COMPARATIVE PROVISIONS UNDER THE PREVIOUS TAX REGIME VIS-À-VIS REPUBLIC ACT NO. 10963

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SEC. 5. Power of the Commissioner to Obtain Information, and to Summon, Examine, and Take Testimony of Persons. - In ascertaining the correctness of any return, or in making a return when none has been made, or in determining the liability of any person for any internal revenue tax, or in collecting any such liability, or in evaluating tax compliance, the Commissioner is authorized: **(A)** Xxx. **(B)** To obtain on a regular basis from any person other than the person whose internal revenue tax liability is subject to audit or investigation, or from any office or officer of the national and local governments, government agencies and instrumentalities, including the Bangko Sentral ng Pilipinas and government-owned or -controlled corporations, any information such as, but not limited to, costs and volume of production, receipts or sales and gross incomes of taxpayers, and the names, addresses, and financial statements of corporations, mutual fund companies, insurance companies, regional operating headquarters of multinational companies, joint accounts, associations, joint ventures or consortia and registered partnerships, and their members; xxx.	**SEC. 5. Power of the Commissioner to Obtain Information, and to Summon, Examine, and Take Testimony of Persons.** – In ascertaining the correctness of any return, or in making a return when none has been made, or in determining the liability of any person for any internal revenue tax, or in collecting any such liability, or in evaluating tax compliance, the Commissioner is authorized: **(A)** xxx. **(B)** To obtain on a regular basis from any person other than the person whose internal revenue tax liability is subject to audit or investigation, or from any office or officer of the national and local governments, government agencies and instrumentalities, including the Bangko Sentral ng Pilipinas and government- owned or – controlled corporations, any information such as, but not limited to, costs and volume of production, receipts or sales and gross incomes of taxpayers, and the names, addresses, and financial statements of corporations, mutual fund companies, insurance companies, regional operating headquarters of multinational companies, joint accounts, associations, joint ventures or consortia and registered partnerships, and their members: *Provided,* That the Cooperative Development Authority shall submit to the Bureau a tax incentive report, which shall include information on the income tax, value-added tax, and other tax incentives availed of by cooperatives registered and enjoying incentives under Republic Act No. 6938, as amended: *Provided, further,* That the information submitted by the Cooperative Development Authority to the Bureau	Requires the Cooperative Development Authority (CDA) to submit to the BIR reports of the tax incentives availed by cooperatives under Republic Act (RA) No. 6938 such as income tax, value-added tax (VAT), among others. It shall be submitted to the Department of

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	shall be submitted to the Department of Finance and shall be included in the database created under Republic Act No. 10708, otherwise known as 'The Tax Incentives Management and Transparency Act (TIMTA)'. xxx.	Finance (DOF) to be part of the database created under the Tax Incentives Management and Transparency Act (TIMTA).
SEC. 6. Power of the Commissioner to Make Assessments and Prescribe Additional Requirements for Tax Administration and Enforcement. – **(A) Examination of Returns and Determination of Tax Due.** - After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative may authorize the examination of any taxpayer and the assessment of the correct amount of tax: Provided, however, That failure to file a return shall not prevent the Commissioner from authorizing the examination of any taxpayer. **(B)** xxx. **(C)** xxx. **(D)** xxx. **(E) Authority of the Commissioner to Prescribe Real Property Values.** –. The Commissioner is hereby	**SEC. 6. Power of the Commissioner to Make Assessments and Prescribe Additional Requirements for Tax Administration and Enforcement. –** **(A) Examination of Returns and Determination of Tax Due**. - After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative may authorize the examination of any taxpayer and the assessment of the correct amount of tax, notwithstanding any law requiring the prior authorization of any government agency or instrumentality: *Provided, however,* That failure to file a return shall not prevent the Commissioner from authorizing the examination of any taxpayer. xxx. **(B)** xxx. **(C)** xxx. **(D)** xxx. **(E) Authority of the Commissioner to Prescribe Real Property Values**. – The Commissioner is hereby	

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authorized to divide the Philippines into different zones or areas and shall, upon consultation with competent appraisers both from the private and public sectors, determine the fair market value of real properties located in each zone or area. For purposes of computing any internal revenue tax, the value of the property shall be, whichever is the higher of:	authorized to divide the Philippines into different zones or areas and shall, upon mandatory consultation with competent appraisers both from the private and public sectors, and with prior notice to affected taxpayers, determine the fair market value of real properties located in each zone or area, subject to automatic adjustment once every three (3) years through rules and regulations issued by the Secretary of Finance based on the current Philippine valuation standards: *Provided*, That no adjustment in zonal valuation shall be valid unless published in a newspaper of general circulation in the province, city or municipality concerned, or in the absence thereof, shall be posted in the provincial capitol, city or municipal hall and in two (2) other conspicuous public places therein: *Provided, further*, That the basis of any valuation, including the records of consultations done, shall be public records open to the inquiry of any taxpayer. For purposes of computing any internal revenue tax, the value of the property shall be, whichever is the higher of:	Adds a provision for the automatic adjustment of zonal values every three (3) years and the publication requirement of any adjustment in zonal valuation for it to be valid.
(1) xxx.	(1) xxx.	
(2) xxx.	(2) xxx.	
(F) **Authority of the Commissioner to Inquire into Bank Deposit Accounts and Other Related Information held by Financial Institutions. -** Notwithstanding any contrary provision of Republic Act No. 1405, Republic Act No. 6426, otherwise known as the Foreign Currency Deposit Act of the Philippines, and other general or special laws, the Commissioner is hereby authorized to inquire into the		Section 6(F) of the NIRC of 1997, as last amended by RA 10021 (Exchange of Information on Tax Matters Act of 2009) is deemed retained although the law does not indicate so.

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bank deposits and other related information held by financial institutions of: (1) A decedent to determine his gross estate; and (2) Any taxpayer who has filed an application for compromise of his tax liability under Section 204(A)(2) of this Code by reason of financial incapacity to pay his tax liability. In case a taxpayer files an application to compromise the payment of his tax liabilities on his claim that his financial position demonstrates a clear inability to pay the tax assessed, his application shall not be considered unless and until he waives in writing his privilege under Republic Act No. 1405, Republic Act No. 6426, otherwise known as the Foreign Currency Deposit Act of the Philippines, or under other general or special laws, and such waiver shall constitute the authority of the Commissioner to inquire into the bank deposits of the taxpayer. (3) A specific taxpayer or taxpayers subject of a request for the supply of tax information from a foreign tax authority pursuant to an international convention or agreement on tax matters to which the Philippines is a signatory or a party of: Provided, That the information obtained from the banks and other financial institutions may be used by the Bureau of Internal Revenue for tax assessment, verification, audit and enforcement purposes.		

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In case of a request from a foreign tax authority for tax information held by banks and financial institutions, the exchange of information shall be done in a secure manner to ensure confidentiality thereof under such rules and regulations as may be promulgated by the Secretary of Finance, upon recommendation of the Commissioner. The Commissioner shall provide the tax information obtained from banks and financial institutions pursuant to a convention or agreement upon request of the foreign tax authority when such requesting foreign tax authority has provided the following information to demonstrate the foreseeable relevance of the information to the request: (a) The identity of the person under examination or investigation; (b) A statement of the information being sought, including its nature and the form in which the said foreign tax authority prefers to receive the information from the Commissioner; (c) The tax purpose for which the information is being sought; (d) Grounds for believing that the information requested is held in the Philippines or is in the possession or control of a person within the jurisdiction of the Philippines; (e) To the extent known, the name and address of any person believed to be in possession of the requested information; (f) A statement that the request is in conformity with the law and administrative practices of the said foreign tax authority, such that if the requested information was within the jurisdiction of the		

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said foreign tax authority then it would be able to obtain information under its laws or in the normal course of administrative practice and that it is in conformity with a convention or international agreement; and (g) A statement that the requesting foreign tax authority has exhausted all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties. The Commissioner shall forward the information as promptly as possible to the requesting foreign tax authority. To ensure a prompt response, the Commissioner shall confirm receipt of a request in writing to the requesting tax authority and shall notify the latter of deficiencies in the request, if any, within sixty (60) days from receipt of the request. If the Commissioner is unable to obtain and provide the information within ninety (90) days from receipt of the request, due to obstacles encountered in furnishing the information or when the bank or financial institution refuses to furnish the information, he shall immediately inform the requesting tax authority of the same, explaining the nature of the obstacles encountered or the reasons for refusal. The term ***"foreign tax authority,"*** as used herein, shall refer to the tax authority or tax administration of the requesting State under the tax treaty or convention to which the Philippines is a signatory or a party of.		

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(G) **Authority to Accredit and Register Tax Agents**. – The Commissioner shall accredit and register, based on their professional competence, integrity and moral fitness, individuals and general professional partnerships and their representatives who prepare and file tax returns, statements, reports, protests, and other papers with or who appear before, the Bureau of taxpayers. Within one hundred twenty (120) days from January 1, 1998, the Commissioner shall create national and regional accreditation boards, the members of which shall serve for three (3) years, and shall designate from among the senior officials of the Bureau, one (1) chairman and two (2) members for each board, subject to such rules and regulations as the Secretary of Finance shall promulgate upon the recommendation of the Commissioner. Individuals and general professional partnerships and their representatives who are denied accreditation by the Commissioner and/or the national and regional accreditation boards may appeal such denial to the Secretary of Finance, who shall rule on the appeal within sixty (60) days from receipt of such appeal. Failure of the Secretary of Finance to rule on the Appeal within the prescribed period shall be deemed as approval of the application for accreditation of the appellant.		Section 6(G) is deemed retained although the law does not indicate so.
(H) **Authority of the Commissioner to Prescribe Additional Procedural or Documentary Requirements.** – The Commissioner may prescribe the manner of compliance with any documentary or procedural requirement in connection with the submission or preparation of financial statements accompanying the tax returns.		Section 6(G) is deemed retained although the law does not indicate so.

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SEC. 24. Income Tax Rates. –	**SEC. 24. Income Tax Rates. –**	
(A) Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines. –	**(A) Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines. –**	
(1) xxx.	(1) xxx.	
(2) **Rates of Tax on Taxable Income of Individuals.** – The tax shall be computed in accordance with and at the rates established in the following schedule:	(2) **Rates of Tax on Taxable Income of Individuals.** – The tax shall be computed in accordance with and at the rates established in the following schedule:	
Not over P10,000 — 5% Over P10,000 but not over P30,000 — P500 + 10% of the excess over P10,000 Over P30,000 but not over P70,000 — P2,500 + 15% of the excess over P30,000 Over P70,000 but not over P140,000 — P8,500 + 20% of the excess over P70,000 Over P140,000 but not over P250,000 — P22,500 + 25% of the excess over P140,000 Over P250,000 but not over P500,000 — P50,000 + 30% of the excess over P250,000 Over P500,000 — P125,000 + 32% of the excess over P500,000	(a) **Tax Schedule Effective January 1, 2018 until December 31, 2022:** Not over P250,000 — 0% Over P250,000 but not over P400,000 — 20% of the excess over P250,000 Over P400,000 but not over P800,000 — P30,000 + 25% of the excess over P400,000 Over P800,000 but not over P2,000,000 — P130,000 + 30% of the excess over P800,000 Over P2,000,000 but not over P8,000,000 — P490,000 + 32% of the excess over P2,000,000 Over P8,000,000 — P2,410,000 + 35% of the excess over P8,000,000 **Tax Schedule Effective January 1, 2023 and onwards:** Not over P250,000 — 0% Over P250,000 but not over P400,000 — 15% of the excess over P250,000	RA 10963 implements a new tax schedule with reduced income tax rates for middle income taxpayers and higher marginal tax rate of 35% for those with taxable income of over PhP8 million. The first tax schedule takes effect on January 1, 2018 to December 31, 2022. The tax rates will be further reduced effective January 1, 2023.

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	Over P400,000 but not over P800,000 — P22,500 + 20% of the excess over P400,000 Over P800,000 but not over P2,000,000 — P102,500 + 25% of the excess over P800,000 Over P2,000,000 but not over P8,000,000 — P402,500 + 30% of the excess over P2,000,000 Over P8,000,000 — P2,202,500 + 35% of the excess over P8,000,000 xxx.	
xxx.	(b) **Rate of Tax on Income of Purely Self-employed Individuals and/or Professionals Whose Gross Sales or Gross Receipts and Other Non-operating Income Does Not Exceed the Value-Added Tax (VAT) Threshold as Provided in Section 109(BB).** – Self-employed individuals and/or professionals shall have the option to avail of an eight percent (8%) tax on gross sales or gross receipts and other non-operating income in excess of Two hundred fifty thousand pesos (P250,000) in lieu of the graduated income tax rates under Subsection (A)(2)(a) of this Section and the percentage tax under Section 116 of this Code.	Purely self-employed and/or professionals (SEPs) whose gross sales/receipts (GS/R) and other non-operating income do not exceed the value-added tax (VAT)-exempt threshold of PhP3 million shall, at their option, be subject to either: 8% tax on GS/R and other non-operating income that is in excess of PhP250,000; or to the regular PIT rates. The 8% tax is in lieu of income tax and 3% gross receipts tax under Section 116 of the Tax Code
	(c) **Rate of Tax for Mixed Income Earners.** – Taxpayers earning both compensation income and income from business or practice of profession shall be subject to the following taxes:	Subjects mixed income earners to the regular PIT rates on their income from compensation. For income derived from business or practice of profession that does not exceed the VAT threshold, the same

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	(1) <u>All Income from Compensation – The rates prescribed under Subsection (A)(2)(a) of this Section.</u> (2) <u>All Income from Business or Practice of Profession –</u> (a) <u>If Total Gross Sales and/or Gross Receipts and Other Non-operating Income Do Not Exceed the VAT Threshold as Provided in Section 109(BB) of this Code.— The rates prescribed under Subsection (A)(2)(a) of this Section on taxable income, or eight percent (8%) income tax based on gross sales or gross receipts and other non-operating income in lieu of the graduated income tax rates under Subsection (A)(2)(a) of this Section and the percentage tax under Section 116 of this Code.</u> (b) <u>If Total Gross Sales and/or Gross Receipts and Other Non-Operating Income Exceeds the VAT Threshold as Provided in Section 109(BB) of this Code.— The rates prescribed under Subsection (A)(2)(a) of this Section.</u>	shall be subject to either the regular PIT rates or to the eight percent (8%) tax on GS/R and other non-operating income. If such income exceeds the VAT threshold, however, such income shall be taxed at the regular PIT rates.
(B) Rate of Tax on Certain Passive Income. – (1) **Interests, Royalties, Prizes and Other Winnings.** – A final tax at the rate of twenty percent (20%) is hereby imposed upon the	**(B) Rate of Tax on Certain Passive Income.** – (1) **Interests, Royalties, Prizes and Other Winnings.** – A final tax at the rate of twenty percent (20%) is hereby imposed upon the	

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amount of interest from any currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements; royalties, except on books, as well as other literary works and musical compositions, which shall be imposed a final tax of ten percent (10%); prizes (except prizes amounting to Ten thousand pesos (P10,000) or less which shall be subject to tax under Subsection (A) of Section 24; and other winnings (except Philippine Charity Sweepstakes and Lotto winnings), derived from sources within the Philippines: Provided, however, That interest income received by an individual taxpayer (except a nonresident individual) from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of seven and one-half percent (7 1/2%) of such interest income: Provided, further, That interest income from long-term deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments evidenced by certificates in such form prescribed by the Bangko Sentral ng Pilipinas (BSP) shall be exempt from the tax imposed under this Subsection: Provided, finally, That should the holder of the certificate pre-terminate the deposit or investment before the fifth (5th) year, a final tax shall be imposed on the entire income and shall be deducted and withheld by the depository bank from the proceeds of the long-term deposit or investment	amount of interest from any currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements; royalties, except on books, as well as other literary works and musical compositions, which shall be imposed a final tax of ten percent (10%); prizes (except prizes amounting to Ten thousand pesos (P10,000) or less which shall be subject to tax under Subsection (A) of Section 24; and other winnings (except winnings amounting to Ten thousand pesos (P10,000) or less from Philippine Charity Sweepstakes and Lotto which shall be exempt), derived from sources within the Philippines: *Provided, however,* That interest income received by an individual taxpayer (except a nonresident individual) from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of fifteen percent (15%) of such interest income: *Provided, further,* That interest income from long-term deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments evidenced by certificates in such form prescribed by the Bangko Sentral ng Pilipinas (BSP) shall be exempt from the tax imposed under this Subsection: *Provided, finally,* That should the holder of the certificate pre-terminate the deposit or investment before the fifth (5th) year, a final tax shall be imposed on the entire income and shall be deducted and withheld by the depository bank from the proceeds of the long-term deposit	Subjects Philippine Charity Sweepstakes and Lotto winnings amounting to more than PhP10,000 to 20% final withholding tax. Increases the final income tax imposed on interest income received by an individual taxpayer (except a nonresident individual) from a depository bank under the expanded foreign currency deposit system from 7½% to 15%.

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certificate based on the remaining maturity thereof: xxx.	or investment certificate based on the remaining maturity thereof: xxx.	
(2) **Cash and/or Property Dividends.** – A final tax at the following rates shall be imposed upon the cash and/or property dividends actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance or mutual fund companies and regional operating headquarters of multinational companies, or on the share of an individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or a joint venture or consortium taxable as a corporation of which he is a member or co-venturer: Six percent (6%) beginning January 1, 1998; Eight percent (8%) beginning January 1, 1999; Ten percent (10%) beginning January 1, 2000. Provided, however, That the tax on dividends shall apply only on income earned on or after January 1, 1998. Income forming part of retained earnings as of December 31, 1997 shall not, even if declared or distributed on or after January 1, 1998, be subject to this tax.	(2) **Cash and/or Property Dividends.** – A final tax at the rate of <u>ten percent (10%)</u> shall be imposed upon the cash and/or property dividends actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance or mutual fund companies and regional operating headquarters of multinational companies, or on the share of an individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or a joint venture or consortium taxable as a corporation of which he is a member or co-venturer.	Retains the final income tax rate on cash and/or property dividends at 10%.

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(C) Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. – The provisions of Section 39(B) notwithstanding, a final tax at the rates prescribed below is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange. Not over P10,000 5% On any amount in excess of P10,000 10% xxx.	**(C) Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange.** – The provisions of Section 39(B) notwithstanding, a final tax at the rate of <u>fifteen percent (15%)</u> is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange. xxx.	Increases and sets a single final income tax rate of 15% on net capital gains realized from the sale of shares of stock not traded in the stock exchange.
SEC. 25. Tax on Nonresident Alien Individual. – **(A) Nonresident Alien Engaged in Trade or Business Within the Philippines.** – xxx **(B) Nonresident Alien Individual Not Engaged in Trade or Business Within the Philippines.** – xxx **(C) Alien Individual Employed by Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies.** – There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by regional or area headquarters and regional operating headquarters established in the Philippines by multinational companies as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such regional or area headquarters and regional operating headquarters, a tax equal to fifteen percent	**SEC. 25. Tax on Nonresident Alien Individual.** – **(A) Nonresident Alien Engaged in Trade or Business Within the Philippines.** – xxx **(B) Nonresident Alien Individual Not Engaged in Trade or Business Within the Philippines.** – xxx **(C) Alien Individual Employed by Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies.** – There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by regional or area headquarters and regional operating headquarters established in the Philippines by multinational companies as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such regional or area headquarters and regional operating headquarters, a tax equal to fifteen percent (15%) of such gross income: *Provided, however,* That	

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(15%) of such gross income: Provided, however, That the same tax treatment shall apply to Filipinos employed and occupying the same position as those of aliens employed by these multinational companies. For purposes of this Chapter, the term 'multinational company' means a foreign firm or entity engaged in international trade with affiliates or subsidiaries or branch offices in the Asia-Pacific Region and other foreign markets.	the same tax treatment shall apply to Filipinos employed and occupying the same position as those of aliens employed by these multinational companies. For purposes of this Chapter, the term 'multinational company' means a foreign firm or entity engaged in international trade with affiliates or subsidiaries or branch offices in the Asia-Pacific Region and other foreign markets.	
(D) **Alien Individual Employed by Offshore Banking Units.** – There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by offshore banking units established in the Philippines as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such off-shore banking units, a tax equal to fifteen percent (15%) of such gross income: Provided, however, That the same tax treatment shall apply to Filipinos employed and occupying the same positions as those of aliens employed by these offshore banking units.	(D) **Alien Individual Employed by Offshore Banking Units.** – There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by offshore banking units established in the Philippines as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such offshore banking units, a tax equal to fifteen percent (15%) of such gross income: *Provided, however,* That the same tax treatment shall apply to Filipinos employed and occupying the same positions as those of aliens employed by these offshore banking units.	
(E) **Alien Individual Employed by Petroleum Service Contractor and Subcontractor.** – An Alien individual who is a permanent resident of a foreign country but who is employed and assigned in the Philippines by a foreign service contractor or by a foreign service subcontractor engaged in petroleum operations in the Philippines shall be liable to a tax of fifteen percent (15%) of the salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, received from such contractor or subcontractor:	(E) **Alien Individual Employed by Petroleum Service Contractor and Subcontractor.** – An Alien individual who is a permanent resident of a foreign country but who is employed and assigned in the Philippines by a foreign service contractor or by a foreign service subcontractor engaged in petroleum operations in the Philippines shall be liable to a tax of fifteen percent (15%) of the salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, received from such contractor or subcontractor: *Provided, however,* That	

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Provided, however, That the same tax treatment shall apply to a Filipino employed and occupying the same position as an alien employed by petroleum service contractor and subcontractor.	the same tax treatment shall apply to a Filipino employed and occupying the same position as an alien employed by petroleum service contractor and subcontractor.	
Any income earned from all other sources within the Philippines by the alien employees referred to under Subsections (C), (D) and (E) hereof shall be subject to the pertinent income tax, as the case may be, imposed under this Code.	Any income earned from all other sources within the Philippines by the alien employees referred to under Subsections (C), (D) and (E) hereof shall be subject to the pertinent income tax, as the case may be, imposed under this Code.	
	(F) The preferential tax treatment provided in Subsections (C), (D), and (E) of this Section shall not be applicable to regional headquarters (RHQs), regional operating headquarters (ROHQs), offshore banking units (OBUs) or petroleum service contractors and subcontractors registering with the Securities and Exchange Commission (SEC) after January 1, 2018: *Provided, however,* That existing RHQs/ROHQs, OBUs or petroleum service contractors and subcontractors presently availing of preferential tax rates for qualified employees shall continue to be entitled to avail of the preferential tax rate for present and future qualified employees.	The Act provides that employees enjoying the preferential tax treatment (PTT) prior to January 1, 2018 shall continue to do so until the end of their current employment. The President, however, **VETOED** the said provision noting that the overriding consideration is the promotion of fairness of the tax system for individuals performing similar work. Hence, employees of the said firms should follow the regular tax rates applicable to other individual taxpayers. Considering however, that Subsections (C), (D), and (E) are retained, there is a need to clarify whether the employees of RHQ, ROHQ, OBUs, and petroleum service contractors and subcontractors will continue to enjoy the PTT.

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<tr><td>SEC. 27. Rates of Income tax on Domestic Corporations. –

(A) In General. – xxx

xxx.

(C) Government-owned or -Controlled Corporations, Agencies or Instrumentalities. - The provisions of existing special or general laws to the contrary notwithstanding, all corporations, agencies, or instrumentalities owned or controlled by the Government, except the Government Service Insurance System (GSIS), the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), the local water districts (LWDs), and the Philippine Charity Sweepstakes Office (PCSO), shall pay such rate of tax upon their taxable income as are imposed by this Section upon corporations or associations engaged in a similar business, industry, or activity

(D) Rates of Tax on Certain Passive Incomes. –

(1) Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes and from Trust Funds and Similar Arrangements, and Royalties. - A final tax at the rate of twenty percent (20%) is hereby imposed upon the amount of interest on currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements received by domestic corporations, and</td><td>SEC. 27. Rates of Income tax on Domestic Corporations. –

(A) In General. – xxx

xxx.

