

Revised Election Code are granted the power to hear and decide cases of inclusion in or exclusion from the registry list of voters during the two registration days prior to every election. If it be contended that the Commission on Elections, the very constitutional power who appoints the Boards of Inspectors, cannot exercise the power which its appointed subordinates have, we will have the anomalous situation wherein the Boards of Inspectors will become a sort of little independent Commission on Elections with greater power than the constitutional Commission on Elections itself. And what is worst the latter loses its supervisory power and control over the Boards of Inspectors. This anomalous situation, it is here contended, was never contemplated by the framers of our Constitution.

It is quite interesting to note that there is a wide and gaping distinction between the executive power to appoint judicial officers who exercise functions that are beyond the authority and scope of the executive and the powers of the Commission to appoint election inspectors. In the latter case the Commission on Elections retains control and supervision over the appointees, and thereby makes of the inspectors subordinates to, and not independent of, their appointing power. Hence, it can be argued that whatever powers the subordinate can exercise, the superior all the more has the authority to exercise, as in the question at hand, when the Commission on Elections is empowered by law to review on appeal decisions on inclusion in or exclusion from the registry list of voters rendered by the board of election inspectors.

Lastly, the main purpose for the creation of the constitutional independent Commission on Elections is to insure free, orderly and honest elections, to such an extent that the Commission has the constitutional power to call all law enforcement agencies and instrumentalities of the government to act as its deputies for that purpose. Indeed, the law authorizing the Commission on Elections to exercise the quasi-judicial function to dispose election cases involving the right to vote in an inclusion or exclusion proceeding is conducive to insure honest elections for it is one of the most appropriate and effective measures of purging the registry list of fictitious, unqualified and disqualified voters.

## A SURVEY OF AMUSEMENT TAXES†

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### INTRODUCTION

THE main purposes of this paper are: firstly, to collect and assemble in one place all the laws of the Philippines dealing, even remotely, with amusements, entertainments and related subjects, with the hope that it may at least serve a practical purpose of providing an accessible reference material for the International Program in Taxation, and all others who may be interested; secondly, to undertake a restatement and subsequent analysis of such laws through a comparative study of the amusement tax laws of "selected" countries and jurisdictions; and, finally, from such study and from the writer's personal knowledge and experiences of the factual circumstances prevailing in the Philippines, humbly to offer suggestions and recommendations which in the writer's opinion would result in an overall improvement of the tax system.

With regard to the comparative study, the countries have been "selected" not according to the writer's personal choice, but rather on the basis of literature and materials available. In this regard, the writer ran into a language difficulty which has restricted his study to the countries where materials are available in English, the only language with which he is conversant. To supplement this research, the personal knowledge of tax officials and graduate students currently at Harvard have been availed of besides being forced to "adopt" parts of the material on amusement taxes used in connection with the International Tax Research seminar devoted to the subject. Because such off-hand personal knowledge has been availed of, and due to the fact that some of the materials available in English are a few years old, it is to be stated that due to the rapid evolution of tax laws in any country, some statements here may not represent the prevailing situation. Actually, there are very few studies or materials devoted solely to the amusement tax field, for the simple reason that it usually accounts for only an insignificant source of revenue in any tax system and therefore experts do not usually allot much time to it. In any material on taxation in general, or on the tax system of certain countries, little or no mention

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is made of the tax. This is true of all the United Kingdom studies on tax systems, with the exception of the study on Japan.<sup>1</sup> The Shere report<sup>2</sup> on the Philippines made no mention or study of it as such.

Yet the tax has a place in any revenue system. The amusement tax is one of the consumption taxes. "This type of taxes has a definite place in the national revenue structure as they provide a broader tax base among a large proportion of the population and tend to stabilize the amount of revenues because consumption of such activities and the taxes from the same do not change as drastically as other taxes with changing economic conditions."<sup>3</sup> Consumption taxes provide a relatively stable and dependable source of revenue, and taxes on luxury consumption are fairly effective in reaching merchant and professional groups who are hardest to tax effectively under the income tax. On the other hand, the poorest section of the population is largely outside the moneyed economy and is therefore lightly taxed by excises on consumption, especially luxury consumption.<sup>4</sup>

#### I—AMUSEMENT AND ENTERTAINMENT defined:

Webster's New International Dictionary defines it in the following way:

"3. Pleasurable diversion; entertainment, especially when characterized by quiet mirth; hence, the state of being amused, as by something droll or humorous.

"4. That which amuses or entertains.

"Synonyms — recreation, relaxation, avocation, pastime, sport."

Black's Law Dictionary shows the following:

"Pastime; diversion; enjoyment.

"A pleasurable occupation of the senses, or that which furnishes it. (Young v. Board of Trustees of Broadwater County High School, 4 P. 2d 725)."<sup>5</sup> Entertainment is defined as "synonymous with 'board', and includes the ordinary necessities of life. (See *Lasar v. Johnson*, 58 P. 161) Hospitable provision for the wants of a guest, especially a provision for the table. That which serves as an amusement. (Young v. Board of Trustees, *supra*)"<sup>6</sup> "Board" among other things may mean "lodging, food, entertainment, furnished to a guest at an inn or boarding house."<sup>7</sup>

"The word 'entertainment' as used today has a wide significance. Its meaning has changed and broadened throughout its existence. This is not the place, however, to undertake an exhaustive examination of the deriva-

<sup>1</sup> Report on Japanese Taxation by the Shoup Mission, 4 Volumes, Tokyo (1949).

<sup>2</sup> A Report on: Tax Program for the Philippines, for the US Economic Survey Mission to the Philippines (1950), (otherwise known as the Shere Report).

<sup>3</sup> Government of El Salvador, Report with Recommendations on the National Tax System and Tax Administration, 132.

<sup>4</sup> United Nations Technical Assistance Administration, Taxes and Fiscal Policy in Under-Developed Countries, p. 48 (1954).

<sup>5</sup> BLACK'S LAW DICTIONARY, 109 (4th ed. 1951).

<sup>6</sup> *Id.* at 625.

<sup>7</sup> *Id.* at 219.

tion and history of the word, which can be studied in the larger standard dictionaries. The word, however, is familiar in everyday conversation, and admittedly, it is far easier to say what is an entertainment, and what is not, than to define its proper and precise limits.

It is often used quite loosely, for instance, by someone who "entertains" one or two friends to dinner, in the sense that he is the host and his friends are his guests. A person, on the other hand, will describe as "entertaining" some event or experience, meaning that it was enjoyable or amusing. These two uses, neither of which might be an "entertainment" for the purposes of taxation, do indicate two underlying characteristics which the word implies, firstly an atmosphere of common hospitality, i.e., the relationship of host and guests, and secondly, the purpose of pleasure, enjoyment, amusement or interest.

The first characteristic is well brought out by the atmosphere of the places of entertainment—theatres, cinemas, concert halls, where although admission is paid for, there is still preserved in varying degrees between the management and the patrons something of the relationship between host and guests; in fact particularly polite managements often make use of some such description. Moreover to all these places, the patrons resort for amusement or pleasurable interest.

Therefore, it is contended that the word implies a gathering of people who assemble as guests or otherwise for the purpose of a common amusement, pleasure or interest organized for their enjoyment. Indeed the word seems to be specially used of a public performance or exhibition intended for enjoyment and interest for which purpose a gathering of people takes place."<sup>8</sup>

As far as taxation is concerned, the usual trend is first just to license and/or tax the usual forms of amusement or entertainment but eventually either because of a desire to produce more revenue, or as a means of preventing discrimination due mainly to the appearance of new types of similar establishments many things are included which ordinarily are not within the strict concept of entertainment. In many instances however, tax statutes have shown an intention to tax all forms by ending off with "all other places of amusement or entertainment" after an enumeration and the courts have been liberal in so extending the levy.

The following is a painfully collected list of amusement or businesses or objects which have been found in the amusement tax laws:

Theaters, cinematographs, movie-houses, stage-plays, pantomines, variety performances, revues, vaudeville shows, hurdy-gurdy houses, burlesque shows, Concerts, concert parties, concert saloons, operas, ballet, lecture, recitation, art exhibitions, museums, places of meeting, places of gathering, Circuses, side-shows, carnivals, amusement parks, caravans, menageries, con-

<sup>8</sup> FRANCIS D. LITTLEWOOD, THE LAW OF MUNICIPAL AND PUBLIC ENTERTAINMENT, 36-37 (1951).

juring and magical exhibitions, illusionist demonstrations, mediums, palmists, fortune tellers, flower shows, boat shows, dog-show fairs, and other shows.

Sports: spectator (where admissions are taxed) — baseball, basketball, hockey, etc. Usually special laws apply to boxing and wrestling.

user or non-spectator (where you usually pay for the use of facilities or equipment): golf, swimming, tennis, roller skating, etc.

Gambling: horse-racing, dog or greyhound racing, automobile racing, boat racing, regattas, cycle racing

gambling places (gross receipts or license), gambling casinos, bets (or wagers, or winnings) or so-called parimutual, pool-betting, lotteries or sweepstakes, bingo games

bookmaker's places, bookmakers

other places or games — usually by licensing (flat rate per year, or per table, or per room, or per game)

Mechanical devices: cigarette-vending machines, coin-in-the-slot machines, juke boxes, pin-balls, so-called "one arm bandits," "mechanical amusement devices"

Billiard tables, pool tables, bowling alleys, (usually per table or per alley)

Fishing, hunting, game, trapping, guarded-hunting grounds (France), taxes on dogs as such

Night clubs, cabarets, saloons, dance halls, dancing schools, all dances (including private dances as in Mexico), restaurants, refreshment parlors, eating and drinking, and meal taxes,

Hotels, hotel-rooms, motels, inns, lodging places, boarding-places, luxury establishments

Playing cards, dice, mahjong sets, golf-bags and clubs and balls, fishing rods and reels, firearms, chess and checker boards

Bull-fighting, calf-fighting cockpits, handball, Jai-Alai or basque (taxed on admission, wagers, receipts as the case may be)

Resorts, beaches, picnic grounds, pleasure-grounds, public-bathing places, mineral-bath (Japan), turkish baths, massage clinics, beach-hut rentals, hiring of boats, boat rides

Club dues, initiation fees, membership fees

Beauty contests, contest-ballots (provided they are organized primarily for the enjoyment of spectators), firework displays, processions, and carnivals (but not mere street decorations)

Radio and Television sets, phonographs, phonograph records.

## II—THE AMUSEMENT TAXES

Under this tax is generally classified all taxes on amusements as defined and classified above, and all taxes and license fees on persons or corporations in the business of or otherwise providing amusements or entertainment. It has been classified as a "sales tax", "selective sales tax", "excise tax", "selective excise tax". It has also been classed as an "indirect tax" and as one of the "business, license or privilege taxes". It has been described as a "consumption tax", or as a "luxury-consumption tax".

The tax has been labeled in different ways. In the United Kingdom and countries formerly under British rule, it is usually denominated "entertainment duty" or "entertainments tax", while the tax on wagers is generally

called "pool-betting duty". In some places, it may be named after the purpose for which it is collected like "Hospital Tax" (Ontario, Canada) or "Hospital Duty" (Quebec, Canada). Most South American countries call it the "tax on public spectacles and shows", like Chile and Ecuador. Greece has a tax called "luxury-establishments tax" which is a tax on restaurants, bars and nightspots. Italy names it "public entertainments tax" while Japan and Korea have among its local taxes an "amusement, eating and drinking tax" which applies to the bill covering food, service and entertainments. Whatever they are called, the writer has found out that with very few exceptions, the concepts of the amusement taxes and the subjects or objects they usually apply to are substantially the same throughout the world.

