- 5 (e) xxx
- 6 (f) xxx
- 7 (g) xxx
- 8 (h) xxx
- 9 (i) xxx
- 10 (j) xxx
- 11 (k) xxx
- 12 (l) xxx
- 13 (m) xxx
- 14 (n) xxx
- 15 (o) xxx
- 16 (p) xxx
- 17 (q) xxx
- 18 (r) xxx
- 19 (s) xxx
- 20 (t) xxx
- 21 (u) xxx
- 22 (v) xxx
- 23 (w) xxx
- 24 (x) xxx
- 25 (y) xxx
- 26 (z) xxx
- 27 (aa) xxx

28 (bb) **IMPORTATION OF FILM MATERIALS AND EQUIPMENT,**
29 **AS IDENTIFIED BY THE BUREAU OF INTERNAL REVENUE,**
30 **BY PERSONS ENGAGED IN THE BUSINESS OF MAKING**
31 **LOCAL FILMS AND OTHER CINEMATOGRAPHIC WORKS,**
32 **FOR USE IN PRODUCING SUCH FILMS AND OTHER**
33 **RELATED WORK."**

34 **SEC. 3. Separability Clause.** – If any provision of this Act shall be held
35 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
36 full force and effect.

1 **SEC. 4. *Repealing Clause.*** – All laws, executive orders, issuances, or any part
2 thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

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

Approved,