(C) Government-owned or -Controlled Corporations, Agencies or Instrumentalities. - The provisions of existing special or general laws to the contrary notwithstanding, all corporations, agencies, or instrumentalities owned or controlled by the Government, except the <u>Government Service Insurance System (GSIS), the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), and the local water districts</u> shall pay such rate of tax upon their taxable income as are imposed by this Section upon corporations or associations engaged in a similar business, industry, or activity

(D) Rates of Tax on Certain Passive Incomes. –

(1) Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes and from Trust Funds and Similar Arrangements, and Royalties. - A final tax at the rate of twenty percent (20%) is hereby imposed upon the amount of interest on currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements received by domestic corporations, and royalties, derived</td><td>Removes the Philippine Charity Sweepstakes Office (PCSO) from the list of tax-exempt GOCCs.</td></tr>
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royalties, derived from sources within the Philippines: Provided, however, That interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of seven and one-half percent (7 ½%) of such interest income. (2) **Capital Gains from the Sale of Shares of Stock Not Traded in the Stock Exchange.** - A final tax at the rates prescribed below shall be imposed on net capital gains realized during the taxable year from the sale, exchange or other disposition of shares of stock in a domestic corporation except shares sold or disposed of through the stock exchange: Not over P100,000 5% Amount in excess of P100,000 10% xxx.	from sources within the Philippines: *Provided, however,* That interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of fifteen percent (15%) of such interest income. (2) **Capital Gains from the Sale of Shares of Stock Not Traded in the Stock Exchange.** - A final tax at the rate of fifteen percent (15%) shall be imposed on net capital gains realized during the taxable year from the sale, exchange or other disposition of shares of stock in a domestic corporation except shares sold or disposed of through the stock exchange. xxx.	Increases the final income tax rate imposed on interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system from 7 ½% TO 15%. Increases and sets a single final income tax rate of 15% on net capital gains realized during the taxable year from the sale, exchange or other disposition of shares of stock in a domestic corporation except shares sold or disposed of through the stock exchange.
SEC. 31. Taxable Income Defined. – The term *'taxable income'* means the pertinent items of gross income specified in this Code, less the deductions and/or personal and additional exemptions, if any, authorized for such types of income by this Code or other special laws.	**SEC. 31. Taxable Income Defined.** – The term *'taxable income'* means the pertinent items of gross income specified in this Code less deductions, if any, authorized for such types of income by this Code or other special laws.	Deletes the provision on the deductibility from gross income of personal and/or additional exemptions.
SEC. 32. Gross Income. – **(A) General Definition.** – xxx **(B) Exclusions from Gross Income.** – xxx **(1)** xxx	**SEC. 32. Gross Income.** – **(A) General Definition.** – xxx **(B) Exclusions from Gross Income.** – xxx **(1)** xxx	

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xxx.	xxx.	
(7) **Miscellaneous Items.** –	(7) **Miscellaneous Items.** –	
(a) xxx	(a) xxx	
xxx.	xxx.	
(e) **13th Month Pay and Other Benefits.** – Gross benefits received by officials and employees of public and private entities: Provided, however, That the total exclusion under this subparagraph shall not exceed eighty-two thousand pesos (P82,000) which shall cover:	(e) **13th Month Pay and Other Benefits.** – Gross benefits received by officials and employees of public and private entities: *Provided, however,* That the total exclusion under this subparagraph shall not exceed <u>Ninety thousand pesos (P90,000)</u> which shall cover:	Increases the amount of tax-exempt benefits ceiling from PhP82,000 to PhP90,000.
(i) Benefits received by officials and employees of the national and local government pursuant to Republic Act No. 6686;	(i) Benefits received by officials and employees of the national and local government pursuant to Republic Act No. 6686;	
(ii) Benefits received by employees pursuant to Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986;	(ii) Benefits received by employees pursuant to Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986;	
(iii) Benefits received by officials and employees not covered by Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986; and	(iii) Benefits received by officials and employees not covered by Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986; and	
(iv) Other benefits such as productivity incentives and Christmas bonus: Provided, That every three (3) years	(iv) Other benefits such as productivity incentives and Christmas bonus.	Deletes the provision that the amount of tax-exempt benefits ceiling shall be adjusted to inflation

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after the effectivity of this Act, the President of the Philippines shall adjust the amount herein stated to its present value using the Consumer Price Index (CPI), as published by the National Statistics Office. xxx.	xxx.	by the President every three (3) years.
SEC. 33. Special Treatment of Fringe Benefit. – (A) **Imposition of Tax.** – A final tax of thirty-four percent (34%) effective January 1, 1998; thirty-three percent (33%) effective January 1, 1999; and thirty-two percent (32%) effective January 1, 2000 and thereafter, is hereby imposed on the grossed-up monetary value of fringe benefit furnished or granted to the employee (except rank and file employees as defined herein) by the employer, whether an individual or a corporation (unless the fringe benefit is required by the nature of, or necessary to the trade, business or profession of the employer, or when the fringe benefit is for the convenience or advantage of the employer). The tax herein imposed is payable by the employer which tax shall be paid in the same manner as provided for under Section 57(A) of this Code. The grossed-up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by sixty-six percent (66%) effective January 1, 1998; sixty-seven percent (67%) effective January 1, 1999; and sixty-eight percent (68%) effective January 1, 2000 and thereafter: *Provided, however,* That fringe benefit furnished to employees and taxable under Subsections (B), (C), (D) and (E) of Section 25 shall be taxed at the applicable rates imposed thereat:	**SEC. 33. Special Treatment of Fringe Benefit.** – (A) **Imposition of Tax.** – Effective January 1, 2018 and onwards, a final tax of thirty-five percent (35%) is hereby imposed on the grossed-up monetary value of fringe benefit furnished or granted to the employee (except rank and file employees as defined herein) by the employer, whether an individual or a corporation (unless the fringe benefit is required by the nature of, or necessary to the trade, business or profession of the employer, or when the fringe benefit is for the convenience or advantage of the employer). The tax herein imposed is payable by the employer which tax shall be paid in the same manner as provided for under Section 57(A) of this Code. The grossed-up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by sixty-five (65%) effective January 1, 2018 and onwards: *Provided, however,* That fringe benefit furnished to employees and taxable under Subsections (B), (C), (D) and (E) of Section 25 shall be taxed at the applicable rates imposed thereat: *Provided, further,* That the grossed-up value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by the difference between one hundred percent (100%) and the applicable rates of	Increases the fringe benefits tax rate from 32% to 35% beginning January 1, 2018.

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Provided, further, That the grossed-up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by the difference between one hundred percent (100%) and the applicable rates of income tax under Subsections (B), (C), (D), and (E) of Section 25. xxx.	income tax under Subsections (B), (C), (D) and (E) of Section 25. xxx.	
SEC. 34. Deductions from Gross Income. – Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section other than under subsection (M) hereof, in computing taxable income subject to income tax under Sections 24(A); 25(A); 26; 27(A), (B) and (C); and 28(A)(1), there shall be allowed the following deductions from gross income; (A) **Expenses.** – xxx xxx. (L) **Optional Standard Deduction (OSD).** – In lieu of the deductions allowed under the preceding Subsections, an individual subject to tax under Section 24, other than a nonresident alien, may elect a standard deduction in an amount not exceeding forty percent (40%) of his gross sales or gross receipts, as the case maybe. In the case of a corporation subject to tax under Sections 27(A) and 28 (A)(1), it may elect a standard deduction in an amount not exceeding forty percent (40%) of its gross income as defined in Section 32 of this Code. Unless	**SEC. 34. Deductions from Gross Income.** – Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section in computing taxable income subject to income tax under Sections 24(A); 25(A); 26; 27(A), (B) and (C); and 28(A)(1), there shall be allowed the following deductions from gross income: (A) **Expenses.** – xxx xxx. (L) **Optional Standard Deduction (OSD).** – In lieu of the deductions allowed under the preceding Subsections, an individual subject to tax under Section 24, other than a nonresident alien; may elect a standard deduction in an amount not exceeding forty percent (40%) of his gross sales or gross receipts, as the case maybe. In the case of a corporation subject to tax under Sections 27(A) and 28 (A)(1), it may elect a standard deduction in an amount not exceeding forty percent (40%) of its gross income as defined in Section 32 of this Code. Unless the taxpayer signifies in his return	

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the taxpayer signifies in his return his intention to elect the optional standard deduction, he shall be considered as having availed himself of the deductions allowed in the preceding Subsections. Such election when made in the return shall be irrevocable for the taxable year for which the return is made: Provided, That an individual who is entitled to and claimed for the optional standard deduction shall not be required to submit with his tax return such financial statements otherwise required under this Code: Provided, further, That except when the Commissioner otherwise permits, the said individual shall keep such records pertaining to his gross sales or gross receipts, or the said corporation shall keep such records pertaining to his gross income as defined in Section 32 of this Code during the taxable year, as may be required by the rules and regulations promulgated by the Secretary of Finance, upon, recommendation of the Commissioner.	his intention to elect the optional standard deduction, he shall be considered as having availed himself of the deductions allowed in the preceding Subsections. Such election when made in the return shall be irrevocable for the taxable year for which the return is made: *Provided,* That an individual who is entitled to and claimed for the optional standard deduction shall not be required to submit with his tax return such financial statements otherwise required under this Code: *Provided, further,* That a general professional partnership and the partners comprising such partnership may avail of the optional standard deduction only once, either by the general professional partnership or the partners comprising the partnership: *Provided, finally,* That except when the Commissioner otherwise permits, the said individual shall keep such records pertaining to his gross sales or gross receipts, or the said corporation shall keep such records pertaining to his gross income as defined in Section 32 of this Code during the taxable year, as may be required by the rules and regulations promulgated by the Secretary of Finance, upon, recommendation of the Commissioner.	Inserts a provision that the OSD by a general professional partnership (GPP) may only be availed once, either by the GPP or the partners comprising such partnership.
(M) **Premium Payments on Health and/or Hospitalization Insurance of an Individual Taxpayer.** – The amount of premiums not to exceed Two thousand four hundred pesos (P2,400) per family or Two hundred pesos (P200) a month paid during the taxable year for health and/or hospitalization insurance taken by the taxpayer for himself, including his family, shall be allowed as a deduction from his gross income: *Provided,* That said family has a gross income of not more than Two hundred fifty thousand pesos (P250,000) for the	Notwithstanding the provisions of the preceding Subsections, xxx.	Deletes the provision on the deductibility from gross income of premium payments made on health and/or hospitalization insurance.

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taxable year: *Provided, finally,* That in the case of married taxpayers, only the spouse claiming the additional exemption for dependents shall be entitled to this deduction. xxx.	xxx.	
SEC. 35. Allowance of Personal Exemption for Individual Taxpayer. – (A) **In General.** – For purposes of determining the tax provided in Section 24 (A) of this Title, there shall be allowed a basic personal exemption amounting to Fifty Thousand Pesos (P50,000) for each individual taxpayer. In the case of married individuals where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption. **(B) Additional Exemption for Dependents.** – There shall be allowed an additional exemption of Twenty-five thousand pesos (P25,000) for each dependent not exceeding four (4). The additional exemption for dependent shall be claimed by only one of the spouses in the case of married individuals. In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children: Provided, That the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.	**REPEALED**	Repeals the provisions on the deductibility from gross income of personal exemption of PhP50,000 per individual taxpayer, regardless of status, and additional exemption allowance of PhP25,000 for each qualified dependent not exceeding four (4).

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For purposes of this Subsection, a '***dependent***' means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer if such dependent is not more than twenty-one (21) years of age, unmarried and not gainfully employed or if such dependent, regardless of age, is incapable of self-support because of mental or physical defect. **(C) Change of Status.** – If the taxpayer marries or should have additional dependent(s) as defined above during the taxable year, the taxpayer may claim the corresponding additional exemption, as the case may be, in full for such year. If the taxpayer dies during the taxable year, his estate may still claim the personal and additional exemptions for himself and his dependent(s) as if he died at the close of such year. If the spouse or any of the dependents dies or if any of such dependents marries, becomes twenty-one (21) years old or becomes gainfully employed during the taxable year, the taxpayer may still claim the same exemptions as if the spouse or any of the dependents died, or as if such dependents married, became twenty-one (21) years old or became gainfully employed at the close of such year. **(D) Personal Exemption Allowable to Nonresident Alien Individual.** – A nonresident alien individual engaged in trade, business or in the exercise of a profession in the Philippines shall be entitled to a personal exemption in the amount equal to the exemptions allowed in the income tax law in the		

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country of which he is a subject - or citizen, to citizens of the Philippines not residing in such country, not to exceed the amount fixed in this Section as exemption for citizens or resident of the Philippines: Provided, That said nonresident alien should file a true and accurate return of the total income received by him from all sources in the Philippines, as required by this Title.		
SEC. 51. Individual Return. – (A) **Requirements. –** (1) xxx. xxx. (2) The following individuals shall not be required to file an income tax return: (a) An individual whose gross income does not exceed his total personal and additional exemptions for dependents under Section 35: *Provided*, That a citizen of the Philippines and any alien individual engaged in business or practice of profession within the Philippine shall file an income tax return, regardless of the amount of gross income; xxx.	**SEC. 51. Individual Returns. –** (A) **Requirements. –** (1) xxx. xxx. (2) The following individuals shall not be required to file an income tax return: (a) An individual whose <u>taxable</u> income does not exceed <u>Two hundred fifty thousand pesos (P250,000)</u> under <u>Section 24 (A)(2)(a)</u>: *Provided*, That a citizen of the Philippines and any alien individual engaged in business or practice of profession within the Philippines shall file an income tax return, regardless of the amount of gross income; xxx. (5) <u>The income tax return (ITR) shall consist of a maximum of four (4) pages in paper form or</u>	Individuals whose taxable income does not exceed PhP250,000 are no longer required to file an income tax return consistent with the amendment to the first bracket of the tax schedule. Inserts a new provision under Section 51(A) of the NIRC of 1997, as amended, as subsection (5),

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	electronic form, and shall only contain the following information: (a) Personal profile and information; (b) Total gross sales, receipts or income from compensation for services rendered, conduct of trade or business or the exercise of a profession, except income subject to final tax as provided under this Code; (c) Allowable deductions under this Code; (d) Taxable income as defined in Section 31 of this Code; and (e) Income tax due and payable. xxx.	setting the number of pages of an individual income tax return (ITR), to a maximum of four pages, in paper or electronic form, and the information that it should only contain
	SEC. 51-A. ***Substituted Filing of Income Tax Returns by Employees Receiving Purely Compensation Income.*** – Individual taxpayers receiving purely compensation income, regardless of amount, from only one employer in the Philippines for the calendar year, the income tax of which has been withheld correctly by the said employer (tax due equals tax withheld) shall not be required to file an annual income tax return. The certificate of withholding filed by the respective employers, duly stamped 'received' by the BIR, shall be tantamount to the substituted filing of income tax returns by said employees.	Includes a provision under Revenue Regulations (RR) No. 3-2002 on the substituted filing of ITRs for employees receiving purely compensation income from only one employer in the Philippines and whose income tax has been properly withheld.

<table>
<tr><th>PREVIOUS TAX REGIME</th><th>REPUBLIC ACT 10963</th><th>REMARKS</th></tr>
<tr><td>SEC. 52. Corporation Returns. -

(A) Requirements. - Every corporation subject to the tax herein imposed, except foreign corporations not engaged in trade or business in the Philippines, shall render, in duplicate, a true and accurate quarterly income tax return and final or adjustment return in accordance with the provisions of Chapter XII of this Title. The return shall be filed by the president, vice-president or other principal officer, and shall be sworn to by such officer and by the treasurer or assistant treasurer.

xxx.</td><td>SEC. 52. Corporation Returns. -

(A) Requirements. - Every corporation subject to the tax herein imposed, except foreign corporations not engaged in trade or business in the Philippines, shall render, in duplicate, a true and accurate quarterly income tax return and final or adjustment return in accordance with the provisions of Chapter XII of this Title. The <u>income tax</u> return shall <u>consist of a maximum of four (4) pages in paper form or electronic form,</u> be filed by the president, vice-president or other principal officer, shall be sworn to by such officer and by the treasurer or assistant treasurer, <u>and shall only contain the following information:</u>

(1) <u>Corporate profile and information;</u>

(2) <u>Gross sales, receipts or income from services rendered, or conduct of trade or business, except income subject to final tax as provided under this Code;</u>

(3) <u>Allowable deductions under this code;</u>

(4) <u>Taxable income as defined in Section 31 of this Code; and</u>

(5) <u>Income tax due and payable.</u>

<u>Provided</u><u>, That the foregoing provisions shall not affect the implementation of Republic Act No. 10708 or TIMTA.</u>
xxx.</td><td>Inserts additional provision under Section 52(A) of the NIRC of 1997, as amended, setting the number of pages of the ITR of a corporation to a maximum of four (4) pages, in paper or electronic form, and the information that it should only contain.</td></tr>
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SEC. 56. Payment and Assessment of Income Tax for Individuals and Corporations. – **(A) Payment of Tax. -** (1) xxx. (2) Installment of Payment. - When the tax due is in excess of Two thousand pesos (P2,000), the taxpayer other than a corporation may elect to pay the tax in two (2) equal installments in which case, the first installment shall be paid at the time the return is filed and the second installment, on or before July 15 following the close of the calendar year. If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid becomes due and payable, together with the delinquency penalties. xxx.	**SEC. 56. Payment and Assessment of Income Tax for Individuals and Corporations. –** **(A) Payment of Tax. -** **(1)** xxx. **(2)** Installment of Payment. - When a tax due is in excess of Two thousand pesos (P2,000), the taxpayer other than a corporation may elect to pay the tax in two (2) equal installments in which case, the first installment shall be paid at the time the return is filed and the second installment, on or before <u>October 15</u> following the close of the calendar year. If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid becomes due and payable, together with the delinquency penalties. xxx.	Adjusts the date of payment of the second installment of income tax for both individuals and corporations from on or before July 15 to on or before October 15 following the close of the calendar year.
SEC. 57. Withholding of Tax at Source. - **(A)** xxx. **(B) Withholding of Creditable Tax at Source.** - The Secretary of Finance may, upon the recommendation of the Commissioner, require the withholding of a tax on the items of income payable to natural or juridical persons, residing in the Philippines, by payor-corporation/persons as provided for by law, at the rate of not less than one percent (1%) but not more than thirty-two percent (32%) thereof, which shall be	**SEC. 57. Withholding of Tax at Source. -** **(A)** xxx. **(B) Withholding of Creditable Tax at Source.** - The Secretary of Finance may, upon the recommendation of the Commissioner, require the withholding of a tax on the items of income payable to natural or juridical persons, residing in the Philippines, by payor-corporation/persons as provided for by law, at the rate of not less than one percent (1%) but not more than thirty-two percent (32%) thereof, which shall be credited against the income tax liability of the taxpayer	

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credited against the income tax liability of the taxpayer for the taxable year. **(C)** xxx.	for the taxable year. <u>*Provided*, That, beginning January 1, 2019, the rate of withholding shall not be less than one percent (1%) but not more than fifteen (15%) of the income payment.</u> **(C)** xxx.	Adjusts the range of creditable withholding tax at source beginning January 1, 2019 from not less than 1% to not more than 32% to not less than 1% to not more than 15% of the income payment.
SEC. 58. Returns and Payment of Taxes Withheld at Source. - **(A)** xxx. xxx. The return for final withholding tax shall be filed and the payment made within twenty-five (25) days from the close of each calendar quarter, while the return for creditable withholding taxes shall be filed and the payment made not later than the last day of the month following the close of the quarter during which withholding was made: Provided, That the Commissioner, with the approval of the Secretary of Finance, may require these withholding agents to pay or deposit the taxes deducted or withheld at more frequent intervals when necessary to protect the interest of the government.	**SEC. 58. Returns and Payment of Taxes Withheld at Source. -** **(A)** xxx. xxx. The <u>return for final and creditable withholding taxes shall be filed and the payment made not later than the last day of the month following the close of the quarter during which withholding was made.</u>	Sets a uniform period within which the return for final and creditable withholding taxes shall be filed and payment thereof shall be made not later than the last day of the month following the close of the quarter during which the withholding was made. Deletes the provision requiring withholding agents to pay or deposit the taxes deducted or withheld at more frequent intervals.
SEC. 62. Exemption Allowed to Estates and Trusts. – For the purpose of the tax provided for in this Title, there shall be allowed an exemption of Twenty thousand pesos (P20,000) from the income of the estate or trust.	**REPEALED**	Repeals the exemption allowed to income of estates and trusts.

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SEC. 74. Declaration of Income Tax for Individuals. – (A) **In General.** - Except as otherwise provided in this Section, every individual subject to income tax under Sections 24 and 25(A) of this Title, who is receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, shall make and file a declaration of his estimated income for the current taxable year on or before April 15 of the same taxable year. xxx (B) **Return and Payment of Estimated Income Tax by Individuals.** - The amount of estimated income as defined in Subsection (C) with respect to which a declaration is required under Subsection (A) shall be paid in four (4) installments. The first installment shall be paid at the time of the declaration and the second and third shall be paid on August 15 and November 15 of the current year, respectively. The fourth installment shall be paid on or before April 15 of the following calendar year when the final adjusted income tax return is due to be filed. (C) xxx.	**SEC. 74. Declaration of Income Tax for Individuals. –** (A) **In General.** - Except as otherwise provided in this Section, every individual subject to income tax under Sections 24 and 25(A) of this Title, who is receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, shall make and file a declaration of his estimated income for the current taxable year on or before <u>May 15</u> of the same taxable year. xxx (B) **Return and Payment of Estimated Income Tax by Individuals.** - The amount of estimated income as defined in Subsection (C) with respect to which a declaration is required under Subsection (A) shall be paid in four (4) installments. The first installment shall be paid at the time of the declaration and the second and third shall be paid on August 15 and November 15 of the current year, respectively. The fourth installment shall be paid on or before <u>May 15</u> of the following calendar year when the final adjusted income tax return is due to be filed. (C) xxx.	Adjusts the period within which an individual receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, shall make and file a declaration of his estimated income for the current taxable year from on or before April 15 to on or before May 15 of the same taxable year.
SEC. 79. Income Tax Collected at Source. – xxx. (C) **Refunds or Credits. –** (1) **Employer.** – xxx. (2) **Employees.** – xxx.	**SEC. 79. Income Tax Collected at Source. –** xxx. (C) **Refunds or Credits. –** (1) **Employer.** – xxx. (2) **Employees.** – xxx.	

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xxx. **(D) Personal Exemptions.** – (1) **In General.** – xxx. (2) **Exemption Certificates.** – (a) **When to File.** – xxx. (b) **Change of Status.** – xxx. (c) **Use of Certificates.** – xxx. (d) **Failure to Furnish Certificate.** – xxx. **(E) Withholding on Basis of Average Wages.** – xxx. **(F) Husband and Wife.** – xxx. **(G) Nonresident Aliens.** – xxx. **(H) Year-end Adjustment.** - xxx	xxx. **(D) Withholding on Basis of Average Wages.** – xxx. (1) xxx. (2) xxx; and (3) xxx. **(E) Nonresident Aliens.** – xxx. **(F) Year-end Adjustment.** – xxx.	Deletes Subsections (D) and (F) of Sec. 79 of the NIRC of 1997, as amended, which is consistent with the deletion of provision on personal and additional exemptions.
SEC. 84. Rates of Estate Tax. – There shall be levied, assessed, collected and paid upon the transfer of the net estate as determined in accordance with Sections 85 and 86 of every decedent, whether resident or nonresident of the Philippines, a tax based on the value of such net estate, as computed in accordance with the following schedule: If the net estate is: Over / But Not Over / The tax shall be / Plus / Of the Excess Over — / P 200,000 / Exempt / — / — P 200,000 / 500,000 / 0 / 5% / P 200,000	**SEC. 84. Rate of Estate Tax.** – There shall be levied, assessed, collected and paid upon the transfer of the net estate as determined in accordance with Sections 85 and 86 of every decedent, whether resident or nonresident of the Philippines, a tax <u>at the rate of six percent (6%)</u> based on the value of such net estate.	Sets the estate tax at a single rate of six percent (6%) based on the value of the net estate.