The concept of entertainment was born with man. Even the most primitive governments, both national and local, recognized the value of entertainment of their people as a means to rule and order.<sup>9</sup> The forerunners of the amusement tax, however, only appeared in the middle ages, where a social custom required the giving of mild alms to the needy every time one spent money on entertainment, as a means of bridging the gap between those who were in a position to enjoy all life had to offer and those who lacked the most essential things. In 1541, one finds in a duty in the nature of an amusement tax: the Parisian parliament exacted a sum of one thousand pounds in favor of the poor from a theatrical company for the privilege of presenting mystery plays. In 1699, the first tax on admission was enacted in France by Louis XIV in the nature of a sixteen and two thirds per centum (16 2/3%) tax on the gross income of the Parisian opera and playhouses. The revenue was earmarked for the maintenance of a hospital.<sup>10</sup>

In its early history, the amusement tax can be described as a luxury excise, exacted from the richer members of society for the benefit of the poorer ones. That it is generally imposed on the moneyed class is a justification which has been carried on to this day but with the exception of some countries, its earmarking for the poor has been sacrificed in favor of the general revenue of the taxing jurisdiction. This was due to the fact that many states started using the tax during World War I when more pressing government revenue needs were present. The United States, Great Britain, Canada, New Zealand and Australia are some countries which started the imposition of the tax during the first World War.

Amusement taxes may be classified into five general categories: the admissions tax is the most common, generally a tax levied directly on persons paying admissions, the tax usually termed an exaction for revenue purposes imposed on persons exercising the privilege of entering places of

<sup>9</sup> *Id.* at 4.

<sup>10</sup> WALTER DIGGLEMANN, *Die Billettsteuer In Der Schweiz*, ZURICH: BUCHDRUCKERIE NEUE ZUERCHER ZEITUNG, 1 (1944).

amusement and entertainment. It may be a flat percentage of the admission price (like ten percentum (10%) of price of the admission), or a certain amount for every fraction of the price (like 1 cent for every 20 cents). This form is similar to that adopted by the federal government of the US and by the states of Washington, New York and Pennsylvania and is also the most common form of admissions taxes in other countries. The other form utilized in taxing admissions is a license tax for revenue purposes imposed upon those conducting or engaging in the business of furnishing entertainment or amusement, the measure of the tax being based on admission charges, or the number of tickets sold. This form is utilized by cities in Ohio and California.<sup>11</sup>

The second general classification is the licensing and taxation of places such as *night clubs, cabarets, bars, restaurant and other entertainment and eating places*. The tax is usually in the form of a fixed percentage of the gross receipts, together with a license for regulation purposes, or the license may combine both by fixing the amount of the payable fee at a certain percentage of the gross receipts. Almost always, but not necessarily so, admissions or cover charges are taxed as part of the gross receipts. Almost all countries use this tax in addition to the admissions tax. Among those that may be mentioned are the United States Federal tax (20%), Finland (25%), France (fixed locally), Greece (fixed locally), Iceland (10%), Italy (15%), Japan (15%), Mexico (18%), Chile (18%), Argentina, Brazil and most other South American countries have varying rates depending on the local authority imposing them.

The third major classification is the taxes on *gambling places and the taxes on bets or wagers*. The tax is one of the most lucrative of the amusements taxes as it is traditionally relatively high and the taxable base is quite large. The taxes on the gambling establishment itself are in the form of licenses, the amount of the fee depending on the nature of the gambling establishment. Any kind of racing usually is taxed at certain percentage of the gross receipts, (which may be in addition to a fixed license fee for operating the establishment). In addition to the tax on the establishment, there is always a fixed percentage tax on the bets or wagers or pool. Some countries restrict the taxable base to the winnings. This tax on gambling establishments and on wagers is a very big source of revenue for the United States Federal Government and 27 states.

The fourth kind is the tax on *mechanical devices*. This is almost always a fixed license fee for a certain period of time, (e.g., yearly, quarterly, or monthly) and usually requires the attachment or stamping of a license to the mechanical device so taxed.

<sup>11</sup> BILL L. DOZIER, *Municipal Amusement Taxes, MUNICIPAL AND THE LAW* ACTION, 32-33 (1950).

The last general classification is the tax on *billiard tables, pool tables and bowling alleys*. The most common is a fixed amount of tax per table and a fixed amount of tax per alley.

In this paper we shall also mention some "related taxes" either because they are activities or businesses similar to amusements (like fishing and game taxes) or because the objects they tax are usually used or connected with amusements (like the tax on playing cards). Little or no mention, however, shall be made of excises on beer, liquor and cigarettes, nor of taxes on amusement objects and devices which are more in the nature of customs or import duties.

### III—OTHER "RELATED" AND SOME "UNCOMMON" TAXES

*Boxing and wrestling matches*: special laws usually apply to these matches, though otherwise they may have been classified under the general admissions tax, or gross receipts percentage tax on places of amusement.

This is because admissions prices to these contests are usually higher, and the kind of tickets issued are of more different rates. Besides, the history of boxing and its popular appeal has necessitated special regulation and more police surveillance of the same. Invariably, the collections from this tax are wholly or partly earmarked — the most common beneficiary being the country's or state's boxing commission. The admissions are usually taxed in the same manner as admissions in general but that the rates may be higher or lower depending on the legislative or state policy desired to be pursued.

*Fishing, hunting, trapping or game licenses or taxes*: these are widely used in the United States on the state level but very few other countries enact them or if they so have them, enforce them at all. They are imposed in the form of game permits, usually at a nominal fee but in the United States, though nominal in amount, they provide a stable source of revenue for the important state functions of conservation and preservation of wild-life and similar purposes.

*Tax on playing cards*: this is a very common tax. Argentina, Australia, Canada, Chile, France, Germany, Italy, Japan (including mahjong sets), Norway, Sweden, United Kingdom, Thailand and the Philippines are among those using this tax. It is a fixed amount per pack which may vary according to the size or number of the pack. It is imposed either on the importer or manufacturer of the cards and is administered by affixing stamps to the pack. The writer hasn't come across any country imposing the tax directly on the purchaser.

*Tax on club dues, initiation fees and similar levies*: The United States uses this as a federal tax, imposing a tax of twenty percentum (20%) of the amount of the dues or fees. France imposes a similar tax on clubs, association and places of meeting. On membership fees to clubs and as-

sociations, the tax is: five per centum (5%) on the first 10,000 francs, ten per centum (10%) on the next 10,000 francs, and twenty per centum (20%) on fees over 20,000 francs. On places of meeting there is imposed on the rental value of the premises five per centum (5%) on the first 5,000 francs, ten per centum (10%) on the next 5,000 and twenty per centum (20%) on amounts over 20,000 francs.<sup>12</sup>

*Meal taxes:* this is a comparatively new kind of tax which appears reasonable and practical to me, which in my personal opinion might be adopted by more states in the future. It is a fixed amount or fixed percentage imposed on meals which cost above a certain statutory minimum. The minimum is a matter of good policy so provided in order not to tax the poor sections of the population, and in some jurisdictions, in order to make a reasonable classification not subject to constitutional objections. States which levy it usually earmark it for some charitable purpose in order to sway popular opinion in favor of it. It has worked very well in Massachusetts where a five per centum (5%) tax on meals of \$1 or more is earmarked for the Old Age Assistance Fund. Besides, in Massachusetts, 1/3 of the collections is distributed to the cities and towns but to go towards the town's contribution to the Old Age Assistance Fund, while 2/3 goes to the State also to help finance the State's share of the Old Age Assistance Fund. Collections from this tax amounted to \$3,870,060.79 in 1947 and \$4,967,483.63 in 1949.<sup>13</sup> Nevada applies its two per centum (2%) sales tax to meals of \$0.25 and over.<sup>14</sup> The province of Quebec, Canada, imposes a five per centum (5%) tax on meals of 60 cents or more, earmarked for the state hospitals, thus called the "Hospital Duty Act".<sup>15</sup>

*Lottery taxes:* Tasmania (21 1/4%), Germany (20%), Greece (20%), Sweden (20%)<sup>16</sup> are among those imposing this tax. It is simply a flat percentage tax either on the price of tickets of the lottery or on the amount of prizes. State-conducted lotteries are generally exempted from the tax.

References now will be made to some not-too-common forms of amusement taxes:

The first one is the United States Federal "Bookie" Tax: In 1951 the US Congress levied an excise tax on all wagers and a special occupational tax on all those who are engaged in wagering. Section 3285 of the Internal Revenue Code requires that each person engaged in the business of accepting wagers shall pay an excise of ten per centum (10%) of the amount of the wagers placed with him. Section 3290 requires payment

<sup>12</sup> These rates and many other facts mentioned here may be found in *Tax Systems*, Thirteenth Edition, (1952), Commerce Clearing House, Inc., a compilation of the amusement taxes reported in that book being included herein.

<sup>13</sup> Massachusetts Federation of Taxpayers Associations, Inc. "Financing State Government in Massachusetts", February 1947 Edition, p. 15, and, 1950 Edition, p. 13.

<sup>14</sup> STATE TAX REPORTER — Nevada, Commerce Clearing House, Inc. 6152.

<sup>15</sup> TAX SYSTEMS, p. 407.

<sup>16</sup> For details see COMPILATION OF AMUSEMENT TAXES.

of a special tax of \$50 by anyone liable under Section 3285 or by anyone engaged in receiving wagers for or on behalf of anyone so liable. Section 3291 provides as follows:

- a) Each person required to pay a special tax . . . shall register with the collector of the district . . .
- 1) his name and place of residence
  - 2) each place of business where the activity . . . is carried on, and the name and place of residence of each person who is engaged in receiving wagers for him or on his behalf, and
  - 3) if he is engaged in receiving wagers for or on behalf of any person liable for tax under subchapter A, the name and place of residence of each such person.

Subsection (c) of this section states that the collector may from time to time require such additional information as may aid him in the enforcement of this statute. Willful failure to comply with the foregoing provisions is punishable by a fine of not more than \$10,000 and a prison term of not more than 5 years.

The history of the enactment of this tax, and the exemptions and exclusions from it reveal that this is more of a regulatory measure than a tax to provide a possible basis of prosecution of bookies and gamblers where State authorities were "reluctant" to enforce their criminal laws. The bookmaker tax is imposed in countries where it is not illegal to engage in the business, such as New South Wales, Queensland, Ireland, and Cape of Good Hope Province. Bookmaking is illegal in the Philippines.

*Japan's Geisha Girl Tax:* This tax is part of the "amusement, eating and drinking tax" of Japanese local government. A thirty per centum (30%) rate is imposed on customers for the service fees of Geisha-girls or other persons. (Note that the rate is fifteen per centum (15%) for the other part of the bill covering eating and drinking). It must be mentioned that Geisha girls are not prostitutes but professional career entertainers, and the tax is just an extension of the usual policy of imposing a higher tax on a luxury which only the moneyed class can afford. The tax is withheld by the operator of the bar, operator, or hotel where the services of the Geisha girl was availed of.

*Japan's Mineral Bath Tax:* the taxpayer here is the person taking the mineral bath, a flourishing business in Japan's health resorts. The rate is 20 yen a day which is withheld by the operator of the mineral bath.

*France's Guarded Hunting Grounds Tax:* The tax is imposed on the rental value of guarded hunting grounds at the rate of three per centum (3%) with a minimum of 5 francs per hectare and a maximum of 15 francs per hectare.

*Greece's Luxury Establishments Tax:* besides its amusement tax imposed upon dance halls, cabarets, and other places of amusement and a

theater tax upon admissions to theaters and all other kinds of shows, there is imposed another tax at a fixed per diem rate for every day of operation of establishments, such as bars and restaurants which are considered luxuries.

*Northern Ireland's Tax on Refreshment Houses:* this is confined to larger towns in Northern Ireland and the unusual feature of the levy is that it is only imposed on refreshment houses remaining open after 10 p.m. The rate is £1.1 per annum.

*Mexico's Handball Tax:*<sup>17</sup> applying to handball bets at the rate of fifty percentum (50%), the amount retained by the operator after the winnings have been distributed.

*Mexico's Comprehensive Tax on Dances:*<sup>18</sup> It seems that Mexico taxes all kinds of dances that are held. The rates are:

1. Clubs and club houses, or public dance halls — \$20 to \$300 per dance.
2. Dances in public halls, if benefit will result for the organizer — \$40 to \$500 per dance
3. Other dances: if no price is chargeable — \$10 per dance; if a price is chargeable — \$20 to \$300 per dance
4. Private dance, in any place, \$20 to \$100
5. Dancing schools, \$50 to \$1,200 per bi-monthly

*Formosa's Tax on Admission to a Sing-song:* This is just like any admission tax but what is unusual is the kind of amusement which is called sing-song — which in English means story-telling. A fifteen percentum (15%) tax is imposed on the admissions to such story-telling sessions which are usually accompanied by a round of tea.

