



## HOUSE OF REPRESENTATIVES

H. No. 6431

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BY REPRESENTATIVES MITRA, JAVIER, BAGATSING, LAPUS, AGGABAO,  
CODILLA, CHATTO, GONZALES (N.) AND DE GUZMAN, PER COMMITTEE  
REPORT NO. 2065

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AN ACT RATIONALIZING THE TAX ON WINNINGS AND  
DOCUMENTARY STAMP TAX ON HORSE RACING, AMENDING  
FOR THE PURPOSE SECTIONS 126 AND 190 OF THE NATIONAL  
INTERNAL REVENUE CODE OF 1997, AS AMENDED,  
SECTIONS 11 AND 13 OF REPUBLIC ACT NO. 8407, AND  
SECTIONS 8 AND 10 OF REPUBLIC ACT NO. 7953

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

1           SECTION 1. Section 126 of the National Internal Revenue Code of 1997,  
2 as amended, is hereby further amended to read as follows:

3                   “SEC. 126. *Tax on Winnings.* – Every person who wins  
4           in horse races shall pay a tax equivalent to [ten percent (10%)]  
5           FOUR PERCENT (4%) of his winnings or ‘dividends’, the tax to  
6           be based on the actual amount paid to him for every winning  
7           ticket after deducting the cost of the ticket [;Provided, That in

1 the case of winnings from *double, forecast/quinella* and *trifecta*  
 2 bets, the tax shall be four percent (4%)]. x x x

3 "x x x."

4 SEC. 2. Section 190 of the National Internal Revenue Code of 1997, as  
 5 amended, is hereby further amended to read as follows:

6 "SEC. 190. *Stamp Tax on Jai-alai, Horse Race Tickets,*  
 7 *Lotto or Other Authorized Numbers Games.* – (A) On each jai-  
 8 alai, [horse race ticket,] lotto, or other authorized numbers  
 9 games, there shall be collected a documentary stamp tax of Ten  
 10 centavos (P0.10): *Provided,* That if the cost of the ticket  
 11 exceeds One peso (P1.00), an additional tax of Ten centavos  
 12 (P0.10) on every One peso (P1.00), or fractional part thereof,  
 13 shall be collected.

14 " (B) **STAMP TAX ON HORSE RACE TICKETS.** – **ON**  
 15 **EACH HORSE RACE TICKET, THERE SHALL BE COLLECTED A**  
 16 **DOCUMENTARY STAMP TAX OF FIVE CENTAVOS (P0.05):**  
 17 **PROVIDED, THAT IF THE COST OF THE TICKET EXCEEDS ONE**  
 18 **PESO (P1.00), AN ADDITIONAL TAX OF FIVE CENTAVOS (P0.05)**  
 19 **FOR EVERY ONE PESO (P1.00) OR FRACTIONAL PART THEREOF**  
 20 **SHALL BE COLLECTED."**

21 SEC. 3. *Implementing Rules and Regulations.* – The Secretary of  
 22 Finance shall, in consultation with the Commissioner of Internal Revenue and  
 23 the Chairman of the Philippine Racing Commission, promulgate the necessary  
 24 rules and regulations to effectively implement the provisions of this Act.

25 SEC. 4. *Repealing Clause.* – Sections 11 and 13 of Republic Act  
 26 No. 8407, entitled: "An Act Amending Republic Act No. 6631, entitled: 'An  
 27 Act Granting Manila Jockey Club, Inc., a Franchise to Construct, Operate and  
 28 Maintain a Racetrack for Horse Racing in the City of Manila or Any Place

1 Within the Provinces of Bulacan, Cavite or Rizal' and Extending the Said  
2 Franchise by Twenty-five (25) Years from the Expiration of the Term  
3 Thereof', and Sections 8 and 10 of Republic Act No. 7953, entitled: "An Act  
4 Amending Republic Act No. 6632, entitled: 'An Act Granting the Philippine  
5 Racing Club, Inc., a Franchise to Operate and Maintain a Race Track for Horse  
6 Racing in the Province of Rizal', and Extending the Said Franchise by  
7 Twenty-five (25) Years from the Expiration of the Term Thereof" are  
8 accordingly hereby amended.

9 All other laws, presidential decrees, executive orders, rules and  
10 regulations or parts thereof which are inconsistent with any of the provisions of  
11 this Act are hereby repealed, amended or modified accordingly.

12 SEC. 5. *Separability Clause.* – If any part or provision of this Act  
13 shall be held unconstitutional or invalid, other provisions hereof which are not  
14 affected thereby shall continue to be in full force and effect.

15 SEC. 6. *Effectivity Clause.* – This Act shall take effect fifteen (15)  
16 days after its publication in the *Official Gazette* or in any two (2) newspapers  
17 of general circulation, whichever comes earlier.

Approved,

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