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500,000 2,000,000 P15,000 8% 500,000 2,000,000 5,000,000 135,000 11% 2,000,000 5,000,000 10,000,000 456,000 15% 5,000,000 10,000,000 1,215,000 20% 10,000,000		
SEC. 86. Computation of Net Estate. – For the purpose of the tax imposed in this Chapter, the value of the net estate shall be determined: (A) **Deductions Allowed to the Estate of Citizen or a Resident.** – In the case of a citizen or resident of the Philippines, by deducting from the value of the gross estate -	**SEC. 86. Computation of Net Estate.** – For the purpose of the tax imposed in this Chapter, the value of the net estate shall be determined: (A) **Deductions Allowed to the Estate of Citizen or a Resident.** – In the case of a citizen or resident of the Philippines, by deducting from the value of the gross estate -	
(1) **Expenses, Losses, Indebtedness, and Taxes.** – Such amounts – (a) For actual funeral expenses or in an amount equal to five percent (5%) of the gross estate, whichever is lower, but in no case to exceed Two hundred thousand pesos (P200,000); (b) For judicial expenses of the testamentary or intestate proceedings;	(1) **Standard Deduction.** – an amount equivalent to <u>five million pesos (P5,000,000)</u>.	Removes the deductions from gross estate pertaining to actual funeral expenses, judicial expenses, and medical expenses but increases the amount of standard deduction from PhP1 million to PhP5 million.
(c) For claims against the estate: Provided, That at the time the indebtedness was incurred the debt instrument was duly notarized and, if the loan was contracted within three (3) years before the death of the decedent, the administrator or executor shall submit a statement showing the disposition of the proceeds of the loan;	(2) **For claims against the estate**: Provided, That at the time the indebtedness was incurred the debt instrument was duly notarized and, if the loan was contracted within three (3) years before the death of the decedent, the administrator or executor shall submit a statement showing the disposition of the proceeds of the loan.	Retains the current deductions pertaining to claims against the estate, claims of the deceased against insolvent persons, unpaid mortgages, or any indebtedness, property previously taxed, transfers for public use, family home and amount received by heirs under RA 4917.

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(d) For claims of the deceased against insolvent persons where the value of decedent's interest therein is included in the value of the gross estate; and	(3) **For claims of the deceased against insolvent persons** where the value of decedent's interest therein is included in the value of the gross estate.	
(e) For unpaid mortgages upon, or any indebtedness in respect to, property where the value of decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate, but not including any income tax upon income received after the death of the decedent, or property taxes not accrued before his death, or any estate tax. The deduction herein allowed in the case of claims against the estate, unpaid mortgages or any indebtedness shall, when founded upon a promise or agreement, be limited to the extent that they were contracted bona fide and for an adequate and full consideration in money or money's worth. There shall also be deducted losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualties, or from robbery, theft or embezzlement, when such losses are not compensated for by insurance or otherwise, and if at the time of the filing of the return such losses have not been claimed as a deduction for the income tax purposes in an income tax return, and provided that such losses were incurred not later than the last day for the payment of the estate tax as prescribed in Subsection (A) of Section 91.	(4) **For unpaid mortgages upon, or any indebtedness in respect to, property where the value of decedent's interest therein, undiminished by such mortgage or indebtedness**, is included in the value of the gross estate, but not including any income tax upon income received after the death of the decedent, or property taxes not accrued before his death, or any estate tax. The deduction herein allowed in the case of claims against the estate, unpaid mortgages or any indebtedness shall, when founded upon a promise or agreement, be limited to the extent that they were contracted bona fide and for an adequate and full consideration in money or money's worth. There shall also be deducted losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualties, or from robbery, theft or embezzlement, when such losses are not compensated for by insurance or otherwise, and if at the time of the filing of the return such losses have not been claimed as a deduction for the income tax purposes in an income tax return, and provided that such losses were incurred not later than the last day for the payment of the estate tax as prescribed in Subsection (A) of Section 91.	

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(2) **Property Previously Taxed.** - An amount equal to the value specified below of any property forming a part of the gross estate situated in the Philippines of any person who died within five (5) years prior to the death of the decedent, or transferred to the decedent by gift within five (5) years prior to his death, where such property can be identified as having been received by the decedent from the donor by gift, or from such prior decedent by gift, bequest, devise or inheritance, or which can be identified as having been acquired in exchange for property so received: One hundred percent (100%) of the value, if the prior decedent died within one (1) year prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death; Eighty percent (80%) of the value, if the prior decedent died more than one (1) year but not more than two (2) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death; Sixty percent (60%) of the value, if the prior decedent died more than two (2) years but not more than three (3) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;	(5) **Property Previously Taxed.** - An amount equal to the value specified below of any property forming a part of the gross estate situated in the Philippines of any person who died within five (5) years prior to the death of the decedent, or transferred to the decedent by gift within five (5) years prior to his death, where such property can be identified as having been received by the decedent from the donor by gift, or from such prior decedent by gift, bequest, devise or inheritance, or which can be identified as having been acquired in exchange for property so received: One hundred percent (100%) of the value, if the prior decedent died within one (1) year prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death; Eighty percent (80%) of the value, if the prior decedent died more than one (1) year but not more than two (2) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death; Sixty percent (60%) of the value, if the prior decedent died more than two (2) years but not more than three (3) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;	

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Forty percent (40%) of the value, if the prior decedent died more than three (3) years but not more than four (4) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;	Forty percent (40%) of the value, if the prior decedent died more than three (3) years but not more than four (4) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;	
Twenty percent (20%) of the value, if the prior decedent died more than four (4) years but not more than five (5) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;	Twenty percent (20%) of the value, if the prior decedent died more than four (4) years but not more than five (5) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;	
These deductions shall be allowed only where a donor's tax or estate tax imposed under this Title was finally determined and paid by or on behalf of such donor, or the estate of such prior decedent, as the case may be, and only in the amount finally determined as the value of such property in determining the value of the gift, or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate, and only if in determining the value of the estate of the prior decedent, no deduction was allowable under paragraph (2) in respect of the property or properties given in exchange therefor. Where a deduction was allowed of any mortgage or other lien in determining the donor's tax, or the estate tax of the prior decedent, which was paid in whole or in part prior to the decedent's death, then the deduction allowable under said Subsection shall be reduced by the amount so paid. Such deduction	These deductions shall be allowed only where a donor's tax or estate tax imposed under this Title was finally determined and paid by or on behalf of such donor, or the estate of such prior decedent, as the case may be, and only in the amount finally determined as the value of such property in determining the value of the gift, or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate, and only if in determining the value of the estate of the prior decedent, no deduction was allowable under paragraph (5) in respect of the property or properties given in exchange therefor. Where a deduction was allowed of any mortgage or other lien in determining the donor's tax, or the estate tax of the prior decedent, which was paid in whole or in part prior to the decedent's death, then the deduction allowable under said Subsection shall be reduced by the amount so paid. Such deduction allowable shall be reduced	

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allowable shall be reduced by an amount which bears the same ratio to the amounts allowed as deductions under paragraphs (1) and (3) of this Subsection as the amount otherwise deductible under said paragraph (2) bears to the value of the decedent's estate. Where the property referred to consists of two or more items, the aggregate value of such items shall be used for the purpose of computing the deduction.	by an amount which bears the same ratio to the amounts allowed as deductions under paragraphs (2), (3), (4) and (6) of this Subsection as the amount otherwise deductible under said paragraph (5) bears to the value of the decedent's estate. Where the property referred to consists of two or more items, the aggregate value of such items shall be used for the purpose of computing the deduction.	
(3) **Transfers for Public Use.** – The amount of all the bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.	(6) **Transfers for Public Use.** – The amount of all the bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.	
(4) **The Family Home.** – An amount equivalent to the current fair market value of the decedent's family home: Provided, however, That if the said current fair market value exceeds One million pesos (P1,000,000), the excess shall be subject to estate tax. As a sine qua non condition for the exemption or deduction, said family home must have been the decedent's family home as certified by the barangay captain of the locality.	(7) **The Family Home.** – An amount equivalent to the current fair market value of the decedent's family home: *Provided, however,* That if the said current fair market value exceeds <u>Ten million pesos (P10,000,000)</u>, the excess shall be subject to estate tax.	Increases the amount of deduction for family home from PhP1 million to PhP10 million and deletes the *sine qua non* condition for the exemption or deduction, that is, that the family home must have been the decedent's family home as certified by the barangay captain of the locality.
(5) **Standard Deduction.** – An amount equivalent to One million pesos (P1,000,000).		
(6) **Medical Expenses.** – Medical expenses incurred by the decedent within one (1) year prior to his death which shall be duly substantiated with receipts: Provided, That in		

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no case shall the deductible medical expenses exceed Five Hundred Thousand Pesos (P500,000).		
(7) **Amount Received by Heirs Under Republic Act No. 4917.** – Any amount received by the heirs from the decedent - employee as a consequence of the death of the decedent-employee in accordance with Republic Act No. 4917: Provided, That such amount is included in the gross estate of the decedent.	(8) **Amount Received by Heirs Under Republic Act No. 4917.** – Any amount received by the heirs from the decedent - employee as a consequence of the death of the decedent-employee in accordance with Republic Act No. 4917: Provided, That such amount is included in the gross estate of the decedent.	
(B) **Deductions Allowed to Nonresident Estates.** – In the case of a nonresident not a citizen of the Philippines, by deducting from the value of that part of his gross estate which at the time of his death is situated in the Philippines:	(B) **Deductions Allowed to Nonresident Estates.** – In the case of a nonresident not a citizen of the Philippines, by deducting from the value of that part of his gross estate which at the time of his death is situated in the Philippines:	
(1) **Expenses, Losses, Indebtedness and Taxes.** – That proportion of the deductions specified in paragraph (1) of Subsection (A) of this Section which the value of such part bears to the value of his entire gross estate wherever situated;	(1) **Standard Deduction.** – an amount equivalent to five hundred thousand pesos (P500,000). (2) **That proportion of the deductions specified in paragraphs (2), (3), and (4) of Subsection (A)** of this Section which the value of such part bears to the value of his entire gross estate wherever situated;	Removes the deductions for nonresident estates pertaining to expenses, losses, indebtedness, and taxes but introduces a provision for standard deduction from the gross estate of nonresidents amounting to PhP500,000. Retains the deductions pertaining to claims against the estate, claims of the deceased against insolvent persons, unpaid mortgages, or any indebtedness.

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(2) **Property Previously Taxed.** – xxx.	(3) **Property Previously Taxed.** – xxx.	
(3) **Transfers for Public Use.** – The amount of all bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines or any political subdivision thereof, for exclusively public purposes.	(4) **Transfers for Public Use.** – The amount of all bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines or any political subdivision thereof, for exclusively public purposes.	
(C) **Share in the Conjugal Property.** – The net share of the surviving spouse in the conjugal partnership property as diminished by the obligations properly chargeable to such property shall, for the purpose of this Section, be deducted from the net estate of the decedent.	(C) **Share in the Conjugal Property.** – The net share of the surviving spouse in the conjugal partnership property as diminished by the obligations properly chargeable to such property shall, for the purpose of this Section, be deducted from the net estate of the decedent.	
(D) **Miscellaneous Provisions.** – No deduction shall be allowed in the case of a nonresident not a citizen of the Philippines, unless the executor, administrator, or anyone of the heirs, as the case may be, includes in the return required to be filed under Section 90 the value at the time of his death of that part of the gross estate of the nonresident not situated in the Philippines.		Deletes the provision requiring an executor, administrator or anyone of the heirs to include in the estate tax return that part of the nonresident alien's gross estate not situated in the Philippines to be able to claim deductions.
(E) **Tax Credit for Estate Taxes paid to a Foreign Country.** -	(D) **Tax Credit for Estate Taxes paid to a Foreign Country.** -	
(1) **In General.** - The tax imposed by this Title shall be credited with the amounts of any estate tax imposed by the authority of a foreign country.	(1) **In General.** - The tax imposed by this Title shall be credited with the amounts of any estate tax imposed by the authority of a foreign country.	

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(2) **Limitations on Credit.** - The amount of the credit taken under this Section shall be subject to each of the following limitations: (a) The amount of the credit in respect to the tax paid to any country shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated within such country taxable under this Title bears to his entire net estate; and (b) The total amount of the credit shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated outside the Philippines taxable under this Title bears to his entire net estate.	(2) **Limitations on Credit.** - The amount of the credit taken under this Section shall be subject to each of the following limitations: (a) The amount of the credit in respect to the tax paid to any country shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated within such country taxable under this Title bears to his entire net estate; and (b) The total amount of the credit shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated outside the Philippines taxable under this Title bears to his entire net estate.	
SEC. 89. Notice of Death to be Filed. – In all cases of transfers subject to tax, or where, though exempt from tax, the gross value of the estate exceeds Twenty thousand pesos (P20,000),the executor, administrator or any of the legal heirs, as the case may be, within two (2) months after the decedent's death, or within a like period after qualifying as such executor or administrator, shall give a written notice thereof to the Commissioner.	**REPEALED**	Repeals the provision requiring the executor, administrator or any legal heirs of the decedent to file a written notice of death of the decedent to the BIR Commissioner.
SEC. 90. Estate Tax Returns. – (A) **Requirements.** – In all cases of transfers subject to the tax imposed herein, or where, though exempt from tax, the gross value of the estate exceeds Two hundred thousand pesos (P200,000), or regardless of the gross value of the estate, where the said estate consists of registered or registrable property such as	**SEC. 90. Estate Tax Returns.** – (A) **Requirements.** – <u>In all cases of transfers subject to the tax imposed herein, or regardless of the gross value of the estate</u>, where the said estate consists of registered or registrable property such as real property, motor vehicle, shares of stock or other similar property for which a clearance from the Bureau of Internal	Deletes the phrase "or where, though exempt from tax, the gross value of the estate exceeds Two hundred thousand pesos (P200,000)" emphasizing the need

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real property, motor vehicle, shares of stock or other similar property for which a clearance from the Bureau of Internal Revenue is required as a condition precedent for the transfer of ownership thereof in the name of the transferee, the executor, or the administrator, or any of the legal heirs, as the case may be, shall file a return under oath in duplicate, setting forth:	Revenue is required as a condition precedent for the transfer of ownership thereof in the name of the transferee, the executor, or the administrator, or any of the legal heirs, as the case may be, shall file a return under oath in duplicate, setting forth:	to file an estate tax return of the subject estate.
(1) xxx;	(1) xxx;	
(2) xxx; and	(2) xxx; and	
(3) Such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct taxes.	(3) Such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct taxes.	
Provided, however, That estate tax returns showing a gross value exceeding Two million pesos (P2,000,000) shall be supported with a statement duly certified to by a Certified Public Accountant containing the following:	Provided, however, That estate tax returns showing a gross value exceeding <u>Five million pesos (P5,000,000)</u> shall be supported with a statement duly certified to by a Certified Public Accountant containing the following:	Increases the gross value of estate provided in estate tax returns that requires to be supported with a statement duly certified by a Certified Public Accountant from PhP2 million to PhP5 million.
xxx.	xxx.	
(B) Time for Filing. – For the purpose of determining the estate tax provided for in Section 84 of this Code, the estate tax return required under the preceding Subsection (A) shall be filed within six (6) months from the decedent's death.	**(B) Time for Filing.** – For the purpose of determining the estate tax provided for in Section 84 of this Code, the estate tax return required under the preceding Subsection (A) shall be filed within <u>one (1) year</u> from the decedent's death.	Expands the period within which the estate tax return should be filed, that is, from six (6) months to one (1) year from the death of the decedent.
xxx.	xxx.	

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SEC. 91. Payment of Tax. -	**SEC. 91. Payment of Tax. -**	
(A) Time of Payment. – xxx.	**(A) Time of Payment.** – xxx.	
(B) Extension of Time. – xxx xxx.	**(B) Extension of Time.** – xxx. xxx.	
	(C) <u>Payment by Installment.</u> – <u>In case the available cash of the estate is insufficient to pay the total estate tax due, payment by installment shall be allowed within two (2) years from the statutory date for its payment without civil penalty and interest.</u>	Codifies the provision under Revenue Regulations No. 2-2003 on payment by installment of estate tax.
(C) Liability for Payment. – xxx. xxx.	**(D) Liability for Payment.** – xxx. xxx.	
SEC. 97. Payment of Tax Antecedent to the Transfer of Shares, Bonds or Rights. – xxx. If a bank has knowledge of the death of a person, who maintained a bank deposit account alone, or jointly with another, it shall not allow any withdrawal from the said deposit account, unless the Commissioner has certified that the taxes imposed thereon by this Title have been paid: Provided, however, That the administrator of the estate or any one (1) of the heirs of the decedent may, upon authorization by the Commissioner, withdraw an amount not exceeding Twenty thousand pesos (P20,000) without the said certification. For this purpose, all withdrawal slips shall contain a statement to the effect that all of the joint depositors are still living at the time of withdrawal by any one of the joint depositors and such statement shall be under oath by the said depositors.	**SEC. 97. Payment of Tax Antecedent to the Transfer of Shares, Bonds or Rights.** – xxx. If a bank has knowledge of the death of a person, who maintained a bank deposit account alone, or jointly with another, <u>it shall allow any withdrawal from the said deposit account, subject to a final withholding tax of six percent (6%)</u>. For this purpose, all withdrawal slips shall contain a statement to the effect that all of the joint depositors are still living at the time of withdrawal by any one of the joint depositors and such statement shall be under oath by the said depositors.	Permits the withdrawal from the bank deposit account of the decedent subject to a final withholding tax (FWT) of 6%.

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<tr><th>PREVIOUS TAX REGIME</th><th>REPUBLIC ACT 10963</th><th>REMARKS</th></tr>
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SEC. 99. Rates of Tax Payable by Donor. -

(A) In General. – The tax for each calendar year shall be computed on the basis of the total net gifts made during the calendar year in accordance with the following schedule:

If the net gift is:

<table>
<tr><th>Over</th><th>But Not Over</th><th>The tax shall be</th><th>Plus</th><th>Of the Excess Over</th></tr>
<tr><td></td><td>P 100,000</td><td>Exempt</td><td></td><td></td></tr>
<tr><td>P 100,000</td><td>200,000</td><td>0</td><td>2%</td><td>P100,000</td></tr>
<tr><td>200,000</td><td>500,000</td><td>2,000</td><td>4%</td><td>200,000</td></tr>
<tr><td>500,000</td><td>1,000,000</td><td>14,000</td><td>6%</td><td>500,000</td></tr>
<tr><td>1,000,000</td><td>3,000,000</td><td>44,000</td><td>8%</td><td>1,000,000</td></tr>
<tr><td>3,000,000</td><td>5,000,000</td><td>204,000</td><td>10%</td><td>3,000,000</td></tr>
<tr><td>5,000,000</td><td>10,000,000</td><td>404,000</td><td>12%</td><td>5,000,000</td></tr>
<tr><td>10,000,000</td><td></td><td>1,004,000</td><td>15%</td><td>10,000,000</td></tr>
</table>

(B) Tax Payable by Donor if Donee is a Stranger. – When the donee or beneficiary is stranger, the tax payable by the donor shall be thirty percent (30%) of the net gifts. For the purpose of this tax, a 'stranger', is a person who is not a:

(1) Brother, sister (whether by whole or half-blood), spouse, ancestor and lineal descendant; or

(2) Relative by consanguinity in the collateral line within the fourth degree of relationship.

(C) Any contribution in cash or in kind to any candidate, political party or coalition of parties for campaign
</td>
<td>
SEC. 99. Rate of Tax Payable by Donor. –

(A) In General. – The tax for each calendar year shall be six percent (6%) computed on the basis of the total gifts in excess of Two hundred fifty thousand pesos (P250,000) exempt gift made during the calendar year

(B) Any contribution in cash or in kind to any candidate, political party or coalition of parties for campaign purposes shall be governed by the Election Code, as amended.
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<td>
Sets the donor's tax rate at a single rate of 6% of the total gifts in excess of PhP250,000. The 6% tax rate likewise applies if the donee is a stranger.
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purposes shall be governed by the Election Code, as amended.		
SEC. 100. Transfer for Less Than Adequate and Full Consideration. – Where property, other than real property referred to in Section 24(D), is transferred for less than an adequate and full consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the value of the consideration shall, for the purpose of the tax imposed by this Chapter, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year.	**SEC. 100. Transfer for Less Than Adequate and Full Consideration.** – Where property, other than real property referred to in Section 24(D), is transferred for less than an adequate and full consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the value of the consideration shall, for the purpose of the tax imposed by this Chapter, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year: *Provided, however,* That a sale, exchange or other transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.	Adds a provision in Section 100 stating that a bona fide, at arm's length and donative-intent free sale, exchange or other transfer of property made in the ordinary course of business shall be considered as made for an adequate and full consideration in money or money's worth and is therefore not subject to the donor's tax.
SEC. 101. Exemption of Certain Gifts. – The following gifts or donations shall be exempt from the tax provided for in this Chapter: **(A) In the Case of Gifts Made by a Resident.** – (1) Dowries or gifts made on account of marriage and before its celebration or within one year thereafter by parents to each of their legitimate, recognized natural, or adopted children to the extent of the first Ten thousand pesos (P10,000): (2) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to	**SEC. 101. Exemption of Certain Gifts.** – The following gifts or donations shall be exempt from the tax provided for in this Chapter: **(A) In the Case of Gifts Made by a Resident.** – (1) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to	Deletes the provision exempting from the donor's tax dowries or gifts made by parents to each of their legitimate, recognized natural, or adopted children on account of marriage.

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any political subdivision of the said Government; and (3) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited nongovernment organization, trust or philanthropic organization or research institution or organization: Provided, however, That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a '*non-profit educational and/or charitable corporation, institution, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization*' is a school, college or university and/or charitable corporation, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation. xxx.	any political subdivision of the said Government; and (2) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited nongovernment organization, trust or philanthropic organization or research institution or organization: *Provided, however,* That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a '*non-profit educational and/or charitable corporation, institution, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization*' is a school, college or university and/or charitable corporation, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation. xxx.	
SEC. 106. Value-Added Tax on Sale of Goods or Properties. –	**SEC. 106. Value-Added Tax on Sale of Goods or Properties.** –	Codifies the 12% VAT rate and removes the conditions for increasing the VAT rate from 10% to 12%.

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(A) **Rate and Base of Tax.** – There shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, value-added tax equivalent to ten percent (10%) of the gross selling price or gross value in money of the goods or properties sold, bartered or exchanged, such tax to be paid by the seller or transferor: *Provided,* That the President, upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the rate of value-added tax to twelve percent(12%), after any of the following conditions has been satisfied:	(A) **Rate and Base of Tax.** – There shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, value-added tax equivalent to twelve percent (12%) of the gross selling price or gross value in money of the goods or properties sold, bartered or exchanged, such tax to be paid by the seller or transferor:	
(i) Value-added tax collection as a percentage of Gross Domestic Product (GDP) of the previous year exceeds two and four-fifth percent (2 4/5%); or		
(ii) National Government deficit as a percentage of GDP of the previous year exceeds one and one-half percent (1 1/2%).		
(1) xxx.	(1) xxx.	
(2) The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:	(2) The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:	
(a) Export Sales. – The term ***"export sales"*** means:	(a) Export Sales. – The term ***"export sales"*** means:	
(1) The sale and actual shipment of goods from the Philippines to a foreign country, irrespective of any	(1) The sale and actual shipment of goods from the Philippines to a foreign country, irrespective of any shipping arrangement	

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shipping arrangement that may be agreed upon which may influence or determine the transfer of ownership of goods so exported and paid for in acceptable foreign currency or its equivalent in goods or services, and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	that may be agreed upon which may influence or determine the transfer of ownership of goods so exported and paid for in acceptable foreign currency or its equivalent in goods or services, and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	
	(2) Sales and delivery of goods to: (i) Registered enterprises within a separate customs territory as provided under special laws; and (ii) Registered enterprises within tourism enterprise zone as declared by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) subject to the provisions under Republic Act No.9593 or the Tourism Act of 2009.	Includes in the definition of export sales subject to 0% VAT sales and delivery goods to registered enterprises within separate customs territory and tourism enterprise zone. However, said provisions were **VETOED** by the President on the ground that as they go against the principle of limiting VAT zero-rating to direct exporters. Also, proliferation of separate customs territories creates significant leakages in our tax system.
(2) Sale of raw materials or packaging materials to a nonresident buyer for delivery to a resident local export-oriented enterprise to be used in manufacturing, processing, packing or repacking in the Philippines of the said buyer's goods and paid for in acceptable foreign currency and accounted for in accordance with	(3) Sale of raw materials or packaging materials to a nonresident buyer for delivery to a resident local export-oriented enterprise to be used in manufacturing, processing, packing or repacking in the Philippines of the said buyer's goods and paid for in acceptable foreign currency and accounted for in	

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the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	
(3) Sale of raw materials or packaging materials to export-oriented enterprise whose export sales exceed seventy percent (70%) of total annual production;	(4) Sale of raw materials or packaging materials to export-oriented enterprise whose export sales exceed seventy percent (70%) of total annual production;	
(4) Sale of gold to the Bangko Sentral ng Pilipinas (BSP);		Removes the sale of gold from the definition of export sales and 0% VAT and makes it VAT-exempt.
(5) Those considered export sales under Executive Order NO. 226, otherwise known as the "Omnibus Investment Code of 1987", and other special laws; and	(5) Those considered export sales under Executive Order No. 226, otherwise known as the "Omnibus Investment Code of 1987", and other special laws; and	
(6) The sale of goods, supplies, equipment and fuel to persons engaged in international shipping or international air transport operations.	(6) The sale of goods, supplies, equipment and fuel to persons engaged in international shipping or international air transport operations; *Provided*, that the goods, supplies, equipment and fuel shall be used for international shipping or air transport operations;	Codifies the existing rules in the grant of VAT zero-rating on international shipping or international air transport operations.
	Provided, that subparagraphs (3), (4), and (5) hereof shall be subject to the twelve percent (12%) value-added tax and no longer be considered export sales subject to zero-percent (0%) vat rate upon satisfaction of the following conditions:	
	1. The successful establishment and implementation of an enhanced VAT	New provisions.