*Puerto Rico's Ten Percentum (10) Limited Baseball Tax:* A tax of ten percentum (10%) is imposed on the total gross receipts from the sale of admission tickets in the baseball parks of *Caguas, Mayaguez and Ponce* only, three important cities of the Island. The tax is not imposed on other baseball parks. The reason for this is that the amount collected is earmarked for the payment of loans made for the installation of electric lights in said parks, the tax to be automatically repealed when the loans are paid.

*Singapore and Malay States Amusement Tax:* an entertainment tax of thirty three and one third percentum (33 1/3%) is levied on the admission price to motion picture theatres, but on no other forms of entertainment.

*Switzerland's Comprehensive Admission Tax:* A direct opposite of the Singapore tax, Switzerland's admission tax attaches to all kinds of entertainment where an admission is charged. The concept of entertainment

<sup>17</sup> According to a report submitted by Senior J. Arango Rojas, member of the International Program in Taxation, Class 1956-57, submitted at an International Tax Research Seminar Meeting.

<sup>18</sup> *Id.*

however, has been extended to apply the tax to the payment for visits to exhibitions of all kinds, including lectures, even political meetings, also all music shows, concerts, dancing in all forms and dancing schools. Even State theatres which are usually tax-exempt (as in Germany and France) are subject to the tax.

*Colombia's Tax on Bachelors:* Mention must be made here of this unique tax,<sup>19</sup> represented by 15% surcharge on income tax otherwise payable by all bachelors in Colombia between the ages of 35 and 65, exception being made for widowers and persons in religious life.

*Taxation of Radio and Television:* Before anything, let me state that all taxing jurisdictions tax radio sets and TV sets at least under their sales or manufacturers or import tax. What would be more within the category of a "related" amusement tax would be a yearly tax on these sets. Surprisingly enough, a survey of taxing jurisdictions shows that except for some states in the United States, and for a recently repealed tax in the Philippines, no other country seems to have tried the tax.<sup>20</sup> France has something similar — a tax on music instruments with a keyboard. The French tax is imposed on owners of pianos, organs and harmoniums at the rate of 30 francs yearly, and for owners of other similar instruments, 60 francs yearly.<sup>21</sup>

In the United States, the State of South Carolina imposed an annual license tax ranging from \$1 to \$2.50 on radio receiving sets. The tax was attacked under the interstate commerce clause. The Court concluded that receiving sets in South Carolina were essential to the reception of interstate communications, and thus the tax was invalid as a license for the privilege of using an instrument of interstate commerce. However, the Court's opinion indicates that were the Court satisfied that the tax was levied as a general property tax, or a general policy regulation, with the tax used to pay the regulation, it might have been sustained.<sup>22</sup> Personal property *ad valorem* taxes in the US as applied to radio sets have not been successfully challenged. There is no sound basis for attack as there is no discrimination.

The Philippines had in force for several years a tax on radio fees.<sup>23</sup> The tax required the withholding by the seller of the tax for the first year, and the registration and payment of the tax by the owner or possessor for subsequent years. The fees were higher for auto radios which were taxed at ten pesos for radios of five tubes or less, and fifteen pesos for radios over five tubes. Other receiving sets were taxed at the following rates:

<sup>19</sup> Whether this partakes of the nature of a "related" amusement tax may be debated, but the writer does not want to press the point.

<sup>20</sup> *Op. cit.*, *supra* note 15 — no reported tax of such a nature.

<sup>21</sup> *Id.* at 421.

<sup>22</sup> *Station WBT v. Poulnot*, 46 F. (2d) 671.

<sup>23</sup> Former Sections 296 to 301 of the Philippine NATIONAL INTERNAL REVENUE CODE, see TAX SYSTEMS, *supra*, p. 473.

five tubes or less — three pesos; six to ten tubes, ten pesos; over ten tubes — fifteen pesos. Exemptions were given for sets owned or operated by the government, sets in storage or out of service, sets kept for sale or used for demonstration by those engaged in the manufacture or sale of radio apparatus, sets installed on licensed airplanes and ships, sets owned and operated by lighthouse keepers at their official stations and sets of not more than two tubes and used exclusively for scientific experimentation. The total amount collected by the tax barely covered the amount used for its administration, thus influencing the repeal of the tax last June 16, 1956.<sup>24</sup> (see *infra*, for more discussion of this tax.)

#### IV — FOR THE NATIONAL OR LOCAL GOVERNMENT?

The question of who should impose the tax and the more general question of inter-governmental tax-coordination has been a very much discussed aspect in the amusement tax field. This is especially true in countries where a federal system of government prevails, such as the United States. Obviously, there is a considerable division of opinion about the matter.

In a questionnaire sent out by the Committee on Inter-governmental Relations of the National Tax Association<sup>25</sup> to 22 experts, 13 of those consulted thought that the States (US) should retain their amusement taxes, but only 10 expressed the belief that the Federal Government should leave this field to state and local governments.

United States Tax experts agree on certain things, however. *First* — that from the point of view of administration, amusement taxes (more particularly the admissions tax) are "admirably suited"<sup>26</sup> and can be "enforced effectively"<sup>27</sup> at the municipal level. This arises from the fact that the tax is on a local service rather than on a tangible commodity with some degree of mobility, thus also eliminating the possibility of jurisdictional and interstate commerce problems. Others point out that the cost of administration is unusually low, due to some extent to the local use of records required for the federal admissions tax.<sup>28</sup> Some authors call it a "natural" tax for all urban places, for nearly all the revenue that is raised by this tax comes from residents of the cities concerned.<sup>29</sup> Local government representatives also stress the fact that the tax reaches the transient population within a city and to a certain extent, fringe dwellers who use city amuse-

<sup>24</sup> R.A. No. 1476; see Philippine NATIONAL INTERNAL REVENUE CODE, amended, p. 204 (Sept., 1956, Printing).

<sup>25</sup> WILLIAM G. BONELLI — *The Viewpoint of Tax Administrators on Problems of the Commission on Inter-governmental Relations* — National Tax Association Proceedings of the 47th Annual Conference, p. 17 (1954).

<sup>26</sup> L. LAZLO ECKER-RACZ, "Inter-governmental Tax Coordination: Record and Prospect", NATIONAL TAX JOURNAL, 258-259 (1952).

<sup>27</sup> L. LAZLO-RACZ, "State Tax Activities (1955)" 353.

<sup>28</sup> MUNICIPALITIES AND THE LAW IN ACTION, 276 (1951 ed.).

<sup>29</sup> WILLIAM ANDERSON, "Allocation of the Admissions Tax to Cities and Villages, A proposal", 30 MINNESOTA MUNICIPALITIES, 220 (1945).

ment facilities, — a partial answer to the question of taxation of "daylight citizens".<sup>30</sup> *Secondly* — even assuming that the federal government should vacate this tax in favor of local governments, it is generally agreed that immediate repeal would be inadvisable.<sup>31</sup> This is due to the fact that in many states, municipalities do not have authority to impose such taxes and specific statutory authorization would be required. Absolute repeal of the tax by the federal government would also instantly signal the imposition of pressure on local governments, from interested parties, usually politically-backed, to keep the tax repealed entirely, or to get the revenue allocated to some particular use.<sup>32</sup> The forces interested in education, in public health, in parks and recreation, and in other functions of government, would be there to ask for a portion of the tax. The most important need in local government today is funds for general revenue.

Not a few people have pointed out that amusement taxes seem to have been successfully applied at both levels without conspicuous advantages for either or major problems in the overlap,<sup>33</sup> pointing out only that there is need or much room for co-operative practices in this area.

Methods of co-ordination that have been proposed or which may be used are: reduction of the federal rate with the local governments taking over the reduction, federal sharing with states and local government of whatever amount is collected, federal price exemption for a designated amount and under, which exempted amount (e.g., admissions not more than \$1) may then be made subject to local levy, the use of the crediting device, and also gradual and eventual relinquishment in favor of local government.

At this point, it may be pointed out that there has been little activity lately in the general admissions tax area in spite of the reduction in the federal rate to ten per centum (10%) and increase of exemptions in 1954. It will be recalled that for several years, Congress has been asked by spokesmen of state and local governments to eliminate or at least reduce the twenty per centum (20%) federal tax on admissions because it constituted a barrier to more extensive use of admission taxes by states and localities. It was pointed out that new revenue requirements of local governments were pressing; that for localities to maintain substantial financial independence, suitable sources of revenue must be made available to them. The admissions tax was specified as a much needed source of diversification in revenue, one of the selective excise taxes which can be effectively administered at the municipal level. The 1954 reduction however ap-

<sup>30</sup> *Op. cit.*, note 27.

<sup>31</sup> GEORGE E. LENT, *The Admissions Tax*, NATIONAL TAX JOURNAL, 48 (1948); see also: L. LAZLO ECKER-RACZ, *op. cit.*, note 25, p. 259, quoting the American Municipal Association (with the suggestion of the use of the crediting device as an intermediate step).

<sup>32</sup> *Op. cit.*, *supra* note 28.

<sup>33</sup> *Federal, State and Local Government Fiscal Relations*, A Letter from Acting Secretary of the Treasury to the Senate (78th Congress, 1st. Session). Document 69, p. 545.

pears to have stimulated little state and local interest. Aside from the increase in the Mississippi tax rate from two percentum (2%) to three percentum (3%) and the adoption of five percentum (5%) tax on admissions in New York City, no recent additions have been made to the list of state and local admission taxes. In fact, in Ohio, where the tax is available to municipalities, the trend has been in the direction of increasing exemptions.<sup>34</sup> A reading of the National Institute of Municipal Law Officers reports shows that every year the number of cities that drop the admission tax and those that start using it are about the same.

In Japan, the admissions tax was originally a national tax. It was transferred to local governments in August 1948, 1/3 of the revenue going to the prefectures (provinces) and 2/3 going to the municipalities. The Shoup Mission (1949) considered it a tax that can be administered well by Japanese local governments but recommended that the entire tax be transferred to the prefectures since it proved to be an unequal source of revenue for political units as small as municipalities. The small towns and villages get nothing from it, and even lose indirectly as the inhabitants go to the neighboring municipality to see the movies and pay the tax. In spite of this recommendation, the 1954 tax revision restored it to the National tax structure. As a local tax, amount of collections had dropped down. Intervention of local politicians and other community leaders who invariably owned the theatres and other places of amusement, resulted in poor administration of the tax. Wide-scale evasion went unchecked resulting in nominal collections in spite of a high one hundred percentum (100%) tax rate.<sup>35</sup> Latest reports show that in spite of the 1954 rate reduction to a ten percentum (10%) to fifty percentum (50%)<sup>36</sup> maximum, better administration of the tax by national revenue officials resulted in bigger collections than the local collections under the one hundred percentum (100%) rate.<sup>37</sup> The present provisions however call for the delivery of the amounts collected to local bodies in proportion to the number of inhabitants.

In Formosa, the tax is imposed by national government but all revenues are "used exclusively by local governments below the 'provincial' level."<sup>38</sup>

In Canada, which has a federal government similar to the United States (except for the fact that the residue of powers is given to the Dominion) every provincial government (there is no federal tax) except Saskatchewan imposes a tax in one form or another on the price of admission to places of amusement. In eight of the provinces, there are also taxes on pari-

<sup>34</sup> *Op. cit.*, supra note 26.

<sup>35</sup> *Op. cit.*, supra note 1, Volume II pp. 205-208; see also, Japan, *Local Tax Law, 1950, LOCAL AUTONOMY AGENCY AND LOCAL FINANCE COMMISSION*, p. 51.

<sup>36</sup> *Outline of National Tax in Japan, 1956, Taxation Bureau, Ministry of Finance*, p. 35.

<sup>37</sup> Figures are not available but reliable information has been furnished by Mr. Hosomi, member of the International Program in Taxation, Class 1956-57.

