

AMENDING SECTION 268 OF THE NATIONAL INTERNAL REVENUE CODE OF 1977

PRESIDENTIAL DECREE NO. 1456, June 11, 1978

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WHEREAS, there is an urgent need to increase the financial resources of the government to meet its requirements for expanding economic development;

WHEREAS, there are amusement places which have not adequately contributed to the common burden;

WHEREAS, it is imperative that these amusement places contribute their just share to the government;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. Section 268 of the National Internal Revenue Code of 1977, as amended, is hereby further amended to read as follows:

"SEC. 268. Amusement Taxes.—There shall be collected from the proprietor, lessee operator of cockfights, cabarets, night or day clubs, boxing exhibitions, professional basketball games, Jai-Alai, race tracks and bowling alleys, a tax equivalent to:

- Twelve per centum in the case of cockpits,
- Twelve per centum in the case of cabarets, night or day clubs,
- Ten per centum in the case of boxing exhibitions,
- Ten per centum in the case of professional basketball games as envisioned in Presidential Decree No. 871, Provided, However, That the tax herein shall be in lieu of all other percentage taxes of whatever nature and description,
- Twenty per centum in the case of Jai-Alai and race tracks, and
- Ten per centum in the case of bowling alleys of their gross receipts, irrespective of whether or not any amount is charged or paid for admission. For the purpose of the amusement tax, the term 'gross receipts' embraces all the 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, entity or association conducting an 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.)

"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 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 thereon. If the tax is not paid within the time prescribed above, the amount of the tax shall be increased by twenty-five per centum, the increment to be part of the tax.

"In case of willful neglect to file the return within the period prescribed herein, or in case a false or fraudulent

return is willfully made, there shall be added to the tax or to the deficiency tax, in case any payment has been made on the basis of the return before the discovery of the falsity or fraud, a surcharge of fifty per centum of its amount. The amount so added to any tax shall be collected at the same time and in the same manner and as part of the tax unless the tax has been paid before the discovery of the falsity or fraud, in which case, the amount so assessed shall be collected in the same manner as the tax."

SEC. 2. All laws, orders and decrees such as the provision of Section 13 of Presidential Decree No. 231 in the case of boxing exhibitions as well as rules and regulations inconsistent herewith are hereby repealed and/or modified accordingly.

SEC. 3. This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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