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	refund system that grants refund of creditable input tax within ninety (90) days from the filing of the vat refund application with the bureau; provided, that, to determine the effectivity of item no. 1, all applications filed from January 1, 2018 shall be processed and must be decided within ninety (90) days from the filing of the VAT refund application; and 2. All pending VAT refund claims as of December 31, 2017 shall be fully paid in cash by December 31, 2019.	
	Provided, that, the Department of Finance shall establish a VAT refund center in the Bureau of Internal Revenue (BIR) and in the Bureau of Customs (BOC) that will handle the processing and granting of cash refunds of creditable input tax. An amount equivalent to five percent (5%) of the total VAT collection of the BIR and the BOC from the immediately preceding year shall be automatically appropriated annually and shall be treated as special account in the general fund or as a trust receipts for the purpose of funding claims for vat refund: provided, that any unused fund, at the end of the year shall revert to the general fund. Provided, further, that the BIR and the BOC shall be required to submit to the Congressional Oversight Committee on the Comprehensive Tax Reform Program	Requires the establishment of VAT refund centers in the BIR and in the BOC and the earmarking of 5% of the total VAT collection for the purpose of funding claims for VAT refund. The unused fund at the end of the year shall revert to the General Fund.

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(b) Foreign Currency Denominated Sale. – The phrase "foreign currency denominated sale" means sale to a nonresident of goods, except those mentioned in Sections 149 and 150, assembled or manufactured in the Philippines for delivery to a resident in the Philippines, paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP). (c) Sales to persons or entities whose exemption under special laws or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate. xxx.	(COCCTRP) a quarterly report of all pending claims for refund and any unused fund. (b) Sales to persons or entities whose exemption under special laws or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate. xxx.	Removes the VAT zero-rating of foreign currency denominated sale.
SEC. 107. Value-Added Tax on Importation of Goods. – **(A) In General.** – There shall be levied, assessed and collected on every importation of goods a value-added tax equivalent to ten percent (10%) based on the total value used by the Bureau of Customs in determining tariff and customs duties plus customs duties, excise taxes, if any, and other charges, such tax to be paid by the importer prior to the release of such goods from customs custody: *Provided,* That where the customs	**SEC. 107. Value-Added Tax on Importation of Goods.** – **(A) In General.** – There shall be levied, assessed and collected on every importation of goods a value-added tax equivalent to twelve percent (12%) based on the total value used by the Bureau of Customs in determining tariff and customs duties plus customs duties, excise taxes, if any, and other charges, such tax to be paid by the importer prior to the release of such goods from customs custody: Provided, That where the	Codifies the 12% VAT rate and removes the conditions for increasing the VAT rate from 10% to 12%.

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duties are determined on the basis of the quantity or volume of the goods, the value-added tax shall be based on the landed cost plus excise taxes, if any. *Provided, further*, That the President, upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the rate of the value-added tax to twelve percent (12%), after any of the following conditions has been satisfied: (i) Value-added tax collection as a percentage of Gross Domestic Product (GDP) of the previous year exceeds two and four-fifth percent (2 4/5%); or (ii) National Government deficit as a percentage of GDP of the previous year exceeds one and one-half percent (1 1/2%). **(B) Transfer of Goods by Tax-Exempt Persons.** – xxx.	customs duties are determined on the basis of the quantity or volume of the goods, the value-added tax shall be based on the landed cost plus excise taxes, if any. **(B) Transfer of Goods by Tax-Exempt Persons.** – xxx.	
SEC. 108. Value-added Tax on Sale of Services and Use or Lease of Properties. – **(A) Rate and Base of Tax.** – There shall be levied, assessed and collected, a value-added tax equivalent to ten percent (10%) of gross receipts derived from the sale or exchange of services, including the use or lease of properties. *Provided,* That the President, upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the value-added tax to twelve percent (12%), after any of the following conditions has been satisfied: (i) Value-added tax collection as a percentage of Gross Domestic Product (GDP) of the previous	**SEC. 108. Value-added Tax on Sale of Services and Use or Lease of Properties. –** **(A) Rate and Base of Tax.** – There shall be levied, assessed and collected, a value-added tax equivalent to twelve percent (12%) of gross receipts derived from the sale or exchange of services, including the use or lease of properties.	Codifies the 12% VAT rate and removes the conditions for increasing the VAT rate from 10% to 12%.

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year exceeds two and four-fifth percent (2 4/5%); or (ii) National Government deficit as a percentage of GDP of the previous year exceeds one and one-half percent (1 1/2%).		
The phrase "***sale or exchange of services***" means the performance of all kinds of services in the Philippines for others for a fee, remuneration or consideration, including those performed or rendered by construction and service contractors; stock, real estate, commercial, customs and immigration brokers; lessors of property, whether personal or real; warehousing services; lessors or distributors of cinematographic films; persons engaged in milling processing, manufacturing or repacking goods for others; proprietors, operators or keepers of hotels, motels, rest houses, pension houses, inns, resorts; proprietors or operators of restaurants, refreshment parlors, cafes and other eating places, including clubs and caterers; dealers in securities; lending investors; transportation contractors on their transport of goods or cargoes, including persons who transport goods or cargoes for hire another domestic common carriers by land relative to their transport of goods or cargoes; common carriers by air and sea relative to their transport of passengers, goods or cargoes from one place in the Philippines to another place in the Philippines; sales of electricity by generation companies, transmission, and distribution companies; services of franchise grantees of electric utilities, telephone and telegraph, radio and television broadcasting and all other franchise grantees except those under Section 119 of this Code, and non-life	The phrase "***sale or exchange of services***" means the performance of all kinds of services in the Philippines for others for a fee, remuneration or consideration, including those performed or rendered by construction and service contractors; stock, real estate, commercial, customs and immigration brokers; lessors of property, whether personal or real; warehousing services; lessors or distributors of cinematographic films; persons engaged in milling processing, manufacturing or repacking goods for others; proprietors, operators or keepers of hotels, motels, rest houses, pension houses, inns, resorts; proprietors or operators of restaurants, refreshment parlors, cafes and other eating places, including clubs and caterers; dealers in securities; lending investors; transportation contractors on their transport of goods or cargoes, including persons who transport goods or cargoes for hire another domestic common carriers by land relative to their transport of goods or cargoes; common carriers by air and sea relative to their transport of passengers, goods or cargoes from one place in the Philippines to another place in the Philippines; sales of electricity by generation companies, transmission, and distribution companies, <u>including electric cooperatives</u>; services of franchise grantees of electric utilities, telephone and telegraph, radio and television broadcasting and all other franchise grantees except those under Section 119 of this Code, and non-life insurance companies (except	Includes electric cooperatives in the definition of sale or exchange of services subject to VAT.

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insurance companies (except their crop insurances), including surety, fidelity, indemnity, and bonding companies; and similar services regardless of whether or not the performance thereof calls for the exercise or use of the physical or mental faculties. The phrase ***"sale or exchange of services"*** shall likewise include:	their crop insurances), including surety, fidelity, indemnity, and bonding companies; and similar services regardless of whether or not the performance thereof calls for the exercise or use of the physical or mental faculties. The phrase ***"sale or exchange of services"*** shall likewise include:	
xxx.	xxx.	
(B) Transactions Subject to Zero Percent (0%) Rate – The following services performed in the Philippines by VAT- registered persons shall be subject to zero percent (0%) rate.	**(B) Transactions Subject to Zero Percent (0%) Rate** – The following services performed in the Philippines by VAT- registered persons shall be subject to zero percent (0%) rate.	
(1) Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	(1) Processing, manufacturing or repacking goods for other persons doing business outside the Philippines which goods are subsequently exported, where the services are paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	
(2) Services other than those mentioned in the preceding paragraph, rendered to a person engaged in business conducted outside the Philippines or to a nonresident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	(2) Services other than those mentioned in the preceding paragraph, rendered to a person engaged in business conducted outside the Philippines or to a nonresident person not engaged in business who is outside the Philippines when the services are performed, the consideration for which is paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);	
(3) Services rendered to persons or entities whose exemption under special laws or international	(3) Services rendered to persons or entities whose exemption under special laws or international	

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agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero percent (0%) rate;	agreements to which the Philippines is a signatory effectively subjects the supply of such services to zero percent (0%) rate;	
(4) Services rendered to persons engaged in international shipping or international air transport operations, including leases of property for use thereof;	(4) Services rendered to persons engaged in international shipping or international air transport operations, including leases of property for use thereof; *Provided*, that these services shall be exclusively for international shipping or air transport operations;	
(5) Services performed by subcontractors and/or contractors in processing, converting, of manufacturing goods for an enterprise whose export sales exceed seventy percent (70%) of total annual production;	(5) Services performed by subcontractors and/or contractors in processing, converting, of manufacturing goods for an enterprise whose export sales exceed seventy percent (70%) of total annual production;	Codifies the existing rules in the grant of VAT zero-rating on international shipping or international air transport operations.
(6) Transport of passengers and cargo by air or sea vessels from the Philippines to a foreign country; and	(6) Transport of passengers and cargo by domestic air or sea vessels from the Philippines to a foreign country;	Inserts the word 'domestic'.
(7) Sale of power or fuel generated through renewable sources of energy such as, but not limited to, biomass, solar, wind, hydropower, geothermal, ocean energy, and other emerging energy sources using technologies such as fuel cells and hydrogen fuels.	(7) Sale of power or fuel generated through renewable sources of energy such as, but not limited to, biomass, solar, wind, hydropower, geothermal, ocean energy, and other emerging energy sources using technologies such as fuel cells and hydrogen fuels; and	
	(8) Services rendered to:	
	(i) Registered enterprises within a separate customs territory as provided under special laws; and	New provisions subject to 0% VAT. However, said provisions were **VETOED** by the President on the ground that they go against the principle of limiting VAT zero-

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	(ii) Registered enterprises within tourism enterprise zones as declared by the TIEZA subject to the provisions under Republic Act No.9593 or the Tourism Act of 2009.	rating to direct exporters. Also, the proliferation of separate customs territories, which includes buildings, creates significant leakages in our tax system. This makes the tax system highly inequitable and significantly reduces the revenues that could be better used for the poor.
	Provided, that items (B)(1) and (B)(5) hereof shall be subject to the twelve percent (12%) value-added tax and no longer be subject to zero-percent (0%) VAT rate upon satisfaction of the following conditions:	
	(1) The successful establishment and implementation of an enhanced VAT refund system that grants refund of creditable input tax within ninety (90) days from the filing of the VAT refund application with the Bureau; provided, that, to determine the effectivity of item no. 1, all applications filed from January 1, 2018 shall be processed and must be decided within ninety (90) days from the filing of the VAT refund application; and	Requires the establishment of VAT refund centers in the BIR and in the BOC and the earmarking of 5% of the total VAT collection for the purpose of funding claims for VAT refund. The unused fund at the end of the year shall revert to the General Fund,
	All pending VAT refund claims as of December 31, 2017 shall be fully paid in cash by December 31, 2019.	

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	Provided, that, the Department of Finance shall establish a VAT refund center in the Bureau of Internal Revenue (BIR) and in the Bureau of Customs (BOC) that will handle the processing and granting of cash refunds of creditable input tax. An amount equivalent to five percent (5%) of the total VAT collection of the BIR and the BOC from the immediately preceding year shall be automatically appropriated annually and shall be treated as special account in the general fund or as a trust receipts for the purpose of funding claims for VAT refund: provided, that any unused fund, at the end of the year shall revert to the general fund. *Provided*, further, that the BIR and the BOC shall be required to submit to the COCCTRP a quarterly report of all pending claims for refund and any unused fund.	
SEC. 109. Exempt Transactions. – **(1)** Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax. **(A)** xxx; **(B)** xxx; **(C)** xxx; **(D)** Importation of professional instruments and implements, wearing apparel, domestic animals,	**SEC. 109. Exempt Transactions. –** **(1)** Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax. **(A)** xxx; **(B)** xxx; **(C)** xxx; **(D)** Importation of professional instruments and implements, <u>tools of</u> trade, occupation or	Revises the provision to be in accordance with the wording under

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and personal household effects (except any vehicle, vessel, aircraft, machinery other goods for use in the manufacture and merchandise of any kind in commercial quantity) belonging to persons coming to settle in the Philippines, for their own use and not for sale, barter or exchange, accompanying such persons, or arriving within ninety (90) days before or after their arrival, upon the production of evidence satisfactory to the Commissioner, that such persons are actually coming to settle in the Philippines and that the change of residence is bona fide;	employment, wearing apparel, domestic animals, and personal and household effects belonging to persons coming to settle in the Philippines or Filipinos or their families and descendants who are now residents or citizens of other countries, such parties hereinafter referred to as overseas Filipinos, in quantities and of the class suitable to the profession, rank or position of the persons importing said items, for their own use and not for barter or sale, accompanying such persons, or arriving within a reasonable time: *Provided*, that the Bureau of Customs may, upon the production of satisfactory evidence that such persons are actually coming to settle in the Philippines and that the goods are brought from their former place of abode, exempt such goods from payment of duties and taxes: *Provided, further*, that vehicles, vessels, aircrafts, machineries and other similar goods for use in manufacture, shall not fall within this classification and shall therefore be subject to duties, taxes and other charges;	the Customs Modernization and Tariff Act (CMTA).
xxx.	xxx.	
(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992, and other related laws, residential lot valued at One million pesos (P1,500,000) and below, house and lot, and other residential dwellings valued at Two million five hundred thousand pesos (P2,500,000) and below:	**(P)** Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992, and other related laws, residential lot valued at One million pesos (P1,500,000) and below, house and lot, and other residential dwellings valued at Two million five hundred thousand pesos (P2,500,000) and below: *Provided*, that beginning January 1,	

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Provided, That not later than January 31, 2009 and every three (3) years thereafter, the amount herein stated shall be adjusted to their present values using the Consumer Price Index, as published by the National Statistics Office (NSO);	2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business, sale of real property utilized for socialized housing as defined by Republic Act No. 7279, sale of house and lot and other residential dwellings with selling price of not more than Two million pesos (P2,000,000): *Provided,* further that every three (3) years thereafter, the amount herein stated shall be adjusted to their present values using the Consumer Price Index, as published by the Philippine Statistical Authority (PSA);	Retains the VAT exemption of low-cost and socialized housing at stated threshold amounts. It is noted, however, that RR 16-2011 (effective January 1, 2012), already increased the amounts for the sale of residential lot from PhP1,500,000 to PhP1,919,500 and for house and lot and other residential dwellings from PhP2,500,000 to PhP3,199,200. It is not clear whether it is a typographical error or the true intent of the provision. Provides for additional conditions for VAT exemption beginning January 1, 2021 to apply only to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business, sale or real property utilized for low socialized housing as defined by RA 7279, sale of house and lot and other residential dwellings with selling price of not more than PhP2,000,000, which will be adjusted to their present values using the CPI every three (3) years thereafter.

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(Q) Lease of a residential unit with a monthly rental not exceeding Ten thousand pesos (P10,000): *Provided,* That not later than January 31, 2009 and every three (3) years thereafter, the amount herein stated shall be adjusted to its present value using the Consumer Price Index as published by the National Statistics Office (NSO);	**(Q)** Lease of a residential unit with a monthly rental not exceeding Fifteen (P15,000) thousand pesos;	Increases the present VAT threshold PhP12,800 TO PhP15,000 on lease of residential unit and removed the provision on indexation to Consumer Price Index (CPI) every three (3) years thereafter.
(R) Sale, importation, printing or publication of books and any newspaper, magazine review or bulletin which appears at regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of paid advertisements;	**(R)** Sale, importation, printing or publication of books and any newspaper, magazine review or bulletin which appears at regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of paid advertisements;	
(S) Transport of passengers by international carriers;	**(S)** Transport of passengers by international carriers;	
(T) Sale, importation or lease of passenger or cargo vessels and aircraft, including engine, equipment and spare parts thereof for domestic or international transport operations;	**(T)** Sale, importation or lease of passenger or cargo vessels and aircraft, including engine, equipment and spare parts thereof for domestic or international transport operations;	
(U) Importation of fuel, goods and supplies by persons engaged in international shipping or air transport operations;	**(U)** Importation of fuel, goods and supplies by persons engaged in international shipping or air transport operations; *Provided,* that the fuel, goods, and supplies, shall be used for international shipping or air transport operations;	Codifies the existing rules in the grant of VAT exemption on international shipping or international air transport operations.
(V) Services of bank, non-bank financial intermediaries performing quasi-banking functions, and other non-bank financial intermediaries; and	**(V)** Services of bank, non-bank financial intermediaries performing quasi-banking functions, and other non-bank financial intermediaries;	

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	(W) Sale or lease of goods and services to senior citizens and persons with disabilities, as provided under Republic Act Nos. 9994 (Expanded Senior Citizens Act of 2010) and 10754 (An Act Expanding the Benefits and Privileges of Persons with Disability) respectively;	Codifies the VAT exemptions of senior citizens and PWDs in the NIRC of 1997, as amended.
	(X) Transfer of property pursuant to Section 40(c)(2) of the NIRC, as amended;	New provision.
	(Y) Association dues, membership fees, and other assessments and charges collected by homeowners associations and condominium corporations;	New provision.
	(Z) Sale of gold to the Bangko Sentral ng Pilipinas (BSP);	From 0% TO VAT exemption.
	(AA) Sale of drugs and medicines prescribed for diabetes, high cholesterol, and hypertension beginning January 1, 2019; and	New provision.
(W) Sale or lease of goods or properties or the performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of One million five hundred thousand pesos (P1,500,000): *Provided*, That not later than January 31, 2009 and every three (3) years thereafter, the amount herein stated shall be adjusted to its present value using the Consumer Price Index, as published by the National Statistics Office (NSO).	**(BB)** Sale or lease of goods or properties or the performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of three million pesos (P3,000,000) pesos:	Increases the VAT threshold from PhP1.5 million TO PhP3 million and renumbers the provision.
SEC. 110. Tax Credits. –	**SEC. 110. Tax Credits.** –	

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(A) Creditable Input Tax. –	**(A) Creditable Input Tax**. –	
(1) xxx.	(1) xxx.	
(2) xxx.	(2) xxx.	
(a) xxx.	(a) xxx.	
(b) xxx.	(b) xxx.	
Provided, That the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code, shall be spread evenly over the month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (P1,000,000): Provided, however, That if the estimated useful life of the capital good is less than five (5) years, as used for depreciation purposes, then the input VAT shall be spread over such a shorter period: Provided, finally, that in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee.	*Provided*, That the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code shall be spread evenly over the a month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (P 1,000, 000): *Provided*, however, That if the estimated useful life of the capital good is less than five (5) years, as used for depreciation purposes, then the input VAT shall be spread over such a shorter period: *Provided*, further, That the amortization of the input VAT shall <u>only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital good purchased or imported shall be allowed to apply the same as scheduled until fully utilized:</u> *Provided*, finally, That in case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or free.	Inserts additional conditions with regard to amortization and unutilized input VAT.
xxx.	xxx.	

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SEC. 110. Tax Credits. – **(B) Creditable Input Tax**. – **(1)** xxx. **(2)** xxx. (a) xxx. (b) xxx. *Provided*, That the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code, shall be spread evenly over the month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (P1,000,000): Provided, however, That if the estimated useful life of the capital good is less than five (5) years, as used for depreciation purposes, then the input VAT shall be spread over such a shorter period: Provided, finally, that in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee.	**SEC. 110. Tax Credits. –** **(B) Creditable Input Tax**. – **(1)** xxx. **(2)** xxx. (a) xxx. (b) xxx. *Provided*, That the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code shall be spread evenly over the month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (P 1,000, 000): *Provided*, however, That if the estimated useful life of the capital good is less than five (5) years, as used for depreciation purposes, then the input VAT shall be spread over such a shorter period: *Provided*, further, That the amortization of the input VAT shall only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital good purchased or imported shall be allowed to apply the same as scheduled until fully utilized: *Provided*, finally, That in case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or free.	Inserts additional conditions with regard to amortization and unutilized input VAT.

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xxx.	xxx.	
SEC. 112. Refunds or Tax Credits of Input Tax. – **(A)** xxx. **(B)** xxx. **(C) Period within which Refund or Tax Credit of Input Taxes shall be Made.** – In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof. In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals. xxx.	**SEC. 112. Refunds or Tax Credits of Input Tax. –** **(A)** xxx. **(B)** xxx. **(C) Period within which Refund of Input Taxes shall be Made.** – In proper cases, the Commissioner shall grant a refund for creditable input taxes within ninety (90) days from the date of submission of complete documents in support of the application filed in accordance with Subsections (A) and (B) hereof: *Provided,* that, should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial. In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals: *Provided*, however, That failure on the part of any officials, agent, or employee of the BIR to act on the application within ninety (90)-day period shall be punishable under Section 269 of this Code. xxx.	Codifies the period for refund for creditable input taxes and inserts additional conditions in the granting of refund.
SEC. 114. Return and Payment of Value-Added Tax. – **(A) In General.** – Every person liable to pay the value-added tax imposed under this Title shall file a	**SEC. 114. Return and Payment of Value-Added Tax. –** **(A) In General.** – Every person liable to pay the value-added tax imposed under this Title shall file a quarterly	

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quarterly return of the amount of his gross sales or receipts within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer: Provided, however, That VAT-registered persons shall pay the value-added tax on a monthly basis. Any person, whose registration has been cancelled in accordance with Section 236, shall file a return and pay the tax due thereon within twenty-five (25) days from the date of cancellation of registration: *If* only one consolidated, return shall be filed by the taxpayer for his principal place of business or head office and all branches.	return of the amount of his gross sales or receipts within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer: *Provided, however,* That VAT-registered persons shall pay the value-added tax on a monthly basis: *Provided*, finally, that beginning January 1, 2023, the filing and payment required under this subsection shall be done within twenty-five (25) days following the close of each taxable quarter. xxx.	Inserts additional conditions in the filing and payment of VAT beginning January 1, 2023.
(B) xxx.	**(B)** xxx.	
(C) Withholding of Value-Added Tax. – The Government or any of its political subdivisions, instrumentalities or agencies, including government-owned or – controlled corporations (GOCCs) shall, before making payment on account of each purchase of goods and services which are subject to the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold a final value-added tax at the rate of five percent (5%) of the gross payment thereof: *Provided,* That the payment for lease or use of properties or property rights to nonresident owners shall be subject to ten percent (10%) withholding tax at the time of payment. For purposes of this Section, the payor or person in control of the payment shall be considered as the withholding agent.	**(C) Withholding of Value-Added Tax.** – The Government or any of its political subdivisions, instrumentalities or agencies, including government-owned or – controlled corporations (GOCCs) shall, before making payment on account of each purchase of goods and services which are subject to the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold a final value-added tax at the rate of five percent (5%) of the gross payment thereof: *Provided,* That beginning January 1, 2021, the VAT withholding system under this Subsection shall shift from final to creditable system: *Provided*, further, That the payment for lease or use of properties or property rights to nonresident owners shall be subject to twelve percent (12%) withholding tax at the time of payment: *Provided, finally,* that payments for purchases of goods and services arising from projects funded by Official Development Assistance (ODA) as defined under	Inserts additional conditions for projects funded by ODA.