<sup>38</sup> From a report by Mr. Tsao of Formosa, member of the International Program in Taxation, Class 1956-57.

mutuel bets placed in race tracks. Provincial governments now stand alone in both these fields, the Dominion war-imposed levies of twenty percentum (20%) on admissions, twenty five percentum (25%) on cabarets and night clubs, and five percentum (5%) on pari-mutuel bets having been withdrawn in May, 1948.<sup>39</sup> (Canada is an exception to the United Kingdom and other former British colonies in the sense that these countries impose amusement taxes on the national level, see compilation, *infra*.) In Saskatchewan, there is no provincial tax on admissions or other amusements, the right having been given to the municipalities.<sup>40</sup> In Quebec, there are also municipal taxes though the proceeds are shared with the province.<sup>41</sup>

The Swiss Federation has no amusement levies, this field of taxation being left entirely to the Cantons. Every Canton can reserve the power exclusively to itself or delegate the power to the localities or share this power with the localities. In delegating the power to localities, the grant may make the taxation of amusements optional or compulsory.<sup>42</sup>

Amusement taxes are generally imposed on the local level in Argentina, Brazil, Uruguay, Venezuela, India, Pakistan and the Netherlands. It is essentially a national tax in the United Kingdom, Australia, Ireland, New Zealand, Jamaica, Korea, Costa Rica, Chile, Puerto Rico and Greece.

The United States, Philippines, Ecuador, Mexico and France have the taxing power of this field available at both levels. As regards Japan, only the admission tax and tax on playing-sets are national. The amusement-eating and drinking tax, local entertainment tax, geisha girls tax, hunter tax, and mineral-bath taking tax, are all local government taxes.

#### V — EARMARKING AND ALLOTMENT:

Many countries have seen fit to earmark their amusement tax collections. Some allot them directly to local governments, though they are collected and imposed by the National Government.

Supporters of earmarking advance the following reasons:

1. Historical argument — the amusement taxes were originally employed as a "means of bridging the gap between those who were in a position to enjoy all life had to offer and those who lacked the most essential things," and were usually earmarked for the poor or poor houses. (see *supra*.)
2. Earmarking is a good way of informing the people about the tax, why it is imposed. It is a good means of swaying public opinion in favor of the tax.

<sup>39</sup> J. Harvey Perry, *Taxation in Canada*, 211 (1953).

<sup>40</sup> *Id.* at 212.

<sup>41</sup> *Id.* at 211.

<sup>42</sup> *Op. cit.*, supra note 10, p. 59.



3. Earmarking would satisfy the need for some purposes for imposing the tax.

4. Benefit theory — that the money being taken is also being given back to them in the form of certain specified benefits — which together with arguments no. 2 and no. 3 serves to remove the people's fundamental distrust of new taxes.

5. One important advantage of earmarking is that it would give the institution benefited a definite and stable source of funds, without the necessity of lobbying for or cuddling to the wishes of those in a position to allot or grant it.

People who are against earmarking say:

1. Earmarking is usually for charitable and philanthropic purposes, for which there is no need in any country where there is an extensive social security system, and where private charitable organizations are numerous and quite self-sufficient (like in the United States).

2. Anyway, the government can and invariably does appropriate funds for these purposes from the general funds.

3. In many countries (particularly on the local level), the need is for general revenues, and not for certain specific purposes.

4. In many countries, the proceeds of the amusement tax are not sufficient to cover the purpose specified — thereby necessitating further appropriations so why bother to earmark in the first place. In fact legislators laboring under a misconception that sufficient funds have been earmarked for that purpose may be reluctant to grant anymore.

5. If the earmarking entails a different method of collection, then it is not good from the administration point of view to collect taxes by different ways.

Instances of earmarking or allotment of amusement taxes:

*Ecuador:* A. Admissions tax for:

1. Reconstruction aid for provinces affected by the earthquake of 1949
2. For the support of the symphony orchestra

B. Collections from 1st class restaurants and night clubs:  
For the Red Cross

*Costa Rica:* 2 of their three amusement taxes are earmarked wholly for 2 institutions, one of which is given authority to collect the tax:

- a) Sanatorio Leprosario Lazaretto
- b) National Institution of Lodging (collects the tax)

*Jamaica:* a duty collected from a special sweepstakes: for hospitals

*Ontario, Canada:* admissions tax: for hospitals

*Quebec, Canada:* meal taxes: for hospitals

*Puerto Rico:* ten percentum (10%) baseball tax; earmarked for loan incurred to put up electric lights in certain baseball parks

Tax on race tracks: sixty percentum (60%) for the "Fund for the Prophylaxis of TB in Children", forty percentum (40%) for the "Fund for the Prevention of TB in Children of School Age"

*Israel:* half of the revenues collected from the amusement tax under the stamp duty ordinance is earmarked for the local communities, twenty five percentum (25%) to the local community where it was collected, and twenty five percentum (25%) to a general fund of the Ministry of Interior, to be distributed among local authorities according to need.

*Formosa:* revenues from amusement taxes are exclusively for local governments below the "Provincial" level

*Japan:* total revenue from admissions tax is delivered to local bodies — (To, Do, Fu, and prefectures) in proportion to the number of inhabitants.

From the above enumeration, it can be seen that the purposes are varied but are usually either charitable or for local governments. In addition, earmarking of the amusement taxes seems to be desirable when a certain amount of money is needed to be raised immediately for specific purposes.

Besides these purposes, some states usually allot a certain percentage of the total collections either as commission to the collecting agency, or as appropriation for the support of the board or body regulating the place or activity taxed, such as the State Boxing Commission, or the Racing Control Board, etc.

#### VI — AMUSEMENT TAXES IN THE PHILIPPINES AND OTHER "RELATED TAXES":

The present amusement tax laws in the Philippines are principally those levied by the National Internal Revenue Code, (hereinafter referred to as the Tax Code) and also those imposed by local governments for local purposes. Amusement places or activities whether taxed or not by the National Internal Revenue Code, may be taxed by municipal councils.

#### — Taxes under the National Internal Revenue Code

A cursory analysis of the method adopted in taxing amusements established in Chapter IV of Title VIII of the Tax Code shows that the law-making body followed the generally accepted division of amusements into two categories: i.e., that of the passive class where the patrons of such and of entertainments enjoy themselves by watching the incidents of a

drama or play, by regaling their ears with the melodies of a concert or by quietly watching the antics of circus performers or exhibitionists; this is in contrast with the second category, the active kind, better known under the name of "sports", where the patrons obtain their pleasure by taking part themselves in contests of skill or endurance or taking sides in races or games by means of betting, or experiencing the feeling of exhilaration resulting from a combination of eating, drinking and dancing or from indulgence in some form of physical exercise. To the first group belongs theatres, cinematographs, concert halls, circuses and other shows of the same nature. These draw their income almost exclusively from the sale of admission tickets and are taxed on the basis of a graduated percentage on the prices of jai-alai and race tracks. In this kind of amusement business, the income is derived usually from cover charges, overpricing of food or drinks, shares in the betting money, admission tickets or a combination of a number of these devices. The tax in this group is a set amount of percentage of the gross receipts.<sup>43</sup>

Otherwise classified, the amusement places in the Philippines are divided into three (3) categories for purposes of the amusement taxes:

- a) Those subject to amusement tax on *admission* fees as provided in paragraph 1 and 2 of Section 260 of the Tax Code;
- b) Those subject to amusement tax on *gross receipts* as provided in par. 4 of Section 260 of the Tax Code;
- c) Those subject to amusement tax on *winnings or "dividends"* as provided in Section 260-A of the Tax Code.

Only amusement places or activities enumerated in the Tax Code and as classified above are subject to the amusement tax.

Besides the provisions of Sections 260-261 and ordinances enacted by local governments other "related" statutes and statutory provisions are:

1. Section 140 — specific tax on firecrackers — twenty pesos per kilogram
2. Section 146 — specific tax on cinematographic films — fifteen centavos per linear meter on films of more than eight but not more than sixteen millimeters in width; twenty centavos per linear meter on films of more than sixteen millimeters in width. Exception is made for educational films or cinematographic films used for visual education.
3. Section 147 — specific tax on playing cards — ten pesos on each pack of cards regardless of the size thereof containing not more than sixty cards; and on each pack containing more than sixty cards, there shall be collected ten pesos plus a proportionate additional tax on the number in excess of sixty.

<sup>43</sup> Junior Women's Club of the Philippines v. Collector, CTA No. 147, July 30, 1953.

4. Various privilege taxes on business and occupation under Title V of the Tax Code.

- a) Section 182(A)(3) q — manufacturers or importers of playing cards — two hundred pesos per annum;
- b) Section 182(A)(3) t — owners of race tracks for each day on which races are run on any track — five hundred pesos;
- c) Section 182(A)(3) v — cinematographic film owners, lessors or distributors — two hundred pesos per annum;
- d) Section 182(B) imposes a tax of fifty pesos per year on: pelotaris jockeys, professional actors or actresses, stage performers and hostesses. This tax expressly precludes the imposition or collection of any other "occupation" tax within the Philippines.

5. Section 191 — broadcasting stations, keepers of hotels, lodging houses, keepers of restaurants, refreshment parlors and other eating places, and caterers pay a tax of three percentum (3%) of their gross receipts. Keepers of bars and cafes where wines or liquors are served pay a tax of seven percentum (7%) of their gross receipts from the sale of liquor and wines. They are therefore required to issue two sets of sales receipts, one to cover sales of food and refreshments, and the other for sales of liquor and wine. Where any of these eating places or drinking establishments are maintained within the premises of a race track or Jai-Alai, or accessible to patrons of such race track or Jai-Alai by means of a connecting door or passage, the keepers of such establishments are taxed at twenty percentum (20%) of their gross receipts. Where such establishments are so similarly maintained within the premises of a night club or cabaret, or accessible to patrons thereof by a connecting door or passage, the tax is ten percentum (10%) of their gross receipts.

6. Section 195 — percentage tax on cinematographic film owners, lessors or distributors — two percentum (2%) of their gross receipts.

7. Section 292-293 on firearms licenses and hunting permits. Hunting permits are issued to holders of licensed firearms at two pesos a year.

8. Republic Act No. 991 — regarding taxes due on admissions fees to boxing exhibitions.

9. Republic Act No. 722 — regarding total exemption from the payment of amusement taxes due on admission fees to operas, concerts, recitals, dramas, painting and art exhibitions, flower shows, and literary, oratorical or musical programs.

10. Republic Act 1248 — regarding total exemption from the payment of amusement taxes due on admission fees to athletic meets, school programs, and similar activities conducted by *public* schools.

As previously noted, the amusement taxes strictly speaking are those

expressly designated as "amusement taxes" under Sections 260-261 of Chapter IV Title VIII of the Tax Code.

The first, second and third paragraphs of Section 260 of the Tax Code, as amended, provide as follows:

"SEC. 260. Amusement taxes. — There shall be collected from the proprietor, lessee, or operator of theatres, cinematographs, concert halls, circuses, and other places of amusement the following taxes:

- "(a) When the amount paid for admissions exceeds twenty centavos but does not exceed twenty-nine centavos, four centavos on each admission;
- "(b) When the amount paid for admission exceeds twenty-nine centavos but does not exceed thirty-nine centavos, six centavos on each admission;
- "(c) When the amount paid for admission exceeds thirty-nine centavos but does not exceed forty-nine centavos, eight centavos on each admission;
- "(d) When the amount paid for admission exceeds forty-nine centavos but does not exceed fifty-nine centavos, ten centavos on each admission;
- "(e) When the amount paid for admission exceeds fifty-nine centavos but does not exceed sixty-nine centavos, twelve centavos on each admission;
- "(f) When the amount paid for admission exceeds sixty-nine centavos but does not exceed seventy-nine centavos, fourteen centavos on each admission;
- "(g) When the amount paid for admission exceeds seventy-nine centavos but does not exceed eighty-nine centavos, sixteen centavos on each admission;
- "(h) When the amount paid for admission exceeds eighty-nine centavos but does not exceed ninety-nine centavos, eighteen centavos on each admission;
- "(i) When the amount paid for admission exceeds ninety-nine centavos, the tax will be thirty per centum (30%).

