

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH (18th) CONGRESS
First Regular Session

HOUSE BILL NO. 2598



Introduced by: **Representative Jose L. Atienza, Jr.**

EXPLANATORY NOTE

This bill provides the horseracing industry a five-year tax holiday to enable it to recover as the present tax on the horseracing industry is one of the highest in Asia, even higher than that of Singapore and Hongkong.

In this way, businessmen will be encouraged to make their investments more viable as there will be bigger prizes for race winners and placers, better equipment for jockeys/riders, and better facilities for the hundreds of thousands of aficionados who continue to patronize these races. Breeders will be able to import better breeds of horses and improve the present stock. This tax holiday will make it attractive to international players to invest in the industry, resulting to more jobs and employment for our countrymen.

This will also eliminate the operation of illegal bookies as the racing clubs will be able to give bigger dividends to bettors, making it difficult for these bookies to compete with the legitimate racing clubs.


JOSE L. ATIENZA, JR.
Representative, BUHAY Party-list

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AN ACT PROVIDING A FIVE (5) YEAR TAX HOLIDAY FOR THE
HORSERACING INDUSTRY

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

SECTION ONE. *Short Title* – This Act shall be known as the
“PHILIPPINE HORSERACING TAX HOLIDAY ACT OF 2019”

SECTION TWO. It is hereby declared a Policy of the State;

- A. Under Article II Section 9. The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.
- B. Under Article II Section 20. The State recognizes the indispensable role of the private sector, encourages private enterprise, and **provides incentives to needed investments.**

SECTION THREE. Definition of Terms.

- A. Horse Racing – an equestrian sport involving two or more jockeys riding over horses over a set distance for competition.
- B. Runners – a horse used for competitive horse racing
- C. Broodmare – an adult female horse used for breeding

- D. Stallion – an adult male horse used for breeding
- E. Dividend – payment made to winning wagers/bets
- F. Prize – the money given as an award to a horse's winning connections. (owners, trainers, jockeys, grooms, and exercise riders)

SECTION FOUR. – It is hereby declared that no form of tax shall be collected on the following for five years;

- A. Winnings or Dividends on placed wagers
- B. Horse Prizes
- C. Imported Horses intended for racing/breeding purposes (broodmares and stallions included)

SECTION FIVE. – The Commissioner of the Bureau of Internal Revenue shall issue instructions or promulgate rules and regulations necessary for the implementation of this Act.

SECTION SIX. – All laws, rules, regulations, orders, circulars and memoranda inconsistent with this act are hereby repealed, modified, and amended accordingly.

SECTION SEVEN. *Effectivity.* – This act shall take effect immediately upon approval.

Approved.