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	<u>Republic Act No. 8182, otherwise known as the "Official Development Assistance Act of 1996", as amended, shall not be subject to the final withholding taxes as imposed in this Subsection.</u> For purposes of this Section, the payor or person in control of the payment shall be considered as the withholding agent.	
SEC. 116. Tax on Persons Exempt from Value-Added Tax (VAT). – Any person whose sales or receipts are exempt under Section 109 (W) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%) of his gross quarterly sales or receipts: *Provided,* That cooperatives shall be exempt from the three percent (3%) gross receipts tax herein imposed.	**SEC. 116. Tax on Persons Exempt from Value-Added Tax (VAT).** – Any person whose sales or receipts are exempt under Section 109 (BB) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%) of his gross quarterly sales or receipts: *Provided*, That cooperatives, <u>and beginning January 1, 2019, self-employed and professionals with total annual gross sales and/or gross receipts not exceeding Five hundred thousand (P500,000)</u> shall be exempt from the three percent (3%) gross receipts tax herein imposed.	Exempts self-employed and/or professionals whose gross sales or gross receipts do not exceed PhP500,00 from the 3% percentage tax. However, the President **VETOED** the said provision as such will result in unnecessary erosion of revenues and would lead to abuses and leakages.
SEC. 127. Tax on Tax on Sale, Barter or Exchange of Shares of Stock Listed and Traded through the Local Stock Exchange or through Initial Public Offering. – **(A) Tax on Sale, Barter or Exchange of Shares of Stock Listed and Traded through the Local Stock Exchange.** - There shall be levied, assessed and collected on every sale, barter, exchange, or other disposition of shares of stock listed and traded through the local stock exchange other than the sale by a dealer in securities, a tax at the rate of one-half of one percent ($^1/_2$ of 1%) of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed which shall be paid by the seller or transferor. xxx.	**SEC. 127. Tax on Tax on Sale, Barter or Exchange of Shares of Stock Listed and Traded through the Local Stock Exchange or through Initial Public Offering. –** **(A) Tax on Sale, Barter or Exchange of Shares of Stock Listed and Traded through the Local Stock Exchange.** - There shall be levied, assessed and collected on every sale, barter, exchange, or other disposition of shares of stock listed and traded through the local stock exchange other than the sale by a dealer in securities, a tax at the rate of <u>six-tenths of one percent (6/10 of 1%)</u> of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise disposed which shall be paid by the seller or transferor. xxx.	Increases the STT rate from 0.5% to 0.6% or by 20%.

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SEC. 128. Returns and Payment of Percentage Taxes. –	**SEC. 128. Returns and Payment of Percentage Taxes.** –	
(A) xxx.	**(A)** xxx.	
(1) xxx.	(1) xxx.	
(2) Person Retiring from Business. – xxx.	**(2) Person Retiring from Business.** – xxx.	
(3) Exceptions. - The Commissioner may, by rules and regulations, prescribe: (a) The time for filing the return at intervals other than the time prescribed in the preceding paragraphs for a particular class or classes of taxpayers after considering such factors as volume of sales, financial condition, adequate measures of security, and such other relevant information required to be submitted under the pertinent provisions of this Code; and (b) The manner and time of payment of percentage taxes other than as hereinabove prescribed, including a scheme of tax prepayment. (b) The manner and time of payment of percentage taxes other than as hereinabove prescribed, including a scheme of tax prepayment.		Deletes the provisions on the exceptions.
(4) Determination of Correct Sales or Receipts. - When it is found that a person has failed to issue receipts or invoices, or when no return is filed, or when there is reason to believe that the books of accounts or other records do not correctly reflect the declarations made or to be made in a return	**(3) Determination of Correct Sales or Receipts.** – xxx xxx.	

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required to be filed under the provisions of this Code, the Commissioner, after taking into account the sales, receipts or other taxable base of other persons engaged in similar businesses under similar situations or circumstances, or after considering other relevant information may prescribe a minimum amount of such gross receipts, sales and taxable base and such amount so prescribed shall be prima facie correct for purposes of determining the internal revenue tax liabilities of such person. xxx.		
SEC. 129. Goods subject to Excise Taxes. - Excise taxes apply to goods manufactured or produced in the Philippines for domestic sales or consumption or for any other disposition and to things imported. The excise tax imposed herein shall be in addition to the value-added tax imposed under Title IV. For purposes of this Title, excise taxes herein imposed and based on weight or volume capacity or any other physical unit of measurement shall be referred to as '*specific tax*' and an excise tax herein imposed and based on selling price or other specified value of the good shall be referred to as '*ad valorem tax*.'	**SEC.129.** Goods <u>and Services</u> subject to excise taxes. - Excise taxes apply to goods manufactured or produced in the Philippines for domestic sales or consumption or for any other disposition and to things imported as well as services performed in the Philippines. The excise tax imposed herein shall be in addition to the value-added tax imposed under Title IV. For purposes of this Title, excise taxes herein imposed and based on weight or volume capacity or any other physical unit of measurement shall be referred to as '*specific tax*' and an excise tax herein imposed and based on selling price or other specified value of the good or service shall be referred to as '*ad valorem tax*.'	Inserts 'services' as subject to excise tax in the provision.
Sec. 145. Cigars and Cigarettes. – **(A) Cigars.** – xxx.	**Sec. 145. Cigars and Cigarettes.** – **(A) Cigars.** – xxx.	

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(B) Cigarettes Packed by Hand. - There shall be levied, assessed and collected on cigarettes packed by hand an excise tax based on the following schedules: Effective on January 1, 2013, Twelve pesos (P12.00) per pack;	**(B) Cigarettes Packed by Hand.** - There shall be levied, assessed and collected on cigarettes packed by hand an excise tax based on the following schedules:	
Effective on January 1, 2014, Fifteen pesos (P15.00) per pack;		
Effective on January 1, 2015, Eighteen pesos (P18.00) per pack;		
Effective on January 1, 2016, Twenty-one pesos (P21.00) per pack; and		
Effective on January 1, 2017, Thirty pesos (P30.00) per pack.		
Effective on January 1, 2018, Thirty-one pesos and twenty centavos (P31.20) per pack.	Effective on January 1, 2018 until June 30, 2018, Thirty-Two pesos and Fifty Centavos (P32.50) per pack;	Increases the tax rates on cigarettes packed by hand starting January 1, 2018.
Effective on January 1, 2019, Thirty-two pesos and forty-five centavos (P32.45) per pack.	Effective on July 1, 2018 until December 31, 2019, Thirty-five pesos (P35.00) per pack;	
Effective on January 1, 2020, Thirty-three pesos and seventy-five centavos (P33.75) per pack.	Effective on January 1, 2020 until December 31, 2021, Thirty-seven pesos and fifty centavos (P37.50) per pack;	
Effective on January 1, 2021 Thirty-five pesos and ten centavos (P35.10) per pack.		
Effective on January 1, 2022, Thirty-six pesos and fifty centavos (P36.50) per pack.	Effective on January 1, 2022 until December 31, 2023, Forty pesos (P40.00) per pack;	

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Effective on January 1, 2023, Thirty-eight pesos (P38.00) per pack.		
The rates of tax imposed under this subsection shall be increased by four percent (4%) every year effective on January 1, 2018, through revenue regulations issued by the Secretary of Finance.	The rates of tax imposed under this subsection shall be increased by four percent (4%) every year effective on <u>January 1, 2024</u>, through revenue regulations issued by the Secretary of Finance.	
Duly registered cigarettes packed by hand shall only be packed in twenties and other packaging combinations of not more than twenty.	Duly registered cigarettes packed by hand shall only be packed in twenties and other packaging combinations of not more than twenty.	
'Cigarettes packed by hand' shall refer to the manner of packaging of cigarette sticks using an individual person's hands and not through any other means such as a mechanical device, machine or equipment.	**'Cigarettes packed by hand'** shall refer to the manner of packaging of cigarette sticks using an individual person's hands and not through any other means such as a mechanical device, machine or equipment.	
(C) **Cigarettes Packed by Machine.** - There shall be levied, assessed and collected on cigarettes packed by machine a tax at the rates prescribed below:	(C) **Cigarettes Packed by Machine.** - There shall be levied, assessed and collected on cigarettes packed by machine a tax at the rates prescribed below:	
Effective on January 1, 2013 (1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Twelve pesos (P12.00) per pack; and (2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-five pesos (P25.00) per pack. Effective on January 1, 2014		

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(1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Seventeen pesos (P17.00) per pack; and (2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-seven pesos (P27.00) per pack. Effective on January 1, 2015 (1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Twenty-one pesos (P21.00) per pack; and (2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-eight pesos (P28.00) per pack. Effective on January 1, 2016 (1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Twenty-five pesos (P25.00) per pack; and (2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the		

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tax shall be Twenty-nine pesos (P29.00) per pack.		
Effective on January 1, 2017, the tax on all cigarettes packed by machine shall be Thirty pesos (P30.00) per pack.		
Effective on January 1, 2018, Thirty-one pesos and twenty centavos (P31.20) per pack.	Effective on January 1, 2018 until June 30, 2018, Thirty-Two pesos and Fifty Centavos (P32.50) per pack;	Increases the tax rates on cigarettes packed by machine starting January 1, 2018.
Effective on January 1, 2019, Thirty-two pesos and forty-five centavos (P32.45) per pack.	Effective on July 1, 2018 until December 31, 2019, Thirty-five pesos (P35.00) per pack;	
Effective on January 1, 2020, Thirty-three pesos and seventy-five centavos (P33.75) per pack.	Effective on January 1, 2020 until December 31, 2021, Thirty-seven pesos and fifty centavos (P37.50) per pack;	
Effective on January 1, 2021 Thirty-five pesos and ten centavos (P35.10) per pack.		
Effective on January 1, 2022, Thirty-six pesos and fifty centavos (P36.50) per pack.	Effective on January 1, 2022 until December 31, 2023, Forty pesos (P40.00) per pack;	
Effective on January 1, 2023, Thirty-eight pesos (P38.00) per pack.		
The rates of tax imposed under this subsection shall be increased by four percent (4%) every year thereafter effective on January 1, 2018, through revenue regulations issued by the Secretary of Finance.	The rates of tax imposed under this subsection shall be increased by four percent (4%) every year effective on January 1, 2024, through revenue regulations issued by the Secretary of Finance.	
SEC. 148. Manufactured Oils and Other Fuels. - There shall be collected on refined and manufactured mineral oils	**SEC. 148. Manufactured Oils and Other Fuels.** - There shall be collected on refined and manufactured mineral oils	

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and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such:	and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such: Effective January 1, 2018	
(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, Four pesos and fifty centavos (P4.50): *Provided, however,* That the excise taxes paid on the purchased feedstock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom: *Provided, further*, That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: *Provided, finally,* That locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax imposed under this Section;	(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, eight pesos (P8.00): *Provided,* that lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: *Provided, further*, that locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax imposed under this subsection;	Increases the excise tax on lubricating oils and greases from PhP4.50 TO PhP8.00 per liter and kilogram respectively, of volume capacity or weight; or PhP3.50 higher than the 2017 rates.
(b) Processed gas, per liter of volume capacity, Five centavos (P0.05);	(b) Processed gas, per liter of volume capacity, eight pesos (P8.00);	The rate is higher by PhP7.95 per liter of volume capacity compared to 2017 rate.
(c) Waxes and petrolatum, per kilogram, Three pesos and fifty centavos (P3.50);	(c) Waxes and petrolatum, per kilogram, eight pesos (P8.00);	The rate is higher by PhP4.50 per kilogram compared to 2017 rates.

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(d) On denatured alcohol to be used for motive power, per liter of volume capacity, Five centavos (P0.05): *Provided,* That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;	(d) On denatured alcohol to be used for motive power, per liter of volume capacity, <u>eight pesos (P8.00)</u>: *Provided,* that unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;	The rate is higher by PhP7.95 per liter of volume capacity compared to 2017 rate.
(e) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, Four pesos and thirty five centavos (P4.35): *Provided, however,* That naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural-gas-fired-combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, Zero (P0.00): *Provided, further,* That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;	(e) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, <u>seven pesos (P7.00)</u>: *Provided, however,* That naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural-gas-fired-combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, Zero (P0.00): *Provided, further,* That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;	The rate is higher by PhP2.65 per liter of volume capacity compared to 2017 rates.

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(f) Leaded premium gasoline, per liter of volume capacity, Five pesos and thirty-five centavos (P5.35); unleaded premium gasoline, per liter of volume capacity, Four pesos and thirty-five centavos (P4.35);	(f) Unleaded premium gasoline, per liter of volume capacity, seven pesos (P7.00);	The rate is higher by PhP2.65 per liter as compared to 2017 rate. RA 10963 also removes leaded premium gasoline from the provision.
(g) Aviation turbo jet fuel, per liter of volume capacity, Three pesos and sixty-seven centavos (P3.67);	(g) Aviation turbo jet fuel, per liter of volume capacity, four pesos (P4.00);	The rate is higher by PhP0.33 per liter compared to 2017 rate.
(h) Kerosene, per liter of volume capacity, Zero (P0.00): *Provided,* That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;	(h) Kerosene, per liter of volume capacity, three pesos (P3.00): *Provided,* that kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;	Imposes an excise tax of PhP3.00 per liter of volume capacity on kerosene from PhP0.00 in 2017.
(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Zero (P0.00);	(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, two pesos and fifty centavos (P2.50);	Imposes an excise tax of PhP2.50 per liter of volume capacity from PhP0.00 in 2017.
(j) Liquefied petroleum gas, per liter, Zero (P0.00): *Provided,* That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;	(j) Liquefied Petroleum Gas, per kilogram one peso (P1.00): *Provided,* that, liquefied petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the secretary of finance, shall be taxed zero (P0.000) per kilogram: *Provided, finally,* that liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;	Imposes a tax of PhP1.00 and changes the tax base from liter TO kilogram.
(k) Asphalts, per kilogram, Fifty-six centavos (P0.56); and	(k) Asphalts, per kilogram, eight pesos (P8.00); and	The rate is higher by PhP7.44 per kilogram compared to 2017 rate.

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(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Zero (P0.00).	(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, two pesos and fifty centavos (P2.50): *Provided, however,* that the excise taxes paid on the purchased basestock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom.	Imposes a tax of PhP2.50 from PhP0.00 per liter in 2017.
	(m) Petroleum coke, per metric ton, two pesos and fifty centavos (P2.50): provided, however, that, petroleum coke, when used as feedstock to any power generating facility, per metric ton, zero (P0.00).	Imposes a PhP2.50 tax per metric ton on petroleum coke.
	Effective January 1, 2019	*Effective January 1, 2019*
	(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, nine pesos (P9.00): *Provided,* That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: *Provided, further,* that locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax imposed under this subsection;	Provides an additional PhP1.00 per liter and kilogram respectively, of volume capacity or weight from 2018 rate.
	(b) Processed gas, per liter of volume capacity, nine pesos (P9.00);	Provides an additional PhP1.00 per liter from 2018 rate.

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	(c) Waxes and petrolatum, per kilogram, <u>nine pesos (P9.00)</u>;	Provides an additional PhP1.00 per kilogram from 2018 rate.
	(d) On denatured alcohol to be used for motive power, per liter of volume capacity, <u>nine pesos (P9.00)</u>: *Provided,* That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;	Provides an additional PhP1.00 per liter from 2018 rate.
	(e) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, <u>nine pesos (P9.00)</u>: *Provided, however,* That naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural-gas-fired-combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, Zero (P0.00): *Provided, further,* That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or	Provides an additional PhP2.00 per liter from 2018 rate.

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	blending into finished products which are subject to excise tax under this Section;	
	(f) Unleaded premium gasoline, per liter of volume capacity, nine pesos (P9.00);	Provides an additional PhP2.00 per liter from 2018 rate.
	(g) Aviation turbo jet fuel, per liter of volume capacity, four pesos (P4.00);	Same 2018 rate of PhP4.00 per liter.
	(h) Kerosene, per liter of volume capacity, four pesos (P4.00): *Provided,* That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;	Provides an additional PhP1.00 per liter from 2018 rate.
	(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, four pesos and fifty centavos (P4.50);	Provides an additional PhP2.00 per liter from 2018 rate.
	(j) Liquefied Petroleum Gas, per kilogram, two pesos (P2.00): *Provided,* that, liquefied petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the secretary of finance, per kilogram, zero (P0.00): *Provided, finally,* that liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;	Provides an additional PhP1.00 per kilogram from 2018 rate.
	(k) Asphalts, per kilogram, nine pesos (P9.00); and	Provides an additional PhP1.00 per kilogram from 2018.
	(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, four pesos and fifty centavos (P4.50): *Provided, however,* that the excise taxes paid on the	Provides an additional PhP2.00 per liter from 2018 rate.

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	purchased basestock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom.	
	(m) Petroleum coke, per metric ton, four pesos and fifty centavos (P4.50); provided, however, that, petroleum coke, when used as feedstock to any power generating facility, per metric ton, zero (P0.00).	Provides an additional PhP2.00 per metric ton from 2018 rate.
	Effective January 1, 2020	*Effective January 1, 2020*
	(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, ten pesos (P10.00): *Provided,* that lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: *Provided, further*, that locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax imposed under this subsection;	Provides an additional PhP1.00 per liter and kilogram respectively of volume capacity or weight from 2019 rate.
	(b) Processed gas, per liter of volume capacity, ten pesos (P10.00);	Provides an additional PhP1.00 per liter from 2019 rate.
	(c) Waxes and petrolatum, per kilogram, ten pesos (P10.00);	Provides an additional PhP1.00 per kilogram from 2019 rate.

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	(d) On denatured alcohol to be used for motive power, per liter of volume capacity, <u>ten pesos (P10.00)</u>: *Provided,* that unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;	Provides an additional PhP1.00 per liter from 2019 rate.
	(e) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, <u>ten pesos (P10.00)</u>: *Provided, however,* That naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural-gas-fired-combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, Zero (P0.00): *Provided, further,* That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;	Provides an additional PhP1.00 per liter from 2019 rate.

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	(f) Unleaded premium gasoline, per liter of volume capacity, ten pesos (P10.00);	Provides an additional PhP1.00 per liter from 2019 rate.
	(g) Aviation turbo jet fuel, per liter of volume capacity, four pesos (P4.00);	Provides an additional PhP1.00 per liter from 2019 rate.
	(h) Kerosene, per liter of volume capacity, five pesos (P5.00): *Provided,* That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;	Same rate of PhP4.00 per liter.
	(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, six pesos (P6.00);	Provides an additional PhP1.00 per liter from 2019 rate.
	(j) Liquefied petroleum gas, per kilogram, three pesos (P3.00): *Provided,* that, liquefied petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, zero (P0.00): *Provided, finally,* that liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;	Provides an additional PhP1.50 per kilogram from 2019 rate.
	(k) Asphalts, per kilogram, ten pesos (P10.00); and	Provides an additional PhP1.00 per kilogram from 2019 rate.
	(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, six pesos (P6.00): *Provided, however,* that the excise taxes paid on the purchased basestock (bunker) used in the manufacture of excisable articles and	Provides an additional PhP1.00 per liter from 2019 rate.

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	forming part thereof shall be credited against the excise tax due therefrom.	
	(m) Petroleum coke, per metric ton, six pesos (P6.00); Provided, however, that, petroleum coke, when used as feedstock to any power generating facility, per metric ton, zero (P0.00).	Provides an additional PhP1.50 per metric ton from 2019 rate.
	'Petroleum products, including naptha, LPG, petroleum coke, refinery fuel and other products of distillation, when used as input, feedstock or as raw material in the manufacturing of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural – gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, zero (P0.00). *Provided*, that the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases, and similar oils having more or less the same generating power, which are produced in the processing of naptha into petrochemical products shall be subject to the applicable excise tax specified in this section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this section.	This provision was **VETOED** by the President for the reason that the same runs the risk of being too general, covering all types of petroleum products, which may be subject to abuse by taxpayers, and thus lead to massive revenue erosion. At any rate, the Tax Code already identifies which petroleum products can be exempted.
	For the period covering 2018 to 2020, the scheduled increase in the excise tax on fuel as imposed in this section shall be suspended when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per barrel.	Provides that the scheduled increase in the excise tax on fuel as imposed in this Section shall be suspended when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds eighty dollars (USD 80) per barrel. Provides for the annual review of the implementation of the excise tax on fuel by the DOF based on recommendations of the Development Budget Coordination

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	Provided, that the Department of Finance shall perform an annual review of the implementation of the excise tax on fuel and shall, based on projections provided and recommendations of the development budget coordination committee, as reconciled from the conditions as provided above, recommend the implementation or suspension of the excise tax on fuel; *Provided*, further, that the recommendation shall be given on a yearly basis; *Provided*, finally, that any suspension of the increase in excise tax shall not result in any reduction of the excise tax being imposed at the time of the suspension."	Committee and recommends either the implementation or the suspension of the said tax.
No provision under the NIRC of 1997, as amended.	**Section 148-A. Mandatory Marking of All Petroleum Products.** – In accordance with rules and regulations to be issued by the Secretary of Finance, in consultation with the Commissioner of Internal Revenue and Commissioner of Customs and in coordination with the Secretary of Energy, the Secretary of Finance shall require the use of an official fuel marking or similar technology on petroleum products that are refined, manufactured, or imported into the Philippines, and that are subject to the payment of taxes and duties, such as but not limited to, unleaded premium gasoline, kerosene and diesel fuel oil after the taxes and duties thereon have been paid. the mandatory marking of all petroleum products shall be in accordance with the following: (a) Official Markers – There shall be a list of chemical additives and corresponding quantitative ratio as identified by the secretary of finance as official fuel markers. the official fuel markers shall be distinct and, to the greatest degree possible, impossible to imitate or replicate: provided, that the official fuel marker must be unique to the Philippines and that its chemical	Provides for the fuel marking of petroleum products. All costs related thereto shall be borne by the refiner, importer, or manufacturer of petroleum products. The fees and charges that may be collected by implementing agencies in relation to the fuel marking program may be recorded as their trust receipts, and shall be exclusively disbursed to defray the cost of services or equipment required to fully implement the said program. Provides for details in its implementation, which may be included in the implementing rules and regulation and not in the Tax Code.

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	composition and quantitative ratio must persist for at least three (3) years from their application or administration to the unmarked fuel; (b) The person, entity, or taxpayer who owns or enters the petroleum products into the country or the person to whom the petroleum products are consigned shall cause and accommodate the marking of the petroleum products with the official marking agent. (c) Internal revenue or customs officers shall be on site to administer the declaration of the tax and duties imposed on the petroleum products and to oversee the realization of the fuel marking. (d) Absence of Official or Dilution of the Official Marker; Presumptions – in the event that the petroleum products which do not contain the official marker or which contain the official marker but are diluted beyond the acceptable percentage approved by the Secretary of Finance are found in the domestic market or in the possession of anyone, or under any situation where said petroleum products are subject to duties and taxes, it shall be presumed that the same were withdrawn with the intention to evade the payment of the taxes and duties due thereon; (e) The use of fraudulent marker on the petroleum products shall be considered prima facie evidence that the same have been withdrawn or imported without the payment of taxes and duties due thereon; (f) Engagement of Fuel Marking Provider – The government shall engage only one fuel marking provider who shall, under the supervision and direction	

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	of the Commissioners of Internal Revenue and Customs, be responsible for providing, monitoring, and administering the fuel markers, confirmatory tests, and perform such other acts incidental or necessary to the proper implementation of the provisions of this act: provided, that the fuel marking provider shall provide an end-to-end solution to the government, including the establishment and operation of testing facilities that are certified to ISO 17025. (g) All costs pertaining to the procurement of the official fuel markers shall be borne by the refiner, manufacturer or importer, of petroleum products, as the case may be: *Provided*, that the government may subsidize the cost of official fuel markers in the first year of implementation; (h) Fuel Marking Program Funds – In addition to any appropriation to implement this Section and the last paragraph of Section 171 of this Act, fees or charges collected in relation to the fuel marking program may be recorded as trust receipts of the implementing agencies, and shall be exclusively disbursed to defray the cost of services or equipment required to fully implement the said program, subject to rules and regulations to be issued by the DOF-DBM-COA permanent committee; (i) The marking of petroleum products shall be mandatory within five (5) years from the effectivity of this act; and (j) The term 'random field test' shall refer to periodic random inspections and tests performed to establish qualitative and quantitative positive result of fuel trafficking, which are conducted on fuels found in	

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	warehouses, storage tanks, gas stations and other retail outlets, and in such other properties or equipment, including mechanisms of transportation, of persons engaged in the sale, delivery, trading, transportation, distribution, or importation of fuel intended for domestic market. The term 'confirmatory tests' shall refer to the accurate and precise analytical test of the tested unmarked, adulterated, or diluted fuel using a device, tool or equipment which will validate and confirm the result of the field test, that is immediately conducted in an accredited testing facility that is certified to ISO 17025."	
SEC. 149. Automobiles. – There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule: **Net manufacturer's price/ importer's selling price** – **Rate** Up to P600 Thousand – 2% Over P600 Thousand to P1.1 Million – P12,000 + 20% of value in excess of P600 Thousand Over P1.1 Million to P2.1 Million – P112,000 + 40% of value in excess of P1.1 Million	**SEC. 149. Automobiles.** – There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule: Effective January 1, 2018 **Net manufacturer's price/ importer's selling price** – **Rate** Up to P600 Thousand – 4% Over P600 Thousand to P1 Million – 10% Over P1 Million to P4Million – 20% Over P4 Million – 50%	Provides for higher excise tax rates on automobiles on the first bracket. It also switched from marginal rates to purely ad valorem rates for the second to fourth brackets.