"In the case of boxing exhibitions, there shall be collected from the proprietor, lessees, or operator an amusement tax at a rate equivalent to fifty per centum (50%) of the taxes prescribed in the preceding paragraph: *Provided*: That no local government shall impose any tax in excess of five per centum (5%); *Provided further*: That all laws and ordinances in contravention hereto are repealed.

"In the case of theaters or cinematographs, the taxes herein prescribed shall first be deducted and withheld by the proprietors, lessees, or operators of such theaters or cinematographs and paid to the Collector of Internal Revenue before the gross receipts are divided between the proprietors, lessees or operators of the theaters or cinematographs and the distributors of the cinematographic films."

The above quoted provisions prescribe the following rates of amusement taxes collectible from proprietors, lessees or operators of *theaters, cinematographs, concert halls, circuses, and other places of amusement*:

Admission Price	Tax
From P0.21 to P0.20	P0.04
" 0.30 " 0.39	0.06
" 0.40 " 0.49	0.08
" 0.50 " 0.59	0.10
" 0.60 " 0.69	0.12
" 0.70 " 0.79	0.14

" 0.80 " 0.89	0.16
" 0.90 " 0.99	0.18
" 1.00 up	30%

As interpreted by the Philippine Courts, the concept of the amusement tax contemplated in Section 260 of the Tax Code is not a tax on the right to hold or stage a show or performance. Neither is it a tax on the theater or place of amusement. The tax in said section of the Tax Code is one imposed on the *admission* to theaters or places of amusement. It is therefore a tax on the right or privilege to enter the places of amusement enumerated in said Section 260 of the Tax Code.<sup>44</sup> It has been ruled therefore that swimming pools and dancing pavilions do not come within the purview of Section 260. "Theatres, cinematographs, concert halls and circuses enumerated in that section offer entertainment or amusement which in the popular mind is associated with the pleasurable occupation of the senses of sight and hearing. People seek admission to these places to watch or hear others perform, not to be actors but spectators. Bullfights and "holiday on ice" shows, if not especially taxed, would fall under this category. Swimming pools and dancing pavilions, unless used for swimming or dancing contests or exhibitions are not of the same kind as theatres, cinematographs, concert halls, and circuses so as to be embraced by the enumeration."<sup>45</sup>

It has also been ruled that fees charged by a proprietor, lessee or operator of bowling alleys and billiard pools from their customers for the use of their bowling alleys and billiard tables are mere rentals for the use thereof, and therefore, not subject to the amusement tax imposed on admission fees to an amusement place. However, if admission fees or charges are collected from the general public for the privilege of witnessing billiard games and bowling contests, the admission fees or charges in excess of P0.20 are subject to the amusement tax prescribed by Section 260 of the Tax Code, for the reason that the places where the bowling contest and billiard games are being held are considered places of amusement.<sup>46</sup>

In connection with bowling alleys and billiard or pool tables, it is noted that they are not taxed by the national government but are left to be possible subjects of taxation by municipal governments.<sup>47</sup>

In applying the rates specified under Section 260, the taxable base shall be the price of admission exclusive of all amusement taxes, national and local. Therefore, the amount paid for admission indicated on the face of the ticket comprises both the admission price and the amusement tax due thereon. Thus if the admission price indicated on the ticket is P0.90,

<sup>44</sup> Estefania Vda. de Aldaba v. Blaquera, CTA No. 198, February 27, 1956.

<sup>45</sup> Opinion No. 245 of the Department of Justice, Series of 1955.

<sup>46</sup> BIR Ruling, March 5, 1952, BIR Bulletin Vol. 1, March 30, 1952.

<sup>47</sup> REVISED ADMINISTRATIVE CODE of the Philippines; See also Commonwealth Act No. 472, June 16, 1939.

the national amusement tax is P0.14 and the basic admission price is P0.76, computed as follows:

Basic admission price .....	P0.76
National Amusement Tax .....	P0.14
<hr/>	
Admission price as indicated on the face of the ticket ..	P0.90

In cases where concurrently a city or municipal tax is imposed, then the municipal or city tax is first deducted from the admission charge printed on the ticket, and the balance is treated as equal to the basic admission price and the national amusement tax, and the rates specified under Section 260 of the Tax Code are then applied. Thus if the price paid for entrance is P1.20 and the municipal or city amusement or city amusement tax is P0.10 for this price of admission, the national government amusement tax should be P0.18 and the basic admission price is P0.92:

Basic admission price .....	P0.92
National Amusement Tax .....	.18
Municipal Amusement Tax .....	.10
<hr/>	
Total admission price as indicated on the ticket .....	P1.20

Under the provisions of Section 260 of the Tax Code, the admission fee of P0.20 to an amusement place is exempt from the amusement tax. This has given rise to tax evasion in the form of issuing 2 1/2 of the children's admission tickets of P0.20 each to adults in lieu of an admission fee of P0.50 and similar methods. The Bureau of Internal Revenue has ruled, however, that the total value of the children's admission tickets actually used by adults is subject to the amusement tax at the prescribed rates. Consequently, the splitting of P0.50 admission fees by the issuance of 2 1/2 admission tickets of P0.20 each is fraudulent if the corresponding amusement tax due thereon is not paid by the proprietor, operator or lessee of the theatre and the Collector of Internal Revenue has the power, pursuant to Section 15 of the Tax Code, to assess the amusement tax and impose the fifty per centum (50%) surcharge prescribed by Section 260. How this ruling has not been too effective will be pointed out later, see *infra*.

The fourth paragraph of Section 260 of the Tax Code, as amended provides as follows:

"In the case of cockpits, cabarets, and night clubs, there shall be collected from the proprietor, lessee, or operator a tax equivalent to ten per centum (10%), and in the case of race tracks, twenty per centum (20%) of the gross receipts, irrespective of whether or not any amount is charged or paid for admission; *Provided*, however, that in case of race tracks, this tax is in ad-

<sup>48</sup> BIR Ruling, February 2, 1953, File No. 155.062, BIR Bulletin Vol. 11 No. 1, March 31, 1953.

dition to the privilege tax, prescribed in Section 182(A)(3)(t). For the purpose of amusement tax, the term "gross receipts" embraces all the receipts of the proprietor, lessee, or operator of the amusement place."

The above quoted section imposes a percentage tax of ten per centum (10%) of their gross receipts on *cockpits, cabarets, and night clubs*. In the case of *race tracks*, the tax is twenty per centum (20%) of their gross receipts, in addition to the P500 per racing day fixed tax imposed on the owners of race tracks imposed by Section 182(A)(3)(t).

Where the operators of the above mentioned places enumerated by Section 260, par. 4, at the same time operate within their premises a bar or restaurant, their receipts from the said bar or restaurant are included in their gross receipts, and subject to the ten per centum (10%) tax (twenty per centum (20%) if a race track). As previously stated, where the bar or restaurant is owned or operated by a person other than the operator of the *cockpit, cabaret, or night club*, the owner or operator of said bar or restaurant shall be subject to a similar percentage tax of ten per centum (10%) or twenty per centum (20%) as the case may be. Where such bar or restaurant is operated within the premises, or is accessible by connecting passage to patrons of the *Jai-Alai*, they are subject to a twenty per centum (20%) tax of their gross receipts, whether owned by the *Jai-Alai* corporation or a different person.<sup>49</sup>

Under the present practice, receipts derived from admissions, and amounts received for the privilege granted for occupying more desirable places and preferential accommodations within the premises or compound of the foregoing amusement places are to be included in the gross receipts subject to amusement tax.

In the case of *Manila Jockey Club, Inc. and Philippine Racing Club, Inc. vs. Collector*<sup>50</sup> the Board of Tax Appeals (now the Court of Tax Appeals) said:

"The twenty per centum (20%) amusement tax on the gross receipts of the petitioners (owners of race tracks) should accrue on gross income derived by them from any of their activities whatsoever directly connected with, caused by, necessary to, or associated with the holding of horse races, or any other amusements held within the bounds of their places, buildings, or compounds, but that the said tax does not accrue on income received from other activities not related or only very remotely related to such activities in the amusement field.

Under the above interpretation and definition, it was held that:

*Exempt from percentage tax:*

1. Rentals from stables, lots and buildings belonging to the club, used for

<sup>49</sup> Section 191, par. 2, as amended, Philippine NATIONAL INTERNAL REVENUE CODE, as amended, September, 1956 Printing.

<sup>50</sup> Board of Tax Appeals, Case No. 150, October 6, 1953, and amended decision, October 31, 1953.

boarding horses and for residence of their caretakers situated outside of the wall limit built around the club premises.

2. Rentals from halls and offices rented for uses having no connection with the preparation and conduct of horse racing or other amusements, such as the rent paid by the Philippine Charity Sweepstakes for the occupation as part of the general office of a section of the grandstand of the Manila Jockey Club.
3. Rentals paid by charity institutions or tax-exempt organizations for the use of the Club's premises in holding races or other amusements when such institutions are themselves exempt from taxes.

*Liable to the twenty percentum (20%) tax:*

1. Rentals received from restaurants, bars, and other concessions inside the Club's premises corresponding to the days when horse races or other amusements are being held in the Club's compounds.
2. Admission charges, and other charges for preferential accommodations.

The Supreme Court of the Philippines has adopted the administrative definition of a night club as a "place of establishment selling to the public food or drinks where the customers are allowed to dance." But it has added a requirement that to come within the fourth paragraph of Section 260, "the place must be used and operated as a night club in its true sense and not merely for some occasional celebration", for Section 260 "contemplates the operation of certain places of amusement as a business or for profit, and not merely for special occasions more or less casual or circumstantial."<sup>51</sup> This decision and Opinion No. 245 of the Secretary of Justice<sup>52</sup> have exempted dances and other affairs conducted by social groups from the percentage tax otherwise imposed on night clubs and cabarets by Section 260. The BIR has also ruled that receipts from the sales of ballots in connection with a beauty contest are not subject to the admission tax imposed by Section 260 unless they are attached to the admission tickets sold to a dance or benefit performance.<sup>53</sup>

The amusement taxes on the receipts derived from admissions to theatres, cinematographs, concert halls, circuses, boxing exhibitions or other places of amusement, and amusement taxes on the gross receipts of cockpits, cabarets, night clubs and race tracks are payable at the end of each month. It is made the duty of the proprietor, lessee or operator concerned, within 10 days after the end of each month, to make a true and complete return — done under BIR Form No. 37.01 (attached) — showing the classes and serial numbers of admission tickets sold, the rates of admission fees or charges and the amount of gross receipts derived during the preceding

<sup>51</sup> Collector of Internal Revenue v. Junior Women's Club of the Philippines, G.R. No. L-6992, February 28, 1956.

<sup>52</sup> File No. 155.062, February 2, 1955 — BIR Bulletin Vol. II, No. 1, March 31, 1953.

<sup>53</sup> BIR Ruling of October 2, 1952.

month and pay the tax due thereon.<sup>54</sup> The amount of the tax is increased by twenty five percentum (25%), the increment considered a part of the tax if the taxpayer does not pay the tax within the time prescribed.<sup>55</sup> However, in case of willful neglect to file the return, or in case of a false or fraudulent return willfully made, there is added to the tax or to the deficiency tax, in case any payment has been made before the discovery of the falsity or fraud, a surcharge of fifty percentum (50%) of its amount, the surcharge so added being collected at the same time and in the same manner and as part of the tax.<sup>56</sup>

The third class of "amusement taxes" strictly so-called is the tax imposed by Section 260-A on winnings. Section 260-A inserted between Sections 260 and 261 of the Tax Code, as amended by Section 1 of Republic Act 586, provides as follows:

"Section 260-A. Tax on winnings — Every person who wins in horse races or Jai-Alai shall pay a tax equivalent to two and one-half percentum (2 1/2%) of his winnings or "dividends" such tax to be based on the actual amount paid to him for every winning ticket after deducting the cost of the ticket. The tax herein prescribed shall be deducted from the "dividends" corresponding to each winning ticket and withheld by the operator, manager, or person in charge of the horse races or Jai-Alai before paying the 'dividends' to the person entitled thereto.

"The operator, manager, or person in charge of horse races or Jai-Alai shall, within ten days from the date the tax was deducted and withheld in accordance with the first paragraph herein, file a true and correct return with the collector of Internal Revenue in the manner or form to be prescribed by the Secretary of Finance, and pay in the same period the total amount of the tax so deducted and withheld.

