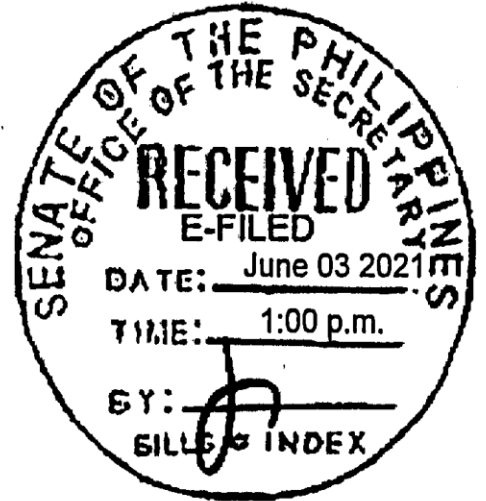


EIGHTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
Second Regular Session]



SENATE

S.B. No. 2281

Introduced by SEN. WIN GATCHALIAN

**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 the House of Representatives of the Philippines
in Congress assembled:*

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

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

8 (a) Eighteen percent (18%) in the case of cockpits: **PROVIDED, THAT**
9 **FOR OFFSITE BETTING ACTIVITIES ON LOCALLY LICENSED**
10 **COCKFIGHTS AND DERBIES AND OTHER DERIVATIVE ACTIVITIES,**
11 **THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED A TAX**
12 **EQUIVALENT TO FIVE PERCENT (5%) BASED ON THE GROSS**
13 **RECEIPTS WHICH SHALL BE DIRECTLY REMITTED TO THE BUREAU**

1 **OF INTERNAL REVENUE (BIR) AND SHALL BE IN LIEU OF ALL**
2 **OTHER PERCENTAGE TAXES PURSUANT TO SECTION 109 (1) (E),**
3 **BUT NOT OF LOCAL GOVERNMENT TAXES AND REGULATORY FEES**
4 **AND CHARGES APPLICABLE TO SUCH ACTIVITIES.**

5 (b) xxx

6 (c) xxx

7 (d) xxx

8 (e) xxx

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

15 **FOR PURPOSES OF SECTION 125 (a) HEREIN, THE TERM "GROSS**
16 **RECEIPTS" EMBRACES ALL THE RECEIPTS DERIVED BY THE**
17 **PERSON, ENTITY OR ASSOCIATION, INCLUDING INCOME**
18 **DERIVED FROM 'PLASADA' OR NET COMMISSION FROM OFFSITE**
19 **BETTING ON LOCALLY AUTHORIZED AND REMOTELY BROADCAST**
20 **COCKFIGHTING MATCHES OF ALL GAMING OPERATORS.**

21 **"OFFSITE BETTING ACTIVITIES ON LOCALLY LICENSED**
22 **COCKFIGHTS AND DERBIES" SHALL REFER TO ACTIVITIES BY**
23 **GAMING OPERATORS, AS DEFINED IN THIS SECTION, WHICH**
24 **INVOLVE PLACING AND ACCEPTANCE OF WAGERS, INCLUDING**
25 **FACILITATION THEREOF, BY REMOTE AND/OR ELECTRONIC**
26 **MEANS, ON COCKFIGHTING ACTIVITIES DULY AUTHORIZED AND**
27 **LICENSED BY LOCAL GOVERNMENT UNITS (LGU) IN THE**
28 **EXERCISE OF THEIR POWERS UNDER REPUBLIC ACT NO. 7160:**
29 **PROVIDED, THAT WHENEVER APPLICABLE, OFFSITE BETTING**
30 **STATIONS, ACTIVITIES OR OPERATIONS SHALL BE DULY**

1 **AUTHORIZED OR LICENSED BY THE LGU IN WHICH THE**
2 **STATIONS, ACTIVITIES, OR OPERATIONS ARE PHYSICALLY**
3 **LOCATEDL PROVIDED, FURTHER, THAT OFFSITE BETTING, AS**
4 **REFERRED TO IN THIS SECTION, SHALL NOT INCLUDE OTHER**
5 **GAMES AND ACTIVIVIES SPECIFICALLY AUTHORIZED BY LAW TO**
6 **BE PERFORMED BY OTHER GOVERNMENT GAMING AUTHORITIES,**
7 **SUCH AS THE PHILIPPINE AMUSEMENT AND GAMING**
8 **CORPORATION AND THE PHILIPPINE CHARITY AND**
9 **SWEEPSTAKES OFFICE.**

10 **"GAMING OPERATOR" SHALL REFER TO A REGISTERED RESIDENT**
11 **ENTITY, SUCH AS A CORPORATION, A PARTNERSHIP, AN**
12 **INDIVIDUAL OR AN ASSOCIATION, DULY AUTHORIZED BY THE**
13 **GAMES AND AMUSEMENT BOARD (GAB) TO SUPERVISE, MANAGE**
14 **AND OPERATE OFFSITE BETTING ACTIVITIES ON LOCALLY**
15 **LICENSED COCKFIGHTS AND DERBIES AS DEFINED IN THIS**
16 **SECTION. WHEREVER APPLICABLE, OFFSITE BETTING ACTIVITIES**
17 **ON LOCALLY LICENSED COCKFIGHTS AND DERBIES SHALL BE**
18 **INCLUDED BY THE GAMING OPERATOR IN DISCLOSURES AND**
19 **DOCUMENTATIONS REQUIRED BY THE BIR, THE GAB AND OTHER**
20 **REGULATORY GOVERNMENT AGENCIES AND**
21 **INSTRUMENTALITIES."**

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

27 **FOR THE EFFICIENT ASSESSMENT AND VERIFICATION OF TAX**
28 **DUES AND TO ENSURE THE VIABILITY OF THE ACTIVITIES TAXED**
29 **HEREIN AS A REVENUE SOURCE, THE GAB SHALL ISSUE RULES**
30 **AND REGULATIONS FOR THE FAIR CONDUCT OF OFFSITE BETTING**

1 **ON LOCALLY LICENSED COCKFIGHTS AND DERBIES, INCLUDING**
2 **DEVICES REQUIRED OF GAMING OPERATORS, AGENTS, AND**
3 **OTHER RELATED PARTIES: PROVIDED, THAT THE FOREGOING**
4 **SHALL NOT PRECLUDE THE COMMISSIONER OF INTERNAL**
5 **REVENUE FROM ISSUING SUCH RULES AND REGULATIONS AS**
6 **MAY BE ALLOWED BY THE NATIONAL INTERNAL REVENUE CODE**
7 **AND OTHER LAWS, RULES AND REGULATIONS.**

8
9 SEC. 2. *Implementing Rules and Regulations.* – Within thirty (30) days after the
10 effectivity of this Act, the Commissioner of Internal Revenue and the Chairperson of
11 GAB shall promulgate the rules and regulations necessary for its implementation.

12
13 SEC. 3 *Separability Clause.* – If any part or provision of this Act is held invalid or
14 unconstitutional, the remaining parts or provisions not affected shall remain in full
15 force and effect.

16
17 SEC. 4. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations
18 inconsistent with the provisions of this Decree are hereby repealed or modified
19 accordingly.

20
21 SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in
22 the Official Gazette or in any newspaper of general circulation.

23
24 Approved,
25