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Over P2.1 Million P512,000 + 60% of value in excess of P2.1 Million		
Provided, That the brackets reflecting the manufacturer's price or importer's selling price, net of excise and value added-taxes, will be indexed by the Secretary of Finance once every two years if the change in the exchange rate of the Philippine peso against the United States (U.S) dollar is more ten percent (10%) from the date of effectivity of this Act, in the case of initial adjustments and from the last revision date in the case of subsequent adjustments. The manufacturer's price or importer's selling price, net of excise and value added taxes, shall be indexed by the full rate of the peso depreciation or appreciation, as the case may be. *Provided, further,* That in case the change in the exchange rate of the Philippine peso against the U.S dollar is at least twenty percent (20%) at any time within the two (2) year period referred to above, the Secretary of Finance shall index the brackets reflecting the manufacturer's price or importer's selling price, net of excise and value added-taxes, by the full rate of the peso depreciation or appreciation, as the case may be.	Provided, that hybrid vehicles shall be subject to fifty percent (50%) of the applicable excise tax rates on automobiles under this section: provided, further, that purely electric vehicles and pick-ups shall be exempt from excise tax on automobiles.	Subjects hybrid vehicles to excise tax rates equivalent to 50% of the applicable excise tax rates on automobiles while purely electric vehicles and pick-ups shall be exempt from the excise tax on automobiles.
As used in this Section- (a) Automobile shall mean any four (4) or more wheeled motor vehicle regardless of seating capacity, which is	As used in this section – (a) Automobile shall mean any four (4) or more wheeled motor vehicle regardless of seating capacity, which is	

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propelled by gasoline, diesel, electricity or any other motive power. *Provided,* That for purposes of this Act, buses, trucks, cargo vans, jeeps/jeepneys/jeepney substitutes, single cab chassis, and special-purpose vehicles shall not be considered as automobiles.	propelled by gasoline, diesel, electricity or any other motive power. *Provided,* that for purposes of this act, buses, trucks, cargo vans, jeepneys/jeepney substitutes, single cab chassis, and special-purpose vehicles shall not be considered as automobiles.	
(b) Trucks/cargo van shall mean a motor vehicle of any configuration that is exclusively designed for the carriage of goods and with any number of wheels and axles: *Provided,* that pick-ups shall <u>not</u> be considered as trucks.	(b) Truck/cargo van shall mean a motor vehicle of any configuration that is exclusively designed for the carriage of goods and with any number of wheels and axles: <u>*Provided*, that pick-ups shall be considered as trucks.</u>	Pick-ups are classified as trucks.
(c) Jeep/jeepney/jeepney substitutes shall mean as 'Philippine jeep or jeepney' which are of the jitney type locally designed and manufactured generally from surplus parts and components. It shall also include jeepney substitutes that are manufactured from brand-new single cab chassis or cowl chassis and locally customized rear body that has continuous sideway row seats with open rear door and without retractable glass windows.	(c) Jeepney/jeepney substitutes shall mean as 'Philippine jeep or jeepney' which are of the jitney type locally designed and manufactured generally from surplus parts and components. It shall also include jeepney substitutes that are manufactured from brand-new single cab chassis or cowl chassis and locally customized rear body that has continuous sideway row seats with open rear door and without retractable glass windows.	
xxx.	(d) Bus shall mean a motor vehicle of any configuration with gross vehicle weight of 4.0 tons or more with any number of wheels and axles, which is generally-accepted and specially designed for mass or public transportation.	
	(e) Single cab chassis shall mean a motor vehicle with complete engine power train and chassis equipped with a cab that has a maximum of two (2) doors and only one (1) row of seats.	

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	(f) Special purpose vehicle shall mean a motor vehicle designed for specific applications such as cement mixer, fire truck, boom truck, ambulance and/or medical unit, and off-road vehicles for heavy industries and not for recreational activities.	
	(g) Hybrid electric vehicle shall mean a motor vehicle powered by electric energy, with or without provision for off-vehicle charging, in combination with gasoline, diesel or any other motive power: *Provided*, that, for purposes of this act, a hybrid electric vehicle must be able to propel itself from a stationary condition using solely electric motor.	Provides for the definition of a hybrid electric vehicle.
Provided, That in the case of imported automobiles not for sale, the tax imposed herein shall be based on the total landed value, including transaction value, customs duty and all other charges. Automobiles used exclusively within the Freeport zone shall be exempt from excise tax.	Provided, that in the case of imported automobiles not for sale, the tax imposed herein shall be based on the total landed value, including transaction value, customs duty and all other charges. Automobiles used exclusively within the Freeport Zone shall be exempt from excise tax.	
No provision under the NIRC of 1997, as amended.	**SEC. 150-A. Non-essential Services**. – There shall be levied, assessed, and collected a tax equivalent to five percent (5%) based on the gross receipts derived from the performance of services, net of excise tax and value-added tax, on invasive cosmetic procedures, surgeries, and body enhancements directed solely towards improving, altering, or enhancing the patient's appearance and do not meaningfully promote the proper function of the body or prevent or treat illness or disease: *Provided,* That this tax shall not apply to procedures necessary to ameliorate a deformity arising from, or directly related to, a congenital or developmental defect or abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease,	A new Section 150-A is designated imposing an excise tax equivalent to 5% based on the gross receipts derived from the performance of services, net of excise tax and VAT, on invasive cosmetic procedures, surgeries, and body enhancements directed solely towards improving, altering, or enhancing the patient's appearance and do not meaningfully promote the proper function of the body or prevent or treat illness or disease.

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	tumor, virus or infection: *Provided, further,* That cases or treatments covered by the National Health Insurance Program shall not be subject to this tax.	
No provision under the NIRC of 1997, as amended.	**Sec. 150-B. Sweetened Beverages. –** **(A) Rate and Base of Tax.** – Effective January 1, 2018: (1) A tax of Six pesos (P6.00) per liter of volume capacity shall be levied, assessed and collected on sweetened beverages using purely caloric sweeteners, and purely non-caloric sweeteners or a mix of caloric and non-caloric sweeteners: provided, that this tax rate shall not apply to sweetened beverages using high fructose corn syrup: provided, further, that sweetened beverages using purely coconut sap sugar and purely steviol glycosides shall be exempt from this tax; and (2) A tax of Twelve pesos (P12.00) per liter of volume capacity shall be levied, assessed and collected on sweetened beverages using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener. **(B) Definition of Terms**. – As used in this Act: (1) *Sweetened beverages (SBs)* refer to non-alcoholic beverages of any constitution (liquid, powder, or concentrates) that are pre-packaged and sealed in accordance with the Food and Drug Administration (FDA) standards, that contain caloric and/or non-caloric sweeteners added by the manufacturers, and shall include, but not be limited to the following, as described in the food category system from codex alimentarius food category descriptors (Codex Stan	Imposes an excise tax on sweetened beverages at PhP6.00 per liter of volume capacity using purely caloric sweeteners, and purely non-caloric sweeteners; PhP12.00 per liter of volume capacity using purely high fructose corn syrup or in combination with any caloric or non-caloric sweeteners.

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	192-1995, Rev. 2017 or the latest) as adopted by the FDA: (a) Sweetened juice drinks; (b) Sweetened tea; (c) All carbonated beverages; (d) Flavored water; (e) Energy and sports drinks; (f) Other powdered drinks not classified as milk, juice, tea and coffee; (g) Cereal and grain beverages; and (h) Other non-alcoholic beverages that contain added sugar. (2) *Caloric sweetener* refers to a substance that is sweet and includes sucrose, fructose, and glucose that produces a certain sweetness; (3) *High fructose corn syrup* refers to a sweet saccharide mixture containing fructose and glucose which is derived from corn and added to provide sweetness to beverages, and which includes other similar fructose syrup preparations; and (4) *Non-caloric sweetener* refers to a substance that are artificially or chemically processed that produces a certain sweetness. These are substances, which can be directly added to beverages, such as aspartame, sucralose, saccharin, acesulfame, potassium,	

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	neotame, cyclamates and other non-nutritive sweeteners approved by the codex alimentarius and adopted by the FDA. **(C) Exclusions**. –The following products, as described in the food category system from Codex Alimentarius Food Category Descriptors (Codex Stan 192-1995, Rev. 2017 or the latest) as adopted by the FDA, are excluded from the scope of this Act: (1) All milk products, including plain milk, infant formula milk, follow-on milk, growing up milk, powdered milk, ready-to-drink milk and flavored milk, fermented milk, soymilk, and flavored soymilk; (2) One Hundred Percent (100%) Natural Fruit Juices – Original liquid resulting from the pressing of fruit, the liquid resulting from the reconstitution of natural fruit juice concentrate, or the liquid resulting from the restoration of water to dehydrated natural fruit juice that do not have added sugar or caloric sweetener; (3) One Hundred Percent (100%) Natural Vegetable Juices – Original liquid resulting from the pressing of vegetables, the liquid resulting from the reconstitution of natural vegetable juice concentrate, or the liquid resulting from the restoration of water to dehydrated natural vegetable juice that do not have added sugar or caloric sweetener; (4) Meal replacement and Medically Indicated Beverages – Any liquid or powder drink/product	

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	for oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or as a source of necessary nutrition used due to a medical condition and an oral electrolyte solution for infants and children formulated to prevent dehydration due to illness; and (5) Ground coffee, instant soluble coffee, and pre-packaged powdered coffee products. **(D) Filing of Return and Payment of Excise Tax and Penalty.** – (1) Filing of Return and Payment of Excise Tax on Domestic and Imported Sweetened Beverages. – The provision of Sections 130 and 131 of the NIRC, as appropriate, shall apply to sweetened beverages. (2) Penalty. – Upon final findings by the Commissioners of Internal Revenue and/or Customs that any manufacturer or importer, in violation of this section, misdeclares or misrepresents in the sworn statement provided in Section 130(c) of the NIRC, as amended, any pertinent data or information, the penalty of summary cancellation or withdrawal of the permit to engage in business as manufacturer or importer of SSBs as provided under section 268 of the NIRC, as amended, shall be imposed. Any corporation, association or partnership liable for any of the acts or omissions in violation of this Section shall be fined treble the amount of	

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	deficiency taxes, surcharges and interest which may be assessed pursuant to this Section. Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable and penalized under Section 254 of the National Internal Revenue Code of 1997, as amended. Any person who willfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal. If not a citizen of the Philippines, the offender shall be deported immediately after serving the sentence without further proceedings for deportation.	
	(E) **Specific Responsibility of the Food and Drug Administration (FDA).** – Starting June 1, 2018, the FDA shall require all manufacturers and importers of sweetened beverages covered by this act to indicate on the label the type of sweetener used, and on sweetened beverages in powder form to indicate on the label the equivalent of each serving per liter of volume capacity. The FDA shall also conduct post-marketing surveillance of the sweetened beverages on display in supermarkets, groceries, or retail stores and/or inspection of manufacturing sites to determine compliance with the requirements of this section. Violations of the provisions of this act, including but not limited to, mislabeling or misbranding, shall to the extent applicable, be punishable under existing laws.	On sweetened beverages, the FDA requires all manufacturers and importers of sweetened beverages covered by the law to put the required labeling with unique identification of all excisable sweetened beverages. The FDA shall also conduct post-marketing surveillance to ensure compliance. It also provides for an annual review of the impact of the said tax to its health objectives with the view to making recommendations on the tax rate on these beverages.

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	(F) **Duty of the Commissioner to Ensure Payment of Taxes** – It shall be the duty of the Commissioner, among other things, to prescribe a materially unique, secure and nonremovable identification, such as codes, stamps or other markings, to be firmly and conspicuously affixed on and form part of the label of all excisable sweetened beverages. For this purpose, the abovementioned control measure shall be caused by the Commissioner to be printed with adequate security features to ensure the payment of excise tax on sweetened beverages. (G) **Review of Implementation of the Sweetened Beverage Tax** – At the start of the implementation of the sugar sweetened beverage tax and every year thereafter, the Department of Health, Department of Science and Technology, and Department of Finance shall review the impact of these provisions on its health objectives with the view to making recommendations on the tax rate on these beverages.	
SEC. 151. Mineral Products. – (A) **Rates of Tax.** – There shall be levied, assessed and collected on minerals, mineral products and quarry resources, excise tax as follows: (1) On coal and coke, a tax of Ten pesos (P10.00) per metric ton;	**Sec. 151. Mineral Products** – (A) **Rates of Tax**. –There shall be levied, assessed and collected on minerals, mineral products an quarry resources, excise tax as follows: (1) On domestic or imported coal and coke, notwithstanding any incentives granted in any law or special law: Effective January 1, 2018, fifty pesos (P50.00) per metric ton;	Increases the excise tax on coal from PhP10.00 per metric ton to

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	<u>Effective January 1, 2019, one hundred pesos (P100.00) per metric ton; and</u> <u>Effective January 1, 2020, one hundred fifty pesos (P150.00) per metric ton;</u>	PhP50.00 in 2018, PhP100 in 2019 and PhP150 in 2020.
(2) On all nonmetallic minerals and quarry resources, a tax of two percent (2%) based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax in the case of importation. xxx.	(2) On all nonmetallic minerals and quarry resources, a tax of <u>four percent (4%)</u> based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax in the case of importation. xxx.	Doubles the excise tax rate on nonmetallic minerals and quarry resources from 2% to 4%.
(a) Copper and other metallic mineral; (i). On the first three (3) years upon the effectivity of Republic Act No. 7729, one percent (1%) (ii). On the fourth and the fifth years, one and a half percent (1 ½%); and (iii). On the sixth year and thereafter, two percent (2%);	(a) Copper and other metallic minerals, <u>four percent (4%);</u> and	Sets a single excise tax rate of 4% on copper and other metallic minerals.
(b) Gold and chromite, four percent (2%)	(b) Gold and chromite, <u>four percent (4%)</u>	Doubles the excise tax rate on gold and chromite from 2% to 4%.
(4) On indigenous petroleum, a tax of three percent (3%) of the fair international market price thereof,	(4) On indigenous petroleum, a tax of <u>six percent (6%)</u> of the fair international market price thereof, on the	

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on the first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of production. xxx. xxx.	first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of production. xxx. xxx.	Doubles the excise tax rate on indigenous petroleum from 3% to 6%.
SEC. 155. Manufacturers to Provide Themselves with Counting or Metering Devices to Determine Production. - Manufacturers of cigarettes, alcoholic products, oil products and other articles subject to excise tax that can be similarly measured shall provide themselves with such necessary number of suitable counting or metering devices to determine as accurately as possible the volume, quantity or number of the articles produced by them under rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner.	**SEC. 155. Manufacturers and/or Importers to Provide Themselves with Counting or Metering Devices to Determine Volume of Production and Importation.** – Manufacturers of cigarettes, alcoholic products, oil products, and other articles subject to excise tax that can be similarly measured shall provide themselves with such necessary number of suitable counting or metering devices to determine as accurately as possible the volume, quantity, or number of the articles produced by them under rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner: *Provided*, That the Department of Finance shall maintain a registry of all petroleum manufacturers and/or importers and the articles being manufactured and/or imported by them: *Provided, further*, That the Department of Finance shall mandate the creation of a real-time inventory of petroleum articles being manufactured, imported or found in storage depots of such petroleum manufacturers and/or importers: *Provided, finally*, That importers of finished petroleum products shall also provide themselves with Bureau-accredited metering devices to determine as accurately as possible the volume of petroleum products imported by them. This requirement shall be complied with before commencement of operations.	Requires the DOF to maintain a registry of all petroleum manufacturers and/or importers and the articles manufactured and/or imported by them including a real-time inventory of such products in storage depots. Importers of petroleum products are also required to have BIR-accredited metering devices for accurate determination of volume of petroleum products imported by them.
SEC. 171. Authority of Internal Revenue Officer in Searching for Taxable Articles. - Any internal revenue	**SEC. 171. Authority of Internal Revenue Officer in Searching for and Testing Taxable Articles.** – Any	Testing of taxable articles is included within the authority of the

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officer may, in the discharge of his official duties, enter any house, building or place where articles subject to tax under this Title are produced or kept, or are believed by him upon reasonable grounds to be produced or kept, so far as may be necessary to examine, discover or seize the same. He may also stop and search any vehicle or other means of transportation when upon reasonable grounds he believes that the same carries any article on which the excise tax has not been paid.	internal revenue officer may, in the discharge of his official duties, enter any house, building or place where articles subject to tax under this Title are produced or kept, or are believed by him upon reasonable grounds to be produced or kept, so far as may be necessary to examine, test, discover or seize the same. He may also stop and search any vehicle or other means of transportation when upon reasonable grounds he believes that the same carries any article on which the excise tax has not been paid. Subject to rules and regulations to be issued by the Secretary of Finance, the Commissioner of Internal Revenue or his authorized representatives may conduct periodic random field tests and confirmatory tests on fuel required to be marked under Section 148-A found in warehouses, storage tanks, gas stations and other retail outlets, and in such other properties of persons engaged in the sale, delivery, trading, transportation, distribution, or importation of fuel intended for the domestic market: *Provided,* (a) Random field testing shall be conducted in the presence of revenue or customs officers, fuel marking provider, and the authorized representative of the owner of the fuel to be tested: *Provided*, That an employee assigned or working at the place where the random field test is conducted shall be deemed an authorized representative of the owner; (b) All field tests shall be properly filmed or video-taped, and documented; and (c) A sample of the randomly tested fuel shall be immediately obtained by the revenue or customs officer	Internal Revenue Officer. The CIR may conduct periodic random and confirmatory field tests on fuels required to be marked under Section 148-A of the Act.

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	upon discovering that the same is unmarked, adulterated, or diluted: Provided, further, That confirmatory fuel test certificates issued by fuel testing facilities shall be valid for any legal purpose from the date of issue, and shall constitute admissible and conclusive evidence before any court."	
SEC. 174. Stamp Tax on Original Issue of Shares of Stock. – On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company or corporation, there shall be collected a documentary stamp tax of One peso (PhP1.00) on each Two hundred pesos (PhP200), or fractional part thereof, of the par value, of such shares of stock: *Provided,* That in the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: *Provided, further,* That in the case of stock dividends, on the actual value represented by each share.	**SEC. 174. Stamp Tax on Original Issue of Shares of Stock.** – On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company, or corporation, there shall be collected a documentary stamp tax of Two pesos (PhP2.00) on each Two hundred pesos (PhP200), or fractional part thereof, of the par value, of such shares of stock: *Provided,* That in the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: *Provided, further,* That in the case of stock dividends, on the actual value represented by each share.	Doubles the DST rate.
SEC. 175. Stamp Tax on Sales, Agreements to Sell, Memoranda of Sales, Deliveries or Transfer of Shares or Certificates of Stock. – On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of shares or certificates of stock in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money, or for the future transfer of any stock, there shall be collected a documentary stamp tax of Seventy-five centavos	**SEC. 175. Stamp Tax on Sales, Agreements to Sell, Memoranda of Sales, Deliveries or Transfer of Shares or Certificates of Stock.** – On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of shares or certificates of stock in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money, or for the future transfer of any stock, there shall be collected a documentary stamp tax of One peso and fifty centavos	Doubles the DST rate.

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(PhP0.75) on each Two hundred pesos (PhP200), or fractional part thereof, of the par value of such stock: Provided, That only one tax shall be collected on each sale or transfer of stock from one person to another, regardless of whether or not a certificate of stock is issued, indorsed, or delivered in pursuance of such sale or transfer: and Provided, further, That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to twenty-five percent (25%) of the documentary stamp tax paid upon the original issue of said stock.	(PhP1.50) on each Two hundred pesos (PhP200), or fractional part thereof, of the par value of such stock: Provided, That only one tax shall be collected on each sale or transfer of stock from one person to another, regardless of whether or not a certificate of stock is issued, indorsed, or delivered in pursuance of such sale or transfer: and Provided, further, That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to fifty percent (50%) of the documentary stamp tax paid upon the original issue of said stock.	
SEC. 176. Stamp Tax on Bonds, Debentures, Certificate of Stock or Indebtedness Issued in Foreign Countries. - On all bonds, debentures, certificates of stock, or certificates of indebtedness issued in any foreign country, there shall be collected from the person selling or transferring the same in the Philippines, such as tax as is required by law on similar instruments when issued, sold or transferred in the Philippines.	**SEC. 176. Stamp Tax on Bonds, Debentures, Certificate of Stock or Indebtedness Issued in Foreign Countries.** - xxx	No change in the provision.
SEC. 177. Stamp Tax on Certificates of Profits or Interest in Property or Accumulations. - On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of Fifty centavos (PhP0.50) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of such certificate or memorandum.	**SEC. 177. Stamp Tax on Certificates of Profits or Interest in Property or Accumulations.** - On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of One peso (PhP1.00) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of such certificate or memorandum.	Doubles the rate.
SEC. 178. Stamp Tax on Bank Checks, Drafts, Certificates of Deposit not Bearing Interest, and Other	**SEC. 178. Stamp Tax on Bank Checks, Drafts, Certificates of Deposit not Bearing Interest, and Other**	Doubles the rate.

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Instruments. - On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of One peso and fifty centavos (PhP1.50).	**Instruments.** - On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of Three pesos (PhP3.00).	
SEC. 179. Stamp Tax on All Debt Instruments. – On every original issue of debt instruments, there shall be collected a documentary stamp tax on One peso (PhP1.00) on each Two hundred pesos (PhP200), or fractional part thereof, of the issue price of any such debt instruments: Provided, That for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days: *Provided, further*, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan. xxx.	**SEC. 179. Stamp Tax on All Debt Instruments.** – On every original issue of debt instruments, there shall be collected a documentary stamp tax on One peso and fifty centavos (PhP1.50) on each Two hundred pesos (PhP200), or fractional part thereof, of the issue price of any such debt instruments: Provided, That for such debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to three hundred sixty-five (365) days: *Provided, further*, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan. xxx.	Increases the tax by 50%.
SEC. 180. Stamp Tax on All Bills of Exchange or Drafts. – On all bills of exchange (between points within the Philippines) or drafts, there shall be collected a documentary stamp tax of Thirty centavos (PhP0.30) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of any such bill of exchange or draft.	**SEC. 180. Stamp Tax on All Bills of Exchange or Drafts.** – On all bills of exchange (between points within the Philippines) or drafts, there shall be collected a documentary stamp tax of Sixty centavos (PhP0.60) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of any such bill of exchange or draft.	Doubles the rate.
SEC. 181. ***Stamp Tax Upon Acceptance of Bills of Exchange and Others.*** - Upon any acceptance or payment	**SEC. 181.** ***Stamp Tax Upon Acceptance of Bills of Exchange and Others.*** - Upon any acceptance or payment	Doubles the rate.