"If the tax herein provided is not paid within the time prescribed above, or in the 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 such return before the discovery of the falsity or fraud, the corresponding surcharges provided in section two-hundred and sixty of this code."

COMPILATION OF AMUSEMENT TAXES  
FROM TAX SYSTEMS, THIRTEENTH EDITION,  
COMMERCE CLEARING HOUSE, 1952

- 1 — Title and Citation; 2 — Basis-Measure; 3 — Rates;  
4 — Administration; 5 — Reports and Payments

ARGENTINA:

None listed

AUSTRALIA:

<sup>54</sup> Section 260, par. 5, Philippine NATIONAL INTERNAL REVENUE CODE.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*, par. 6.

- A: 1. *Entertainment Tax*: The Entertainment Tax Assessment Act, 1942-1944; The Entertainment Tax Act, 1944-1949
2. On all admissions to entertainments in Australia, excepting certain public, patriotic, philanthropic, religious, or charitable entertainments
3. 2d. on 1/-, increasing generally by 2d. or 3d. for each additional 6d. Rates for "live" entertainments, e.g., a ballet, are somewhat less.
4. Federal Taxation Department
5. Each entertainment must be registered 7 days before it is held. If the method of admission is by departmental tax tickets (purchasable at a post office), a return accompanied by the tax tickets must be lodged within 2 days of the entertainment. If admission is by ordinary consecutively numbered tickets, a return must be lodged within seven days, accompanied by the tax.
- B: 1. *Playing Cards*: Excise Tariff Act
2. On each pack of playing cards manufactured in Australia
3. At the rate of 10/- per dozen packs
4. Department of Trade and Customs
5. Monthly returns

## NEW SOUTH WALES:

- A: 1. *Racecourse licenses*: 1912, No. 25, as amended
2. Annual fee for the use of racecourse for horse or pony or on greyhound racing or trotting contests
3. Within 40 miles of Sydney, £50; within 40 miles of Newcastle, £20; elsewhere, greyhound racing, £10, others £1
4. Chief Secretary
5. Payment — before holding a meeting in each year.
- B: 1. *Racing Clubs and Associations tax*: 1915, No. 57, 1915, No. 60, as amended
2. Fees paid to clubs and associations by bookmakers for privilege of conducting business on racecourses
3. Racecourses within 40 miles of Sydney, fifty per centum (50%) other racecourses, twenty per centum (20%)
4. State Treasurer
5. After race meeting
- C: 1. *Greyhound racing club tax*: 1937, No. 31, as amended
2. Gross income from race meetings held within 40 miles of Sydney
3. Fifteen per centum (15%)

4. State Treasurer
5. After race meeting
- D: 1. *Bookmaker's registration tax*: 1917, No. 15, as amended
2. Licenses issued by racing clubs and associations to bookmakers conducting business at horse or pony or greyhound race meetings or trotting courses
3. From £5 to £70
4. State Treasurer
5. Payment — before carrying on business in each year
- E: 1. *Betting tickets (stamp duty)*: 1920, No. 47, as amended
2. Bets made by bookmakers
3. In saddling paddock of racecourse, 1d; elsewhere on racecourse, 1/2d; equivalent charge on credit bets
4. Commissioner of Stamp Duties
5. Payment — credit bets within 7 days of end of month
- F: 1. *Bookmaker's tax*: 1939, No. 23
2. Total amount of bets made by backers upon horse or pony or greyhound racing or trotting
3. One half per centum (1/2%)
4. State Treasurer
5. Within 7 days of race
- G: 1. *Totalizator tax*: 1916, No. 75, as amended
2. Money paid into totalizators on racecourses for horse or pony or greyhound racing or trotting contests
3. Metropolitan meetings (except trotting), five per centum (5%), elsewhere and all trotting, two per centum (2%)
4. State Treasurer
5. Within 14 days of race day
- H: 1. *Liquor licenses*: 1912, as amended, No. 42
2. Publican, club, restaurant, packet spirit merchants, Australian wine — amount paid on purchases of liquor
3. Publican, club, restaurant, five per centum (5%), others, two per centum (2%)
4. Assessment — Licenses Reduction Board  
Collection — licensing courts
5. Returns — between January 1 and January 31,  
Payment — new, at date of issue; renewals, by June 30

## QUEENSLAND:

1. *Bookmakers' tax and betting tickets duty*: The Racecourses Acts,

1923 to 1936, 14 Geo. V, No. 23, 21 Geo. VI, No. 19, 12 Geo. VI, No. 24

2. (a) Right to carry on business as a bookmaker at race meetings on a racecourse with permission of racing clubs
  - (b) Making a bet depending on situation of racecourse and part on which bookmaker operates
  3. (a) From £5 to £30
  - (b) 1d or 3d on each ticket or credit bet
  4. Commissioner of Stamp Duties
  5. Reports —
    - (a) 14 days after June 30, or 7 days after date of grant or permit
    - (b) on monthly issue of tickets
- Payment —
- (a) before fielding or 14 days after issue of permit
  - (b) issue of ticket and monthly return of credit fees
- B: 1. *Totalizator tax*: Totalizator Restriction Act of 1889 and various amendatory acts
2. Amount received by conductor of totalizator in respect to stakes wagers and bets
  3. 1/ for every 20/
  4. Commissioner of Stamp Duties
  5. Reports — seven days after date of race meeting
- Payment — date of ract meeting

## SOUTH AUSTRALIA:

1. *Betting Tax*: Lottery and Gaming Act, 1936-1950
2. (a) Stamp duty imposed on each betting ticket
- (b) Charge on gross bookmakers' turnover (all bets accepted less refunds due to horses scratched)
- (c) Charge payable by backers on all winnings of 5/ and over
- (d) Annual application fees of (1) bookmakers' and (2) bookmakers' clerks and (3) annual registration of betting premises
3. (a) 1/2d.
- (b) one percentum (1%) on gross turnover of bets laid at race courses; two percentum (2%) on gross turnover of bets laid in registered premises
- (c) 3d. for amounts from 5/ to 10/- increasing by 3d. for every additional 10/- or part thereof
- (d) 1 — £1
- 2 — 10/
- 3 — £1 plus registration fee of £5 for first bookmaker and £ additional for each additional bookmaker operating on premises

4. (a) Commissioner of Stamps
  - (b) (c) (d) Betting Control Board
  5. Returns — (a): none; (b) (c): metropolitan bookmakers, each Thursday for previous week's operation; country bookmakers, each Saturday for previous week's operation; (d) on application for license
- Payment — (a) on purchase of tickets (b) (c) with returns (d) with application

## TASMANIA:

- A: 1. *Totalizator tax*: Totalizator Act, 26 Geo. V., No. 25
2. Gross totalizator investments
  3. two and one half percentum (2 1/2%)
  4. Police Department
  5. Within 14 days of each race meeting
- B: 1. *Lottery Tax*: Gaming Act, 6 Geo. VI, No. 42
2. Amount of Prizes in lotteries
  3. 4S., 3d. in £ (twenty one percentum (21%) — one fourth percentum (1/4%)
  4. Treasury Department
  5. Before lottery drawings
- C: 1. *Bookmaker's Commission Tax*: Bookmaker's Act, 23 Geo. V., No. 37
2. Value of bet placed
  3. two and one half percentum (2 1/2%) within the state; two percentum (2%) outside the state
  4. Treasury Department
  5. Monthly

## VICTORIA:

- A: 1. *Totalizator tax*: Totalizator Act, 1930, No. 3961
2. Percentage of gross betting investments
  3. City — seven percentum (7%); County — two and one half percentum (2.5%)
  4. Assessment — Chief Secretary
  - Collection — Treasury
  5. 14 days after each meeting
- B: 1. Racecourse license fees: Police Offences Acts, 1928, Nos. 3749, 3818
2. Gross receipts of each racecourse
  3. Graduated from £1 to £1 plus three percentum (3%) of revenue

4. Chief Secretary
5. Reports — August 1st  
Payment — August 8

- C: 1. *Winning bets tax*: Stamps Betting Tax Act  
2. Per 10/ of each winning bet with a bookmaker  
3. 3d.  
4. Comptroller of Stamps  
5. Bookmaker's weekly statements

## WESTERN AUSTRALIA:

- A: 1. *Stallion registration fee*: Stallions Act, 1921  
2. Ownership of stallions  
3. £1, 1s  
4. Director of Agriculture  
5. July 1, £2.2.0
- B: 1. Miscellaneous privilege license fees: Licensing Act, 1911-1949  
2. Privilege of conducting: (a) billiard saloon (b) employment agency (c) eating house (d) hotels  
3. a) £10 b) £5 c) £1 d) £15 to £100 (deductible from liquor license)  
4. Assessment — Receiver of Licensing Revenue  
Collection — Receiver of Treasury Revenue  
5. By January 7 and July 7 annually (yields included under liquor tax)
- C: 1. Totalizator duty and license fees: Totalizator Act, 1905-1930  
2. (a) Duty — per £100 of amount invested  
(b) License — per £1000 of amount invested  
3. (a) £7, 10s.  
(b) £1  
4. Commissioner of Stamps  
5. Payment —  
(a) within three weeks of each race meeting  
(b) January 1 annually, £209,899
- D: 1. Dog registration fees: Dogs Act, 1903-1948  
2. Ownership  
3. 7/6 to 10/- (half rates when used for herding)  
4. Local government  
5. July 1st to June 30th (£9,117,0.0)

## BRAZIL:

- A: 1. Sales (consumption) tax law

2. Table C applied to playing cards

## CANADA:

- A: 1. *Miscellaneous Luxury Excise Taxes*: Ch. 179  
2. Sale price when manufactured in Canada, or duty-paid value when imported  
3. twenty five percentum (25%) on, among other things, non-industrial cameras, films and plates, projectors for slides, films and pictures, phonographs, golf clubs and balls, fishing rods and reels  
4. Customs and Excise Division of the Department of National Revenue  
5. Returns and payments due on last day of each month covering the preceding month
- B: 1. *Radios and Television Sets and tubes tax*: Ch. 179, Part 11  
2. Sale price when manufactured in Canada or duty-paid value when imported  
3. twenty five percentum (25%)  
4. Excise Division of Department of National Revenue  
5. Returns and payments due on the last day of the month covering the preceding month
- C: 1. *Playing Cards*: Ch. 179, Part 12  
2. Flat rate per pack of 54 cards manufactured or imported  
3. 20 Cents  
4. Excise Division of Department of National Revenue  
5. Returns due on the last day of each month covering the preceding month. Tax payable by means of stamps affixed to packages.

## ALBERTA:

- Amusements Act: Ch. 40  
2. Price of admission to places of amusement  
Amount wagered on horse races  
3. 1c. to 25c.  
five percentum (5%)  
4. Provincial Secretary  
5. Amusement tax returns and payments due weekly; horse race wager returns and payments due on day of race

## BRITISH COLUMBIA:

- Amusement Tax Act: Ch. 323  
2. Price of admission to exhibition, performance, entertainment, or dance at place of amusement. Table or cover charge



3. Seventeen and one half percentum (17 1/2%). Race meeting, if entrance fee, seventeen and one half percentum (17 1/2%); if no entrance fee, 25¢. Seventeen and one half percentum (17 1/2%) of cover charges (N.B. — there is no distinction between amateur and professional sports. Rate reduced to five percentum (5%) when there is no private gain from the entertainment, etc.)
4. Assessment made by surveyor of taxes; collection made by owners of amusement places at a commission to be fixed by the Lieutenant-Governor
5. Reports and Payment prescribed by regulation of the Lieutenant-Governor in council

## MANITOBA:

1. *Amusement Tax Act*
2. Price of admission to place of amusement; amount wagered at pari-mutuel machines
3. Graduated from 2c. per admission to twenty five percentum (25%) of admission price plus proportions of 5¢; ten percentum (10%) on amounts wagered
4. Provincial Treasurer
5. In cities, returns and payments are due each Thursday; in towns and villages, on the 6th day of each month. Tax on wagers due on the following morning before 10 A.M.