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of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippines, there shall be collected a documentary stamp tax of Thirty centavos (PhP0.30) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of any such bill of exchange, or order, or the Philippine equivalent to such value, if expressed in foreign currency.	of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippines, there shall be collected a documentary stamp tax of Sixty centavos (PhP0.60) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of any such bill of exchange, or order, or the Philippine equivalent to such value, if expressed in foreign currency.	
SEC. 182. Stamp Tax on Foreign Bills of Exchange and Letters of Credit. - On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three (3) or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of Thirty centavos (PhP0.30) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency.	**SEC. 182. Stamp Tax on Foreign Bills of Exchange and Letters of Credit.** - On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three (3) or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of Sixty centavos (PhP0.60) on each Two hundred pesos (PhP200), or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency.	Doubles the rate.
SEC. 183. Stamp Tax on Life Insurance Policies. - On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected, a one-time documentary stamp tax at the following rates: If the amount of insurance does not exceed P100,000.00 — Exempt If the amount of insurance exceeds PhP100,000.00 but does not exceed P300,000.00 — PhP10.00	**SEC. 183. Stamp Tax on Life Insurance Policies.** - On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected, a one-time documentary stamp tax at the following rates: If the amount of insurance does not exceed P100,000.00 — Exempt If the amount of insurance exceeds PhP100,000.00 but does not exceed PhP300,000.00 — PhP20.00	Doubles the rate.

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If the amount of insurance exceeds PhP300,000.00 but does not exceed P500,000.00 PhP25.00 If the amount of insurance exceeds P500,000.00 but does not exceed P750,000.00 PhP50.00 If the amount of insurance exceeds P750,000.00 but does not exceed P1,000,000.00 PhP75.00 If the amount of insurance exceeds P1,000,000.00 PhP100.00	If the amount of insurance exceeds PhP300,000.00 but does not exceed PhP500,000.00 <u>PhP50.00</u> If the amount of insurance exceeds PhP500,000.00 but does not exceed PhP750,000.00 <u>PhP100.00</u> If the amount of insurance exceeds PhP750,000.00 but does not exceed PhP1,000,000.00 <u>PhP150.00</u> If the amount of insurance exceeds PhP1,000,000.00 <u>PhP200.00</u>	
SEC. 184. Stamp Tax on Policies of Insurance Upon Property. - On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters, or by fire or lightning, there shall be collected a documentary stamp tax of Fifty centavos (PhP0.50) on each Four pesos (PhP4.00), or fractional part thereof, of the amount of premium charged: Provided, however, That no documentary stamp tax shall be collected on reinsurance contracts or on any instrument by which cession or acceptance of insurance risks under any reinsurance agreement is effected or recorded.	**SEC. 184. Stamp Tax on Policies of Insurance Upon Property.** – xxx.	No change.
SEC. 185. Stamp Tax on Fidelity Bonds and Other Insurance Policies. - On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage or liability made or renewed by any person, association, company or corporation transacting the business of	**SEC. 185. Stamp Tax on Fidelity Bonds and Other Insurance Policies.** – xxx.	No change.

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accident, fidelity, employer's liability, plate, glass, steam, boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and all bonds, undertakings, or recognizances, conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bond or other obligations issued by any province, city, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company or corporation, there shall be collected a documentary stamp tax of Fifty centavos (PhP0.50) on each Four pesos (PhP4.00), or fractional part thereof, of the premium charged.		
SEC. 186. Stamp Tax on Policies of Annuities and Pre-Need Plans. – On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred or redeemed, there shall be collected a documentary stamp tax of Fifty centavos (PhP0.50) on each Two hundred pesos (PhP200), or fractional part thereof, of the premium or installment payment or contract price collected. On pre-need plans, the documentary stamp tax shall be Twenty centavos (PhP0.20) on each Two hundred pesos (PhP200), or fractional part thereof, of the premium or contribution collected.	**SEC. 186. Stamp Tax on Policies of Annuities and Pre-Need Plans.** – On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred or redeemed, there shall be collected a documentary stamp tax of <u>One peso (PhP1.00)</u> on each Two hundred pesos (PhP200), or fractional part thereof, of the premium or installment payment <u>on</u> contract price collected. On pre-need plans, the documentary stamp tax shall be <u>Forty centavos (PhP0.40)</u> on each Two hundred pesos (PhP200), or fractional part thereof, of the premium or contribution collected.	Doubles the rate.
SEC. 187. Stamp Tax on Indemnity Bonds. - On all bonds for indemnifying any person, firm or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution or performance of the duties of any office or position or to	**SEC. 187. Stamp Tax on Indemnity Bonds.** – xxx.	No change.

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account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings, or are otherwise provided for herein, there shall be collected a documentary stamp tax of Thirty centavos (PhP0.30) on each Four pesos (PhP4.00), or fractional part thereof, of the premium charged.		
SEC. 188. Stamp Tax on Certificates. - On each certificate of damages or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of Fifteen pesos (PhP15.00).	**SEC. 188. Stamp Tax on Certificates.** - On each certificate of damages or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of Thirty pesos (PhP30.00).	Doubles the rate.
SEC. 189. Stamp Tax on Warehouse Receipts. - On each warehouse receipt for property held in storage in a public or private warehouse or yard for any person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of Fifteen pesos (PhP15.00): *Provided*, That no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed Two hundred pesos (PhP200).	**SEC. 189. Stamp Tax on Warehouse Receipts.** - On each warehouse receipt for property held in storage in a public or private warehouse or yard for any person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of Thirty pesos (PhP30.00): *Provided*, That no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed Two hundred pesos (PhP200).	Doubles the rate.
SEC. 190. Stamp Tax on Jai-Alai, Horse Race Tickets, Lotto or Other Authorized Numbers Games. - On each jai-alai, horse race ticket, lotto, or other authorized number games, there shall be collected a documentary stamp tax of	**SEC. 190. Stamp Tax on Jai-Alai, Horse Race, Tickets, Lotto or Other Authorized Numbers Games.** - On each jai-alai, horse race ticket, lotto, or other authorized number games, there shall be collected a documentary stamp tax of	Doubles the rate.

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Ten centavos (PhP0.10): *Provided*, That if the cost of the ticket exceeds One peso (PhP1.00), an additional tax of Ten centavos (PhP0.10) on every One peso (PhP1.00), or fractional part thereof, shall be collected.	Twenty centavos (PhP0.20): *Provided*, That if the cost of the ticket exceeds One peso (PhP1.00), an additional tax of Twenty centavos (PhP0.20) on every One peso (PhP1.00), or fractional part thereof, shall be collected.	
SEC. 191. Stamp Tax on Bills of Lading or Receipts. - On each set of bills of lading or receipts (except charter party) for any goods, merchandise or effects shipped from one port or place in the Philippines to another port or place in the Philippines (except on ferries across rivers), or to any foreign port, there shall be collected documentary stamp tax of One peso (PhP1.00), if the value of such goods exceeds One hundred pesos (PhP100) and does not exceed One Thousand pesos (PhP1,000); Ten pesos (PhP10), if the value exceeds One thousand pesos (PhP1,000): Provided, however, That freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt.	**SEC. 191. Stamp Tax on Bills of Lading or Receipts.** - On each set of bills of lading or receipts (except charter party) for any goods, merchandise or effects shipped from one port or place in the Philippines [to another port or place in the Philippines] (except on ferries across rivers), or to any foreign port, there shall be collected documentary stamp tax of Two pesos (PhP2.00), if the value of such goods exceeds One hundred pesos (PhP100) and does not exceed One Thousand pesos (PhP1,000); Twenty pesos (PhP20.00), if the value exceeds One thousand pesos (PhP1,000): Provided, however, That freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt.	Doubles the rate. Deletes the phrase "to another port or place in the Philippines."
SEC. 192. Stamp Tax on Proxies. - On each proxy for voting at any election for officers of any company or association, or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable or literary purposes, there shall be collected a documentary stamp tax of Fifteen pesos (PhP15.00).	**SEC. 192. Stamp Tax on Proxies.** - On each proxy for voting at any election for officers of any company or association, or of any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable or literary purposes, there shall be collected a documentary stamp tax of Thirty pesos (PhP30.00).	Doubles the rate.
SEC. 193. Stamp Tax on Powers of Attorney. - On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or	**SEC. 193. Stamp Tax on Powers of Attorney.** - On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or	Doubles the rate.

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municipality, there shall be collected a documentary stamp tax of Five pesos (PhP5.00).	municipality, there shall be collected a documentary stamp tax of Ten pesos (PhP10.00).	
SEC. 194. Stamp tax on Leases and Other Hiring Agreements. - On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp tax of Three pesos (PhP3.00) for the first Two thousand pesos (PhP2,000), or fractional part thereof, and an additional One peso (PhP1.00) for every One Thousand pesos (PhP1,000) or fractional part thereof, in excess of the first Two thousand pesos (PhP2,000) for each year of the term of said contract or agreement.	**SEC. 194. Stamp tax on Leases and Other Hiring Agreements.** - On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp tax of Six pesos (PhP6.00) for the first Two thousand pesos (PhP2,000), or fractional part thereof, and an additional Two pesos (PhP2.00) for every One Thousand pesos (PhP1,000) or fractional part thereof, in excess of the first Two thousand pesos (PhP2,000) for each year of the term of said contract or agreement.	Doubles the rate.
SEC. 195. Stamp Tax on Mortgages, Pledges and Deeds of Trust. - On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing of forborne to be paid, being payable and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates: (a) When the amount secured does not exceed Five thousand pesos (PhP5,000), Twenty pesos (PhP20.00). (b) On each Five thousand pesos (PhP5,000), or fractional part thereof in excess of Five thousand pesos (PhP5,000), an additional tax of Ten pesos (PhP10.00).	**SEC. 195. Stamp Tax on Mortgages, Pledges and Deeds of Trust.** - On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing of forborne to be paid, being payable and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates: (a) When the amount secured does not exceed Five thousand pesos (PhP5,000), Forty pesos (PhP40.00). (b) On each Five thousand pesos (PhP5,000), or fractional part thereof in excess of Five thousand pesos (P5,000), an additional tax of Twenty pesos (PhP20.00).	Doubles the rate.

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xxx.	xxx.	
SEC. 196. Stamp tax on Deeds of Sale and Conveyances of Real Property. - On all conveyances, deeds, instruments, or writings, other than grants, patents or original certificates of adjudication issued by the Government, whereby any land, tenement, or other realty sold shall be granted, assigned, transferred or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, there shall be collected a documentary stamp tax, at the rates herein below prescribed, based on the consideration contracted to be paid for such realty or on its fair market value determined in accordance with Section 6(E) of this Code, whichever is higher: Provided, That when one of the contracting parties is the Government the tax herein imposed shall be based on the actual consideration. (a) When the consideration, or value received or contracted to be paid for such realty after making proper allowance of any encumbrance, does not exceed One thousand pesos (PhP1,000) fifteen pesos (PhP15.00). (b) For each additional One thousand Pesos (PhP1,000), or fractional part thereof in excess of One thousand pesos (PhP1,000) of such consideration or value, Fifteen pesos (PhP15.00). xxx.	**SEC. 196. Stamp tax on Deeds of Sale and Conveyances and Donation of Real Property.** - On all conveyances, donations, deeds, instruments, or writings, other than grants, patents or original certificates of adjudication issued by the Government, whereby any land, tenement, or other realty sold shall be granted, assigned, transferred, donated or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, or donee, there shall be collected a documentary stamp tax, at the rates herein below prescribed, based on the consideration contracted to be paid for such realty or on its fair market value determined in accordance with Section 6(E) of this Code, whichever is higher: Provided, That when one of the contracting parties is the Government the tax herein imposed shall be based on the actual consideration: (a) When the consideration, or value received or contracted to be paid for such realty after making proper allowance of any encumbrance, does not exceed One thousand pesos (PhP1,000) fifteen pesos (PhP15.00). (b) For each additional One thousand Pesos (PhP1,000), or fractional part thereof in excess of One thousand pesos (PhP1,000) of such consideration or value, Fifteen pesos (PhP15.00). Transfers exempt from donor's tax under Section 101(a) and (b) of this Code shall be exempt from the tax imposed under this Section. xxx.	No change in DST rate. Inserts the word "Donation". Inserts a new paragraph that exempts from DST the transfers exempt from the donor's tax.

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SEC. 197. Stamp Tax on Charter Parties and Similar Instruments. - On every charter party, contract or agreement for the charter of any ship, vessel or steamer, or any letter or memorandum or other writing between the captain, master or owner, or other person acting as agent of any ship, vessel or steamer, and any other person or persons for or relating to the charter of any such ship, vessel or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:	**SEC. 197. Stamp Tax on Charter Parties and Similar Instruments.** - On every charter party, contract or agreement for the charter of any ship, vessel or steamer, or any letter or memorandum or other writing between the captain, master or owner, or other person acting as agent of any ship, vessel or steamer, and any other person or persons for or relating to the charter of any such ship, vessel or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:	Doubles the rate.
(a) If the registered gross tonnage of the ship, vessel or steamer does not exceed one thousand (1,000) tons, and the duration of the charter or contract does not exceed six (6) months, Five hundred pesos (PhP500); and for each month or fraction of a month in excess of six (6) months, an additional tax of Fifty pesos (PhP50.00) shall be paid.	(a) If the registered gross tonnage of the ship, vessel or steamer does not exceed one thousand (1,000) tons, and the duration of the charter or contract does not exceed six (6) months, One thousand pesos (PhP1,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of One hundred pesos (PhP100) shall be paid.	
(b) If the registered gross tonnage exceeds one thousand (1,000) tons and does not exceed ten thousand (10,000) tons, and the duration of the charter or contract does not exceed six (6) months, One thousand pesos (PhP1,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of One hundred pesos (PhP100) shall be paid.	(b) If the registered gross tonnage exceeds one thousand (1,000) tons and does not exceed ten thousand (10,000) tons, and the duration of the charter or contract does not exceed six (6) months, Two thousand pesos (PhP2,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of Two hundred pesos (PhP200) shall be paid.	
(c) If the registered gross tonnage exceeds ten thousand (10,000) tons and the duration of the charter or contract does not exceed six (6) months, One thousand five hundred pesos (PhP1,500); and for each month or fraction of a month in excess of six (6)	(c) If the registered gross tonnage exceeds ten thousand (10,000) tons and the duration of the charter or contract does not exceed six (6) months, Three thousand pesos (PhP3,000); and for each month or fraction of a month in excess of six (6) months, an	

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months, an additional tax of One hundred fifty pesos (PhP150) shall be paid.	additional tax of Three hundred pesos (PhP300) shall be paid.	
SEC. 198. Stamp Tax on Assignments and Renewals of Certain Instruments. - Upon each and every assignment or transfer of any mortgage, lease or policy of insurance, or the renewal or continuance of any agreement, contract, charter, or any evidence of obligation or indebtedness by altering or otherwise, there shall be levied, collected and paid a documentary stamp tax, at the same rate as that imposed on the original instrument.	**SEC. 198. Stamp Tax on Assignments and Renewals of Certain Instruments.** - xxx	No change.
SEC. 199. Documents and Papers Not Subject to Stamp Tax. – The provisions of section 173 to the contrary notwithstanding, the following instruments, documents and papers shall be exempt from the documentary stamp tax: (a) Policies of insurance or annuities made or granted by a fraternal or beneficiary society, order, association or cooperative company, operated on the lodge system or local cooperation plan and organized and conducted solely by the members thereof for the exclusive benefit of each member and not for profit. (b) Certificates of oaths administered to any government official in his official capacity or of acknowledgment by any government official in the performance of his official duties, written appearance in any court by any government official, in his official capacity; certificates of the administration of oaths to any person as to the authenticity of any paper required to be filed in court by any person or party thereto, whether the proceedings be civil or criminal; papers and documents	**SEC. 199. Documents and Papers Not Subject to Stamp Tax.** - xxx	No change.

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filed in courts by or for the national, provincial, city or municipal governments; affidavits of poor persons for the purpose of proving poverty; statements and other compulsory information required of persons or corporations by the rules and regulations of the national, provincial, city or municipal governments exclusively for statistical purposes and which are wholly for the use of the bureau or office in which they are filed, and not at the instance or for the use or benefit of the person filing them; certified copies and other certificates placed upon documents, instruments and papers for the national, provincial, city or municipal governments, made at the instance and for the sole use of some other branch of the national, provincial, city or municipal governments; and certificates of the assessed value of lands, not exceeding Two hundred pesos (PhP200) in value assessed, furnished by the provincial, city or municipal Treasurer to applicants for registration of title to land. (c) Borrowing and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority: Provided, however, That any borrowing or lending of securities agreement as contemplated hereof shall be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and which agreement is duly registered and approved by the Bureau of Internal Revenue (BIR). (d) Loan agreements or promissory notes, the aggregate of which does not exceed Two hundred fifty thousand pesos (PhP250,000), or any such amount as may be		

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determined by the Secretary of Finance, executed by an individual for his purchase on installment for his personal use or that of his family and not for business or resale, barter or hire of a house, lot, motor vehicle, appliance or furniture: Provided, however, That the amount to be set by the Secretary of Finance shall be in accordance with a relevant price index but not to exceed ten percent (10%) of the current amount and shall remain in force at least for three (3) years. (e) Sale, barter or exchange of shares of stock listed and traded through the local stock exchange for a period of five (5) years from the effectivity of this Act. (f) Assignment or transfer of any mortgage, lease or policy of insurance, or the renewal or continuance of any agreement, contract, charter, or any evidence of obligation or indebtedness, if there is no change in the maturity date or remaining period of coverage from that of the original instrument. (g) Fixed income and other securities traded in the secondary market or through an exchange. (h) Derivatives: Provided, That for purposes of this exemption, repurchase agreements and reverse repurchase agreements shall be treated similarly as derivatives. (i) Interbranch or interdepartmental advances within the same legal entity. (j) All forebearances arising from sales or service contracts including credit card and trade receivables:		

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Provided, That the exemption be limited to those executed by the seller or service provider itself. (k) Bank deposit accounts without a fixed term or maturity. (l) All contracts, deeds, documents and transactions related to the conduct of business of the Bangko Sentral ng Pilipinas. (m) Transfer of property pursuant to section 40(c)(2) of the National Internal Revenue Code of 1997, as amended. (n) Interbank call loans with maturity of not more than seven (7) days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks.		
SEC. 232. Keeping of Books of Accounts. - (A) **Corporations, Companies, Partnerships, or Persons Required to Keep Books of Accounts.** – All corporations, companies, partnerships, or persons required by law to pay internal revenue taxes shall keep a journal and a ledger or their equivalents: Provided, however, That those whose quarterly sales, earnings, receipts, or output do not exceed Fifty thousand pesos (P50,000) shall keep and use simplified set of bookkeeping records duly authorized by the Secretary of Finance where in all transactions and results of operations are shown and from which all taxes due the Government may readily and	**SEC. 232. Keeping of Books of Accounts.** – (A) **Corporations, Companies, Partnerships, or Persons Required to Keep Books of Accounts.** – All corporations, companies, partnerships or persons required by law to pay internal revenue taxes shall keep and use relevant and appropriate set of bookkeeping records duly authorized by the Secretary of Finance wherein all transactions and results of operations are shown and from which all taxes due the Government may readily and accurately be ascertained and determined any time of the year: *Provided,* That corporations, companies, partnerships or persons whose gross annual sales, earnings, receipts or output	Increase in the threshold amount for taxpayers required to be examined and audited by independent Certified Public Accountants (CPAs), from gross quarterly sales, earnings, receipts or output of more than PhP150,000.00 to gross annual sales, earnings, receipts or output of

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accurately be ascertained and determined any time of the year: Provided, further, That corporations, companies, partnerships or persons whose gross quarterly sales, earnings, receipts or output exceed One hundred fifty thousand pesos (PhP150,000) shall have their books of accounts audited and examined yearly by independent Certified Public Accountants and their income tax returns accompanied with a duly accomplished Account Information Form (AIF) which shall contain, among others, information lifted from certified balance sheets, profit and loss statements, schedules listing income-producing properties and the corresponding income therefrom and other relevant statements. xxx.	exceed Three million pesos (P3,000,000) shall have their books of accounts audited and examined yearly by independent Certified Public Accountants and their income tax returns accompanied with a duly accomplished Account Information Form (AIF) which shall contain, among others, information lifted from certified balance sheets, profit and loss statements, schedules listing income-producing properties and the corresponding income therefrom and other relevant statements. xxx.	more than PhP3,000,000. It also removed the threshold before taxpayers are required to keep book of accounts.
SEC. 236. Registration Requirements. – **(A) Requirements.** – xxx. xxx. The registration shall contain the taxpayer's name, style, place of residence, business and such other information as may be required by the Commissioner in the form prescribed therefor. xxx.	**SEC. 236. Registration Requirements.** – **(A) Requirements.** – xxx. xxx. The registration shall contain the taxpayer's name, style, place of residence, business and such other information as may be required by the Commissioner in the form prescribed therefor. *Provided*, That the Commissioner shall simplify the business registration and tax compliance requirements of self-employed individuals and/or professionals. xxx.	Provides for the simplification of the business registration and tax compliances requirements of SEPs.

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(G) Persons Required to Register for Value-Added Tax. -	**(G) Persons Required to Register for Value-Added Tax. -**	
(1) Any person who, in the course of trade or business, sells, barters or exchanges goods or properties, or engages in the sale or exchange of services, shall be liable to register for value-added tax if:	(1) xxx.	
(a) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109(A) to (V), have exceeded One million five hundred thousand pesos (P1,500,000); or	(a) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109(A) to <u>(BB), have exceeded Three million pesos (P3,000,000)</u>; or	Adjusts the amount of gross sales or receipts of persons required to register for VAT, which is consistent with the increase in the amount of VAT threshold from PhP1.5 million (increased to PhP1,919,500 under RR 16-2011 which took effect on January 1, 2012) to PhP3.0 million.
(b) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Section 109(A) to (V), will exceed One million five hundred thousand pesos (P1,500,000).	(b) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Section 109(A) to <u>(BB), will exceed Three million pesos (P3,000,000)</u>.	
(2) xxx.	(2) xxx.	
(H) Optional Registration for Value-Added Tax of Exempt Person. –	**(H) Optional Registration for Value-Added Tax of Exempt Person. –**	
(1) Any person who is not required to register for value-added tax under Subsection (G) hereof may elect to register for value-added tax by registering with the Revenue District Office that has a jurisdiction over the head office of that person, and paying the annual registration fee in Subsection (B) hereof.	(1) Any person who is not required to register for value-added tax under Subsection (G) hereof may elect to register for value-added tax by registering with the Revenue District Office that has a jurisdiction over the head office of that person, and paying the annual registration fee in Subsection (B) hereof.	

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(2) Any person who elects to register under this Subsection shall not be entitled to cancel his registration under Subsection (F) (2) for the next three (3) years.	(2) Any person who elects to register under this Subsection shall not be entitled to cancel his registration under Subsection (F) (2) for the next three (3) years. <u>Provided, That any person taxed under Section 24(A)(2)(b) and 24(A)(2)(c)(2)(a) of the NIRC who elected to pay the eight percent (8%) tax on gross sales ore receipts shall not be allowed to avail of this option.</u>	Disallows SEPs who opt to pay the 8% tax on gross sales or gross receipts to avail of the optional registration for VAT.
For purposes of Title IV of this Code, any person who has registered value-added tax as a tax type in accordance with the provisions of Subsection (C) hereof shall be referred to as a "**VAT-registered person**" who shall be assigned only one Taxpayer Identification Number (TIN). xxx.	For purposes of Title IV of this Code, any person who has registered value-added tax as a tax type in accordance with the provisions of Subsection (C) hereof shall be referred to as a "**VAT-registered person**" who shall be assigned only one Taxpayer Identification Number (TIN). xxx.	
SEC. 237. Issuance of Receipts or Sales or Commercial Invoices. – All persons subject to an internal revenue tax shall, for each sale and transfer of merchandise or for services rendered valued at Twenty five pesos (P25.00) or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost, and description of merchandise or nature of service: Provided, however, That where the receipt is issued to cover payment made as rentals, commissions, compensations or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client.	**SEC. 237. Issuance of Receipts or Sales or Commercial Invoices. –** **(A)** <u>Issuance.</u> - All persons subject to an internal revenue tax shall, <u>at the point of</u> each sale and transfer of merchandise or for services rendered valued at <u>One hundred pesos (P100)</u> or more, issue duly registered receipts or sale or commercial invoices, showing the date of transaction, quantity, unit cost, and description of merchandise or nature of service: *Provided, however,* That where the receipt is issued to cover payment made as rentals, commissions, compensations or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client: <u>*Provided, further,* That where the purchaser is a VAT-registered person, in addition to the</u>	Increase in the value at the point of each sale and transfer of merchandise or services rendered from PhP25.00 to PhP100.00 for the issuance of duly registered receipts on sale or commercial invoice by VAT-registered persons.