## NEW BRUNSWICK:

1. *Theatres and Amusements Act*: Ch. 20
2. Attendance participation or carrying on business at a place of amusement
3. Determined by Order in Council
4. Provincial Treasurer's Department
5. Carrying on business — June 1  
Other — at each performance

## NEWFOUNDLAND:

- A: 1. *Local Government Act*: Ch. 52, 1949: Entertainment Tax
2. stage performances, entertainments, circuses or shows
  3. to be fixed by Council subject to approval of Lt.-Governor in Council
  4. Local assessors and collectors
  5. Payable either by those responsible for the entertainment or on admissions to entertainments

- B: 1. Under *Local Government Act*:
- Bowling Alleys — annual license — \$25 to \$50 — local assessors and collectors
  - Billiards — annual license — \$20 to \$50 — local assessors and collectors
  - Juke Boxes and slot machines annual license — \$25 to \$50 — local assessors and collectors  
(no definite due dates for returns and payment)

## NOVA SCOTIA:

- Theatres, Cinematographs and Amusements Act*: Ch. 162, P.S.N.S. 1923
2. (a) Privilege of attending amusements — amount of admission  
(b) Privilege of doing business
  3. (a) graduated from 2¢ on each 25¢ admission to 10¢ on \$1 plus 5¢ for each additional 50¢ over \$1  
(b) Film exchange — \$250; itinerant exhibitors — \$10 to \$100; theatre seats — 10¢ to 25¢ each. \$1 to \$15 for other places of amusement

## ONTARIO:

- Hospitals Tax Act*: Ch. 170
2. Price of admission to places of amusement or entertainment
  3. twelve and one half percentum (12 1/2%) or from 2¢ to twelve percentum (12%) where price is less than \$1
  4. Comptroller of Revenue
  5. Returns due on the 10th of month. Tax is collected at the time of admission and each remitted with return

## PRINCE EDWARD ISLAND:

1. Amusement Tax: Ch. 2, Acts of 1940
2. Attending amusements; bets at pari-mutuel machines — flat rate
3. Statutory minimum and maximum 1¢ to 50¢ as regulated. Pari-mutuel machines five percentum (5%) of bet
4. Provincial Treasurer
5. Theatre manager buys tax tickets from Provincial Treasurer

## QUEBEC:

- A: *Amusement Tax Act*: Ch. 85
2. Percentage of the price of admission to a place of amusement

3. ten percentum (10%) plus twenty five percentum (25%) of the amount of the resultant tax
  4. Comptroller of Provincial Revenue
  5. Returns and payment due monthly covering the preceding month
- B: Hospital Duty Act: Ch. 89
2. Flat rate on meals costing 60¢ or more
  3. five percentum (5%)
  4. Comptroller of Provincial Revenue
  5. Returns and payment due monthly

## FINLAND:

Sales Tax covers total returns of dancing restaurants or restaurants selling alcoholic beverages — rate of ten percentum (10%) — administered by the Sales Tax Department, reports quarterly, payable monthly

Communal Dog Tax: Statute on Collection of Dog Tax, 47-94

2. Each dog of 4 months or more
3. Rural localities — 500 to 1,500 marks  
Towns — 1,000 to 3,000 marks
4. Communal authorities
5. Report — registration of dog must be made within a month of acquisition  
Payment — as required

## FRANCE:

A: Dogs Tax: Arts. 1495-1498

2. Ownership of pleasure and hunting dogs (b) other dogs
3. (a) municipalities of under 50,000 inhabitants, 150 francs; 50,000 to 250,000, 230 francs; (b) municipalities of under 50,000 inhabitants, 30 francs; 50,000 to 250,000, 80 francs; more than 250,000, 100 francs
4. Administration des Contributions directes and assessors of direct taxes. Collection — Service du Recouvrement

B: 1. *Tax on clubs, association and places of meetings*: Arts. 1520-1923

2. (a) Clubs and associations — membership fees;  
(b) places of meeting — rental value of premises used
3. (a) First 10,000 francs, five percentum (5%); next 10,000 francs, ten percentum (10%); over 20,000 francs, twenty percentum (20%)
4. Same as in A, reports — January 31

C: *Tax on coin boxes, orchestrions, phonographs and similar contrivances*, art. 1542

2. Coin boxes, orchestrions, phonographs and similar contrivances set up in coffee houses, bars, hotels and other public places — flat annual rate
  3. Fixed locally
  4. Assessment — municipal assessors  
Collection — same as for individual income tax
  5. Reports — January 31, Payment same as in A
- D: 1. *Guarded hunting grounds tax*: Arts. 1537-1541
2. Rental price or rental value of guarded hunting grounds
  3. three percentum (3%). Minimum — 5 francs per hectare; maximum — 15 francs per hectare
  4. and 5. Same as in C

## WESTERN GERMANY AND EASTERN GERMANY:

A: *Pari-mutuel and lottery tax*: Act of April 10, 1939

2. (a) sum of contributions to all pari-mutuel pools at horse races paid directly or by bookmakers  
(b) prices of lottery tickets
3. (a) sixteen and two thirds percentum (16 2/3%) of the contributions  
(b) twenty percentum (20%) of the price of the ticket without tax, sixteen and two thirds percentum (16 2/3%) of the ticket including tax
4. Finance offices for Lander
5. (a) racing commissions and bookmakers file returns and pay directly  
(b) lottery collectors file returns and have to pay before beginning of the lottery

B: *Playing Cards Tax*: Act of August 25, 1939

2. Playing cards in sets of usually not more than 48 cards
3. 0.30 DM for usual cards, 0.50 to 1.50 DM for cards of special quality
4. Customs offices for federal government
5. Returns and payment by importer or producer

## GREECE:

- A: 1. *Lottery tax*: Law 1641/1919 as amended and supplemented
2. Imposed upon the profits from lotteries
  3. twenty percentum (20%) on all profits above 1,000,000 drachmas
  4. The Treasury and local tax inspector
  5. 10 days from date of drawing. The tax is retained by the Treas-

ury at the time the profits are paid, or when the profits are not paid by the state, the tax is prepaid by the persons liable to pay the profit and is returned by them from the beneficiary of the games at the time of payment. State lotteries are exempt from this tax.

- B: 1. *Luxury establishment tax*: compulsory law 5047/1937  
 2. Fixed per diem rate for every day of operation of establishments (restaurants, bars, etc.) which are considered luxuries.  
 3. Up to 600,000 drachmas for every day of operation  
 4. Local tax inspector  
 5. Taxes paid and returns made every ten days
- C: 1. *Amusement tax*: compulsory law 504/1937  
 2. Imposed upon dance halls, cabarets, and other places of amusement for each day of operation  
 3. Amusements are divided into five classes, the tax being proportionate to the class to which the undertaking belongs. Maximum tax, 900,000 drachmas for each day of operation  
 4. Local tax inspector  
 5. The tax is paid every ten days on the basis of returns submitted by the undertaking.
- D: 1. *Theater tax*: Legislative decree 61/1946  
 2. Imposed upon the cost of theaters, cinemas, and all other kinds of shows given for entertainment  
 3. Cinemas: forty per centum (40%) on entrance fee up to 2,000 drachmas and ninety per centum (90%) on the amount over 2,000 drachmas. Theater, opera, recital: fifteen per centum (15%) on entrance fee up to 3,500 drachmas, twenty five per centum (25%) on entrance fee from 3,501-12,000 drachmas; thirty per centum (30%) over 12,000 drachmas. Variety theater: twenty five per centum (25%) on entrance fee up to 2,000 drachmas, fifty per centum (50%) on the amount above 2,000 drachmas.  
 4. Independent special service of the Ministry of Finance  
 5. The tax is collected when the tickets are stamped before each performance
- E: 1. *Tax on games*: Compulsory Law 258/1936  
 2. This tax is imposed on establishments offering entertainment by way of games of skill and chance.  
 3. For Athens — from 4,000,000 to 20,000,000 drachmas per quarter.  
 For other cities the tax is proportionally reduced.

4. Local tax inspector  
 5. The tax is collected every half year on the basis of the returns submitted by the undertaking.

## ICELAND:

- A: 1. *Dog tax*: law 18, May 22, 1890  
 2. Every dog over 4 months old  
 3. 2 to 10 kronur per dog per annum  
 4. Revenue officers  
 5. As fixed by revenue officer
- B: 1. *Amusement tax*: law 56, May 31, 1927 as amended  
 2. Gross receipts from admissions to places of amusement  
 3. 12.65% to 37.95% of the price of the entrance ticket  
 4. Revenue officers  
 5. Reports — monthly.  
 Payment — 1st day of following month
- C: *Restaurant tax*: law 99, June 19, 1933  
 2. Amount of turnover from sales of food and drink in refreshment rooms and restaurants  
 3. ten per centum (10%)  
 4. Revenue Officers  
 5. Reports — monthly — 1st day of each month  
 Payment — 1st half of each month

## IRELAND:

- A: 1. *Entertainment duties*  
 2. Admission charges  
 3. Varying from thirty three and one third per centum (33 1/3%) of lower admission prices to seventy five per centum (75%) of higher prices  
 4. Revenue Commissioners  
 5. Affixing stamp to tickets, or by use of duty-paid tickets or on the basis of weekly returns of admissions
- B: 1. *Betting duty*  
 2. Amount of bet  
 3. seven and one half per centum (7 1/2%)  
 4. Revenue Commissioner  
 5. Paid by bookmaker purchasing duty-paid sheets on which bets are recorded, or on the basis of weekly returns of bets.
- C: 1. *Bookmaker's premises license*  
 2. Fixed annual fee

3. £20
4. Revenue Commissioner
5. On registration

D: 1. *Dog license*

2. Annual fee per animal
3. 5s.
4. Revenue Commissioner
5. At time of application for license and January 1 thereafter

## ITALY:

- A: 1. *Playing card tax*: Royal decree of Dec. 30, 1923, No. 3277
2. Per Pack
  3. 20 lire with an additional 30 lire on luxury packs
  4. Office of Registrar and General Direction of Duties and Taxes on Business
  5. Reports — none  
Payment — by maker at time of manufacture
- B: 1. *Public Entertainments tax*: Royal decree of December 30, 1923, No. 3276 and other basic and amendatory acts.
2. Gross receipts from public entertainments and receptions given to the public, open air and other games, horse shows and sport spectacles
  3. Cinemas — from fifteen percentum (15%) to fifty percentum (50%) depending on entrance fee. Fee reduced if there is a curtain raiser. Other entertainments: fifteen percentum (15%) Scientific or industrial shows: three percentum (3%)
  4. General Direction of Taxes and Business collected through the Italian Copyright Society
  5. Reports — none, tax is fixed by counterfoil books or registers  
Payment — fortnightly or quarterly according to nature of entertainment

## JAPAN:

- A: 1. *Playing-set Tax*
2. tax on playing cards or mahjong paid by manufacturer or receiver
  3. playing cards — 60 yen per set  
mahjong: first class (ivory): 6,000 yen per set  
second class (bones): 4,000 yen per set  
third class (other materials): 2,000 yen per set
  4. Ministry of Finance
  5. No reports, payment by stamp attached by receiver from manufacturing or bonded area

- B: 1. *Admission tax*
2. imposed upon the administrator or sponsor of
    - (a) moving picture, play, performance, sport, music, show, horse race and bicycle race
    - (b) exhibition (excluding museum) and pleasure ground
  3. (a) admission price is not more than 50 yen, ten percentum (10%), if more than 50 yen, twenty percentum (20%), if more than 80 yen, thirty percentum (30%), if more than 130 yen, forty percentum (40%) and if more than 150 yen, fifty percentum (50%)  
(b) ten percentum (10%) of admission price
  4. Ministry of Finance
  5. Return — every 10th of a month for the preceding month  
Payment — end of the month for the preceding month

## NEW ZEALAND:

- A: 1. *Film Hire Tax*: 1930
2. Net receipts from rentals from "sound-picture films"
  3. foreign films twenty five percentum (25%)  
British films ten percentum (10%)
  4. Commissioner of taxes
  5. 15th day of each month for the preceding month
- B: 1. *Amusement (admissions) tax*: Amusements tax act, 1922; Finance Act, 1930
2. Admission to places of amusement and entertainment
  3. Where payment exceeds 1/6 but does not exceed 2/-, 3d.; exceeds 2/- but not 3/-, 4d.; exceeds 3/- but not 3/6d., 5d.; where payment exceeds 3/6d. 1d. for every 1/- plus 2d.
  4. Assessment — legislative enactment  
Collection — Stamp duties office
  5. Reports — none required  
Payment — date of entertainment

## NICARAGUA:

- A: 1. *Amusement tax*: Decree No. 2, of June 2, 1948
2. On every ticket to any amusement place
  3. 0.20 cardobas — 1st class; 0.10 cardobas, 2nd class
  4. Departmental Revenue Collectors
  5. report — monthly statement required with remittances  
payment — when ticket is purchased

## NORTHERN IRELAND:

- A:
1. Gun and game licenses
  2. flat rate per annum
  3. Varying from 10s. to £3
  4. Ministry of Finance
  5. Annually
- B:
1. *Entertainment tax*: Finance Act (Northern Ireland) 1949, as amended
  2. All entertainments, except charitable, educational, scientific entertainment, entertainments provided by agricultural and other non-profit societies, and certain games and sports.
  3. Scale up to 6s. 11d. — 3/4d. to 5s. 10d. Over 6s. 11d. — 5d. extra for every 6d. Where performers are present and performing the scale is: up to 1s. 5d. — 1d., over 1s. 5d. — 1d. for each additional 6d.
  4. Ministry of Finance
  5. Single payment on date of entertainment
- C:
1. *Pool Betting duty*: Finance Act, 1951
  2. Duty on all pool betting
  3. thirty percentum (30%) of the gross amount of stake money invested
  4. Ministry of Finance
  5. Weekly
- D:
1. *Refreshment Houses*: 13 Geo. 6, Ch. 15
  2. On refreshment houses (in larger towns) remaining open after 10 p.m.
  3. £1.1 — per annum
  4. Ministry of Finance
  5. Annually

## PUERTO RICO:

## Amusements:

1. *Public Shows*, Act 160, May 10, 1945, As amended  
Cost of tickets: ten percentum (10%) of price of tickets up to 10¢; twenty percentum (20%) if the price is more than 10¢
2. *Pools and daily doubles*, Sec. 16, Act 85, August 20, 1925, as amended  
Amount obtained: ten percentum (10%) of the amount obtained
3. *Sport Exhibition*, Act 4, June 30, 1947, as amended

- Gross receipts: ten percentum (10%) from the total gross receipts from the sale of tickets in the baseball parks of Caguas, Mayaguez and Ponce only
4. *Bets in the bancas*, Sec. 16, Act 85, August 20, 1925, as amended  
Amount obtained: ten percentum (10%) of the amount obtained
  5. *Combination blanks*, Act 82, May 6, 1931, as amended  
"Cuadro" or "Papaleta": 5¢ for each "Cuadro", 1¢ for each "Papaleta"
  6. *Horse races*, Sec. 16, Act 85, August 20, 1925, as amended  
Races: \$5.00 for each race held
  7. *Purses won at horse races*, Sec. 16, Act 85, August 20, 1925, as amended  
Purse: ten percentum (10%) of amount of each purse obtained
  8. *Cockfighting*, Act 426, May 13, 1951  
Price of tickets; ten percentum (10%) of price up to 10¢; twenty percentum (20%) if the price is over 10¢
- Musical instruments and apparatus:
1. Phonographs, radios, etc., Sec. 16, Act 85, August 20, 1925, as amended fifteen percentum (15%) of the selling price in Puerto Rico
  2. Velloneras, sinfonolos, Sec. 16, Act 85  
twenty percentum (20%) of selling price in Puerto Rico
  3. Phonographic records: Sec. 16, Act 85  
Size: 10" diameter — 5 1/2¢ each; more than 10", 7¢; wire and tape 1¢ each 20 lineal feet
- Cinematographic films, Sec. 16, Act 85 — 2¢ for each lineal foot

## SWEDEN:

- A:
1. *Taxes on lottery prizes*: Law No. 376 of September 28, 1928 as amended
  2. Value of prize exceeding 25 kronor in Swedish lottery and prizes exceeding 25 kronor won on Swedish premium bonds, including winnings on bets made with Swedish companies organizing football, pools, but excluding betting on horse racing and commodity lotteries in which only donated objects are offered as prizes, or whose sole purpose is to support the fine arts
  3. twenty percentum (20%)
  4. Assessment — The General Post Office; Collection by stamps
  5. Payment — simultaneously with notification of drawing

- B: 1. *Stamp duty on playing cards*: Law No. 291 of June 13, 1919, as amended  
 2. Delivery from factory or release from customs of each pack of cards  
 3. 1 kronor  
 4. The Post Office and Customs authorities  
 5. Returns — date of delivery from factory or release from customs  
 Payment — by means of stamps
- C: 1. *Entertainment Tax*: Law No. 823 of December 21, 1945, with amendments  
 2. Nature of public performances and the price of tickets  
 3. For cinema performances: thirty percentum (30%) of the price of the ticket, entertainment tax included, provided that it does not exceed 1 kronor, and forty five percentum (45%) of the balance of the price. For other entertainments, fifteen percentum (15%) of the ticket. Special regulations for certain dancing establishments.  
 4. In Stockholm, the Local Tax Authority, elsewhere the municipal authorities  
 5. As a rule within a week or on the first weekday after the end of the performance
- D: 1. *Dog Tax*: Law 116 of May 17, 1923, with amendments  
 2. Every dog over 3 months old, except the dogs of Laplanders used for tending reindeer and dogs belonging to the armed forces or held at their disposal  
 3. The municipality fixes the rate of the tax which may range between 10 and 50 kronor per annum  
 4. The municipal authorities  
 5. Returns — notification in January, or if the dog was acquired after the turn of the year — within 30 days after its acquisition  
 Payments — at the time of notification, or at any other time that may be fixed by the municipality.

## SWITZERLAND:

## BERNE

- A: 1. *Stamp Tax*: May 2, 1880  
 2. Among other things — playing cards  
 3. sfr. 1 per pack  
 4. Cantonal Tax Administration  
 5. by affixing stamps

- B: 1. *Tax on dogs*: October 25, 1903  
 2. Dogs over 3 months  
 3. Levied by communities, sfr. 5 to 20  
 4. Communal police administration  
 5. At time of registration and renewable annually
- C: 1. *Amusement tax*: June 6, 1936  
 2. On Charges for public gatherings of at least one sfr.  
 (b) on charges over sfr. 70  
 3. (a) Canton — five percentum (5%) on entrance fee. When there is no issue of tickets maximum rate of five percentum (5%) on gross receipts  
 (b) Communities — ten percentum (10%) to fifteen percentum (15%)  
 4. Communal Tax Administration  
 5. Immediately or periodically

## GENEVA:

- A: 1. Tax Law of October 20, 1928  
 2. Dogs  
 3. sfr. 25  
 4. Cantonal Tax Administration  
 5. Payment — after receipt of tax bill
- B: 1. Amusement Tax: June 28, 1930  
 2. Charges of Public gatherings  
 3. Thirteen percentum (13%) on entrance fee, or where no tickets issued, ten percentum (10%) to thirteen percentum (13%) of gross receipts  
 4. Cantonal Police Administration  
 5. On date of gathering

## ZURICH:

- A: 1. *Tax on dogs*: September 24, 1922  
 2. Dogs over the age of 6 months  
 3. Sfr. 30. to sfr. 40  
 4. Communal Police Administration  
 5. At the time of registration of the dog. renewable yearly
- B: 1. *Amusement Tax*: December 16, 1934  
 2. On charges for public gatherings  
 3. Ten percentum (10%) on entrance fees. Flat rates when no en-

trance fee up to ten percentum (10%) of gross receipts

4. Communal Police Administration
5. Immediately or monthly

UNION OF SOUTH AFRICA:

Excise duty on playing cards at the rate of 3d. per pack

CAPE OF GOOD HOPE PROVINCE:

- A:
1. Entertainments duty: Ordinance 23 of 1930 as amended
  2. Admissions to places of entertainment
  3. (1) plays and concerts: one penny on each threepence or part thereof; lump sum payments—fifteen percentum (15%)
  - (2) All other entertainments: where charge does not exceed 1/6, one penny on each threepence or part thereof; where the charge exceeds 1/6: one penny on each two pence or part thereof; lump sum payments — fifty percentum (50%)
  4. Commissioner for Inland Revenue
  5. By stamps or by arrangement with administrator
- B:
1. *Racing totalizator and betting taxes:* Ordinance 8 of 1914, as amended; Ordinance 8 of 1921, as amended
  2. (a) operating as a bookmaker — flat rate
  - (b) 1-totalizator receipts
  - 2-winnings from bettings
  3. (a) Annual registration fee, £5; right to take bets in betting rooms, £50 annually; Gold Ring £5 if £50 fee has been paid, otherwise £25; Silver Ring, £2
  - (b) forty four percentum (44%) of the commission charged by license of a totalizator. Maximum commission is twelve percentum (12%). Two to five percentum (2-5%) of the gross amount staked with the bookmaker and of daily winnings on races run to the same day and same course. Five percentum (5%) of bettors winnings from bets made in betting rooms, one and one fourth percentum (1 1/4%) from race courses bets made on races that run on that course five percentum (5%) from race courses bets made on races run elsewhere.
  4. Commissioner for Inland Revenue
  5. Returns — on date of issue and January 1, payable annually
- Payment — on day of race meeting

TRANSVAAL PROVINCE:

- A: 1. Entertainments duty: Ordinance 19 of 1931

2. Admission to places of entertainment
  3. From 1d. per individual, where admissions excluding duty are between 6d. and 1s., to 2s. 6d., 4s. for the first 12s. 6d. over 12s. 6d. and 6d. for each extra 2/6d. or part thereof. Where there is lump-sum payment, twenty five percentum (25%) of the gross takings.
  4. Commissioner of Inland Revenue
  5. Payment — by means of stamps or by arrangements with commissioner
- B:
1. Bookmakers license and betting tax: Ordinance 26, 1925 as amended
  2. (a) Privilege of operating as a bookmaker
  - (b) Winnings from betting
  3. (a) Annual license, £5. Right to bet in Johannesburg and Pretoria, £50 per annum per cubicle; elsewhere £25. In respect of every meeting; gold ring, £5, silver ring, £1
  - (b) six and one fourth percentum (6 1/4%) of bookmakers' net winnings and of net amount payable by bookmakers to winning bettors.
  4. Commissioner for Inland Revenue
  5. (a) Day of Issue, renewed annually,
  - (b) Day of race, meeting (security deposited in advance)
- C:
1. Racecourse admission tax: Ordinance 18 of 1917 as amended
  2. All payments made in respect of admissions to a race meeting
  3. Thirty three and one half percentum (33 1/2%)
  4. Commissioner for Inland Revenue
  5. Returns — as required
- Payment — security for payment required prior to day of race meeting
- D:
1. Totalizator tax: Ordinance 9 of 1927, as amended
  2. Totalizator receipts
  3. seven and one half percentum (7 1/2%) of gross takings
  - two percentum (2%) of undistributed net takings
  - two percentum (2%) of such dividends as are unpaid 3 months after being declared
  4. Commissioner for Inland Revenue
  5. Within 21 days after every race day on which a totalizator was used

UNITED KINGDOM:

- A: Entertainment tax: Finance (new duties act) Act, 1916 (6-7 Geo.

5 c. 11) as last amended by Finance Act 1951 (14-15 Geo. 6 c. 43)

2. Payment for admission to a place of professional entertainment
  3. Graduated from 1d. where the admission is over 7d. and not over 8d., to 5s10d for the first 6s.8d. plus 3d. for every 3d. for plays, ballets, concerts, lectures, recitations, music hall or variety show, circuses, etc. where performed by artists, lectures, etc. actually present
  4. Commissioners of Customs and Excise
  5. Payment — by stamping tickets
- B:
1. Playing cards tax: Revenue Act 1862 (25-26) Victoria c. 22)
  2. Sale of each pack of not more than 52 cards by manufacturer
  3. 3d. for each pack
  4. Commissioners of Customs and Excise
  5. Payment — by affixing stamps on wrappers

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