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The original of each receipt or invoice shall be issued to the purchaser, customer or client at the time the transaction is effected, who, if engaged in business or in the exercise of profession, shall keep and preserve the same in his place of business for a period of three (3) years from the close of the taxable year in which such invoice or receipt was issued, while the duplicate shall be kept and preserved by the issuer, also in his place of business, for a like period.	information herein required, the invoice or receipt shall further show the Taxpayer Identification Number (TIN) of the purchaser.	
The Commissioner may, in meritorious cases, exempt any person subject to internal revenue tax from compliance with the provisions of this Section.	Within five (5) years from the effectivity of this Act and upon the establishment of a system capable of storing and processing the required data, the Bureau shall require taxpayers engaged in the export of goods and services, taxpayers engaged in e-commerce, and taxpayers under the jurisdiction of the Large Taxpayers Service to issue electronic receipts or sales or commercial invoices in lieu of manual receipts or sales or commercial invoices, subject to rules and regulations to be issued by the Secretary of Finance upon recommendation of the Commissioner and after a public hearing shall have been held for this purpose: *Provided*, That taxpayers not covered by the mandate of this provision may issue electronic receipts or, sales or commercial invoices, in lieu of manual receipts, and sales and commercial invoices.	Provides for the issuance of electronic receipts or electronic sales or commercial invoices in lieu of manual receipts and sales and commercial invoices for taxpayers engaged in the export of goods and services, engaged in e-commerce and the Large Taxpayers within five (5) years from the effectivity of this Act and upon the establishment of a system capable of storing and processing the required data. The safekeeping of issued electronic receipts shall be the responsibility of both the purchaser, customer or client and the issuer for the same period as the safekeeping of manual receipt.
	The original of each receipt or invoice shall be issued to the purchaser, customer or client at the time the transaction is effected, who, if engaged in business or in the exercise of profession, shall keep and preserve the same in his place of business for a period of three (3) years from the close of the taxable year in which such invoice or receipt was issued, while the duplicate shall be kept and preserved by the issuer, also in his place of business, for a like period: *Provided*, That in case of electronic receipts or sales or commercial invoices, the digital records of the same shall be kept by the purchaser, customer or client and the issuer for the same period above stated.	

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	The Commissioner may, in meritorious cases, exempt any person subject to internal revenue tax from compliance with the provisions of this Section.	
No provision under the NIRC of 1997, as amended.	**SEC. 237-A. Electronic Sales Reporting System.** – Within five (5) years from the effectivity of this Act and upon the establishment of a system capable of storing and processing the required data, the Bureau shall require taxpayers engaged in the export of goods and services, and taxpayers under the jurisdiction of the Large Taxpayers Service to electronically report their sales data to the Bureau through the use of electronic point of sales systems, subject to rules and regulations to be issued by the Secretary of Finance as recommended by the Commissioner of Internal Revenue: *Provided,* That the machines, fiscal devices, and fiscal memory devices shall be at the expense of the taxpayers. The data processing of sales and purchase data shall comply with the provisions of Republic Act No. 10173, otherwise known as the "Data Privacy Act" and Section 270 of the NIRC, as amended, on unlawful divulgence of taxpayer information and such other laws relating to the confidentiality of information. The Bureau shall also establish policies, risk management approaches, actions, trainings and technologies to protect cyber environment, organization, and data in compliance with Republic Act No. 10175 or the "Cybercrime Prevention Act of 2012."	New provision. Electronic sales reporting system for taxpayers engaged in the export of goods and services and Large Taxpayers at their own expense within five (5) years from the effectivity of the Act. It also provides for the establishment of policies and risk management approaches, among others, in compliance with RA 10175 (Cybercrime Prevention Act of 2012).
SEC. 249. Interest. – **(A) In General.** - There shall be assessed and collected on any unpaid amount of tax, interest at the rate of twenty percent (20%) per annum, or such higher rate as may	**SEC. 249. Interest. –** **(A) In General.** - There shall be assessed and collected on any unpaid amount of tax, interest at the rate of double the legal interest rate for loans or forbearance of any	 Adjusts the interest rate on any unpaid amount of tax from the existing 20% per annum to twice the

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be prescribed by rules and regulations, from the date prescribed for payment until the amount is fully paid.	money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas from the date prescribed for payment until the amount is fully paid: *Provided*, That in no case shall the deficiency and the delinquency interest prescribed under Subsections (B) and (C) hereof, be imposed simultaneously.	legal interest rate for loans or forbearance of money in the absence of an express stipulation as set by the BSP. It also provides that the deficiency and delinquency interest shall not be simultaneously imposed/ charged.
(B) Deficiency Interest. - Any deficiency in the tax due, as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected from the date prescribed for its payment until the full payment thereof.	**(B) Deficiency Interest**. - Any deficiency in the tax due, as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected from the date prescribed for its payment until the full payment thereof, or upon issuance of a notice and demand by the Commissioner of Internal Revenue, whichever comes earlier:	
(C) Delinquency Interest. – xxx xxx.	**(C) Delinquency Interest**. - xxx xxx.	
SEC. 254. Attempt to Evade or Defeat Tax. - Any person who willfully attempts in any manner to evade or defeat any tax imposed under this Code or the payment thereof shall, in addition to other penalties provided by law, upon conviction thereof, be punished by a fine not less than Thirty thousand (P30,000) but not more than One hundred thousand pesos (P100,000) and suffer imprisonment of not less than two (2) years but not more than four (4) years: Provided, That the conviction or acquittal obtained under this Section shall not be a bar to the filing of a civil suit for the collection of taxes.	**SEC. 254. Attempt to Evade or Defeat Tax**. - Any person who willfully attempts in any manner to evade or defeat any tax imposed under this Code or the payment thereof shall, in addition to other penalties provided by law, upon conviction thereof, be punished with a fine of not less than Five hundred thousand pesos (P500,000) but not more than Ten million pesos (P10,000,000), and imprisonment of not less than six (6) years but not more than ten (10) years: *Provided*, That the conviction or acquittal obtained under this Section shall not be a bar to the filing of a civil suit for the collection of taxes.	Increases the fine on attempt to evade or defeat tax from the existing PhP30,000.00 but to not more than PhP100,000.00 plus imprisonment of not less than 2 years but not more than 4 years to not less than PhP500,000.00 but not more than PhP10,000,000.00 plus imprisonment of not less than 6 years but not more than 10 years.

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SEC. 264. Failure or refusal to Issue Receipts or Sales or Commercial Invoices, Violations Related to the Printing of such Receipts or Invoices and Other Violations. – (a) xxx. (b) Any person who commits any of the acts enumerated hereunder shall be penalized in the same manner and to the same extent as provided for in this Section: (1) xxx; (2) xxx; or (3) xxx.	**SEC. 264. Failure or Refusal to Issue Receipts or Sales or Commercial Invoices, Violations Related to the Printing of such Receipts or Invoices and Other Violations –** (a) xxx. (b) Any person who commits any of the acts enumerated hereunder shall be penalized with a fine of not less than Five hundred thousand pesos (P500,000) but not more than Ten million pesos (P10,000,000), and imprisonment of not less than six (6) years but not more than ten (10) years" (1) xxx; (2) xxx; (3) xxx; or (4) Printing of other fraudulent receipts or sales or commercial invoices.	Increases the fine for failure to issue receipts or sales or commercial invoices from not less than PhP1,000 but not more than PhP50,000 plus imprisonment of not less than 2 years but not more than 4 years to not less than PhP500,000 but not more than PhP10,000,000 plus imprisonment of not less than 6 years but not more than 10 years. Adds printing of fraudulent receipts or sales or commercial invoices as one of the acts to be penalized.
No provision under the NIRC of 1997, as amended.	**SEC. 264-A. Failure to Transmit Sales Data Entered on Cash Register Machine (CRM)/Point of Sales Systems (POS) Machines to the BIR's Electronic Sales Reporting System.** – Any taxpayer required to transmit sales data to the Bureau's electronic sales reporting system but fails to do so, shall pay, for each day of violation, a penalty amounting to one-tenth of one percent (1/10 of 1%) of the annual net income as reflected in the taxpayer's audited financial statement for the second year preceding the current taxable	New provision. Penalty of 1/10 of 1% of the annual net income for each day of violation for failure to transmit sales data on CRM/POS machines to the BIR's electronic sales reporting system. There is also an additional penalty of permanent closure of the taxpayer for violation

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	year for each day of violation or Ten thousand pesos (P10,000), whichever is higher: *Provided,* That should the aggregate number of days of violation exceed one hundred eighty (180) days within a taxable year, an additional penalty of permanent closure of the taxpayer shall be imposed: *Provided, further*, That if the failure to transmit is due to *force majeure* or any causes beyond the control of the taxpayer the penalty shall not apply.	exceeding 180 days within a taxable year.
No provision under the NIRC of 1997, as amended.	**SEC. 264-B. Purchase, Use, Possession, Sale or Offer to Sell, Installment, Transfer, Update, Upgrade, Keeping or Maintaining of Sales Suppression Devices.** – Any person who shall purchase, use, possess, sell or offer to sell, install, transfer, update, upgrade, keep or maintain any software or device designed for, or is capable of: (a) suppressing the creation of electronic records of sales transactions that a taxpayer is required to keep under existing tax laws and/or regulations; or (b) modifying, hiding, or deleting electronic records of sales transactions and providing a ready means of access to them, shall be punished by a fine of not less than Five hundred thousand pesos (P500,000) but not more than Ten million pesos (P10,000,000), and suffer imprisonment of not less than two (2) years but not more than four (4) years: *Provided,* That a cumulative suppression of electronic sales record in excess of the amount of Fifty million pesos (P50,000,000) shall be considered as economic sabotage and shall be punished in the maximum penalty provided for under this provision.	New provision. Penalizes the purchase, use, possession, etc. of sales suppression devices with a fine and imprisonment. A cumulative suppression of electronic sales record in excess of PhP50 million shall be considered as economic sabotage.
No provision under the NIRC of 1997, as amended.	**SEC 265-A. Offenses Relating to Fuel Marking.** – All offenses relating to fuel marking shall, in addition to the penalties imposed under Title X of the NIRC, as amended, Section 1401 of Republic Act No. 10863, otherwise known as the 'Customs Modernization and Tariff Act (CMTA)', and other relevant laws, be punishable as follows:	New provision. Penalizes offenses relating to fuel marking.

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	(a) Any person who is found to be engaged in the sale, trade, delivery, distribution or transportation of unmarked fuel in commercial quantity held for domestic use or merchandise shall, upon conviction, suffer the penalties of: (1) For the first offense, a fine of Two million five hundred thousand pesos (P2,500,000); (2) For the second offense, a fine of Five million pesos (P5,000,000); and (3) For the third offense, a fine of Ten million pesos (P10,000,000) and revocation of license to engage in any trade or business. (b) Any person who causes the removal of the official fuel marking agent from marked fuel, and the adulteration or dilution of fuel intended for sale to the domestic market, or the knowing possession, storage, transfer or offer for sale of fuel obtained as a result of such removal, adulteration or dilution shall be penalized in the same manner and extent as provided for in the preceding Subsection. (c) Any person who commits any of the acts enumerated hereunder shall, upon conviction, be punished by a fine of not less than One million pesos (P1,000,000) but not more than Five million pesos (P5,000,000), and suffer imprisonment of not less than four (4) years but not more than eight (8) years: (1) Making, importing, selling, using or possessing fuel markers without express authority;	

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	(2) Making, importing, selling, using or possessing counterfeit fuel markers; (3) Causing another person or entity to commit any of the two (2) preceding acts; or (4) Causing the sale, distribution, supply, or transport of legitimately imported, in-transit, manufactured or procured controlled precursors and essential chemicals, in diluted, mixtures or in concentrated form, to any person or entity penalized in Subsections (a), (b), or (c) hereof, including but not limited to, packaging, repackaging, labeling, relabeling or concealment of such transaction through fraud, destruction of documents, fraudulent use of permits, misdeclaration, use of front companies or mail fraud. (d) Any person who willfully inserts, places, adds or attaches directly or indirectly, through any overt or covert act, whatever quantity of any unmarked fuel, counterfeit additive or chemical in the person, house, effects, inventory, or in the immediate vicinity of an innocent individual for the purpose of implicating, incriminating or imputing the commission of any violation of this Act shall, upon conviction, be punished by a fine of not less than Five million pesos (P5,000,000) but not more than Ten million pesos (P10,000,000), and suffer imprisonment of not less than four (4) years but not more than eight (8) years. (e) Any person who is authorized, licensed or accredited under this Act and its implementing rules to conduct fuel tests, who issues false or fraudulent fuel test results	

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	knowingly, willfully or through gross negligence, shall suffer the additional penalty of imprisonment ranging from one (1) year and one (1) day to two (2) years and six (6) months. The additional penalties of revocation of the license to practice his profession in case of a practitioner, and the closure of the fuel testing facility, may also be imposed at the instance of the court.	
SEC. 288. Disposition of Incremental Revenues. – **(A)** xxx; **(B)** xxx; **(C)** xxx; **(D)** xxx; and **(E)** xxx.	**SEC. 288. Disposition of Incremental Revenue.** – **(A)** xxx; **(B)** xxx; **(C)** xxx; **(D)** xxx; **(E)** xxx; xxx **(F)** **Incremental Revenues from the Tax Reform for Acceleration and Inclusion (TRAIN).** – For five (5) years from the effectivity of this Act, the yearly incremental revenues generated shall be automatically appropriated as follows: (1) Not more than seventy percent (70%) to fund infrastructure projects such as, but not limited to, the Build, Build, Build Program and provide infrastructure programs to address congestion through mass transport and new road networks, military infrastructure, sports facilities for public schools, and potable drinking water supply in all public places; and	Earmarking of 70% of the incremental revenues for a period of five (5) years to fund the Build Build, Build Program and provide infrastructure program to address congestion through mass transport and new road network; military infrastructure, sports facilities or public schools and potable drinking water supply in all public places. Earmarking of not more than 30% to fund the following: (1) programs under Republic Act No. 10659, otherwise known as "the Sugarcane

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	(2) Not more than thirty percent (30%) to fund: (a) Programs under Republic Act No. 10659, otherwise known as "Sugarcane Industry Development Act of 2015", to advance the self-reliance of sugar farmers that will increase productivity, provide livelihood opportunities, develop alternative farming systems and ultimately enhance farmers' income; (b) Social mitigating measures and investments in: (i) education, (ii) health, targeted nutrition, and anti-hunger programs for mothers, infants, and young children, (iii) social protection, (iv) employment, and (v) housing that prioritize and directly benefit both the poor and near-poor households; (c) A social welfare and benefits program where qualified beneficiaries shall be provided with a social benefits card to avail of the following social benefits: (i.) Unconditional cash transfer to households in the first to seventh income deciles of the National Household Targeting System for Poverty Reduction (NHTS-PR), Pantawid Pamilyang Pilipino Program, and the social pension program for a period of three (3) years from the effectivity of this Act: *Provided*, That the unconditional cash transfer shall be Two hundred pesos (P200.00) per	Industry Development Act of 2015", to advance self-reliance of the sugar industry; (2) social mitigating measures and investments in education, health, social protection, employment and housing; (3) social welfare and benefit programs such as unconditional cash transfers, fuel vouchers to qualified franchise holders of public utility jeepneys (PUJs), for minimum wage earners, unemployed and the poorest 50% of the population - discounts on public utility vehicle (PUV) fares, NFA rice and free skills training under TESDA; and (4) other social benefits programs to be developed and implemented by the government.

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	<u>month for the first year and Three hundred pesos (P300.00) per month for the second year and third year, to be implemented by the Department of Social Welfare and Development (DSWD);</u> (ii.) <u>Fuel vouchers to qualified franchise holders of Public Utility Jeepneys (PUJs);</u> (iii.) <u>For minimum wage earners, unemployed, and the poorest fifty percent (50%) of the population:</u> (1) <u>Fare discount from all public utility vehicles (except trucks for hire and school transport service) in the amount equivalent to ten percent (10%) of the authorized fare;</u> (2) <u>Discounted purchase of National Food Authority (NFA) rice from accredited retail stores in the amount equivalent to ten percent (10%) of the net retail prices, up to maximum of twenty (20) kilos per month; and</u> (3) <u>Free skills training under a program implemented by the Technical Skills and Development Authority (TESDA).</u>	

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	Provided, That benefits or grants contained in this Subsection shall not be availed in addition to any other discounts. (iv.) Other social benefits programs to be developed and implemented by the government.	
	Notwithstanding any provisions herein to the contrary, the incremental revenues from the tobacco taxes under this Act shall be subject to Section 3 of Republic Ac No. 7171, otherwise known as 'An Act to Promote the Development of the Farmer in the Virginia Tobacco Producing Provinces' and Section 8 of Republic Act No. 8240, otherwise known as 'An Act Amending Sections 138, 139, 140, and 142 of the National Internal Revenue Code, as Amended, and for Other Purposes'.	This provision of RA 10963 was **VETOED** by the President as it effectively amends RA 10351 or the Sin Tax Law and this is seen to effectively diminish the share of the health sector in the proposed allocation.
	An interagency committee, chaired by the Department of Budget and Management (DBM) and co-chaired by DOF and DSWD, and comprised of the National Economic and Development Authority (NEDA), Department of Transportation (DOTr), Department of Education (DepEd), Department of Health (DOH), Department of Labor and Employment (DOLE), National Housing Authority (NHA), Sugar Regulatory Administration (SRA), Department of the Interior and Local Government (DILG),Department of Energy (DOE), NFA, and TESDA, is hereby created to oversee the identification of qualified beneficiaries and the implementation of these projects and programs: *Provided*, That qualified beneficiaries under Subsection (c) hereof shall be identified using	Provides for the creation of an inter-agency committee composed of concerned government agencies chaired by the Department of Budget and Management (DBM) and co-chaired by DOF and Department of Social Welfare and Development (DSWD) to oversee the identification of qualified beneficiaries and the implementation of the projects and programs under the earmarking provisions of TRAIN.

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	<u>the National ID System which may be enacted by Congress.</u> <u>Within sixty (60) days from the end of the three (3)-year period from the effectivity of this Act, the interagency committee and respective implementing agencies for the above programs shall submit corresponding program assessments to the COCCTRP. The National Expenditure Program from 2019 onwards shall provide line items that correspond to the allocations mandated in the provisions above.</u> <u>At the end of five (5) years from the effectivity of this Act, all earmarking provisions under Subsection (F), shall cease to exist and all incremental revenues derived under this Act shall accrue to the General Fund of the government.</u>	
SEC. 291. In General. - All laws, decrees, executive orders, rules and regulations or parts thereof which are contrary to or inconsistent with this Code are hereby repealed, amended or modified accordingly.	**SEC. 86 of RA 10963. Repealing Clause**. – The following laws or provisions of laws are hereby repealed and the persons and/or transactions affected herein are made subject to the VAT provision of Title IV of the NIRC, as amended:	As part of broadening the VAT base to clean the VAT system and increase its efficiency, the TRAIN law repealed 54 provisions under special laws with VAT exemption and zero-rating. Limits the VAT exemption to food, agriculture, health and educational services, i.e. tuition fees; Eliminates exemptions that directly target individuals, firms or those that have no or little economic justification. Based on international best practices, only agriculture, raw

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		food, educational services and health services should be exempted from VAT. VAT payments shall be paid through the Tax Expenditure Fund (TEF).
	(a) Section 3 of Presidential Decree (PD) 1972, S. 1985, as amended, Sections 4 and 5 of Executive Order (EO) 1057, s. 1985, and Section 4 of E.O. 1064, s. 1985, insofar as the VAT exemption and tax credit is concerned;	Repeals the VAT exemption of importations and removes the VAT tax credit on domestic purchases.
	(b) Section 10, insofar as VAT exemption is concerned, of Republic Act (R.A.) No. 6807 or An Act Converting the Mati Community College to Davao Oriental State College of Science and Technology, Providing for a Charter for this Purpose, Expanding its Curricular Offerings, Redirecting its Objectives, and Appropriating Funds Therefor;	Repeals the VAT exemption of importations and domestic purchases.
	(c) Sections 18 and 19, insofar as VAT exemption is concerned, of R.A. 6847 or The Philippine Sports Commission Act;	Repeals the VAT exemption of importation of sportswear, equipment, supplies, instruments and materials, including those donated to the Commission and on the lease of sports facilities.

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	(d) Section 8(d), last paragraph, insofar as VAT exemption is concerned, of R.A. 7278 or An Act Amending Commonwealth Act No. 111, as Amended by PD No. 460, entitled An Act to Create a Public Corporation to be Known as the Boy Scouts of the Philippines, and to Define its Powers and Purposes, by Strengthening the Volunteer and Democratic Character of the Boy Scouts of the Philippines and for Other Purposes;	Repeals the VAT exemption on domestic purchases and sale of goods of the BSP. Considered as GOCC hence, VAT payments on their purchases and importations through TEF.
	(e) Section 1, insofar as VAT exemption is concerned, of R.A. 7291or An Act Restoring The Tax And Duty Incentives Previously Enjoyed by the Veterans Federation of the Philippines under Republic Act Numbered Twenty-Six Hundred And Forty;	Repeals the VAT exemption on domestic purchases of the VFP.
	(f) Section 21, insofar as VAT exemption is concerned, of R.A. 7306 or the Charter of the People's Television Network, Inc.;	Repeals the VAT exemption on the importation (including donations) of equipment and machineries of the PTNI.
	(g) Section 14, insofar as VAT exemption is concerned, of R.A. 7354 or the Postal Service Act of 1992;	Repeals the VAT exemption on the importation of equipment

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	(h) Section 9(c), insofar as VAT exemption is concerned, of R.A. 7355 or The Manlilikha ng Bayan Act;	Repeals the VAT exemption on donations from foreign countries. It is noted that only donations of ordinary assets will be VATable. Donations of ordinary assets are deemed sales under Sec 106 (b)(1) of the NIRC. If donors are into business, then transaction is VATable, e.g. SMDC donating parcel of land to a charitable institution.
	(i) Section 21, insofar as VAT exemption is concerned, of R.A. 7356 or the Law Creating the National Commission for Culture and the Arts;	Repeals the VAT exemption on purchases, donations and rental income of NCCA.
	(j) Section 7(f), insofar as VAT exemption is concerned, of R.A. 7371 or An Act Converting the Aklan Agricultural College into Aklan State College of Agriculture, and Appropriating Funds Therefor;	Repeals the VAT exemption on the importation and domestic purchases of ASCA. SUCs, VAT payment through TEF
	(k) Section 12 second sentence, insofar as VAT exemption is concerned, of R.A. 7373 or An	Repeals the VAT exemption on domestic purchases and donations of EVSHS.

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	Act Establishing the Eastern Visayas Science High School;	
	(l) Section 11(j), insofar as VAT exemption is concerned, of R.A. 7605 or the Charter of the Philippine State College of Aeronautics;	Repeals the VAT exemption on domestic purchases of the PSCA. SUCs, VAT payment through TEF
	(m) Section 126, insofar as VAT exemption is concerned, of R.A. 7653 or The New Central Bank Act;	Repeals the VAT exemption on the importation of equipment and supplies of the BSP. According to an IMF study[1], only importation of gold, banknotes, and coins to be delivered to Central Bank should be exempted from taxes and customs duties including domestic supply of the same should be exempted from sales tax. However, other of goods and services to the central bank should be taxed, in the same way that supplies to government agencies are taxed. While it may be argued that VAT on supplies to government agencies, including central banks, is simply the government paying tax to itself.

[1] How Should a Central Bank Be Treated for Tax Purposes?, IMF Tax Law Notes, July 31, 2007.

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	(n) Sections 14, insofar as VAT exemption is concerned, of R.A. 7875 or The National Health Insurance Act of 1995;	Repeals the VAT exemption on purchases of the NHIC.
	(o) Section 18, insofar as VAT exemption is concerned, and Section 18 last paragraph of R.A. 7884 or The National Dairy Development Act of 1995;	Repeals the VAT exemption on importations and sale of raw milk and milk products. May invoke Sec 109(A) which pertains to raw agricultural products. Last paragraph of RA 8884 - may invoke Sec 111(b) of the NIRC, pertaining to transitional/presumptive input tax credits
	(p) Section 8, insofar as VAT exemption is concerned, R.A. 8160 or the Act Granting the University of the Philippines a Franchise to Construct, Install, Operate and Maintain for Educational and Other Related Purposes, Radio and Television Broadcasting Stations Within the University of the Philippines and in Such Other Areas Within the Scope of its Operation;	Repeals the VAT exemption on purchases of UP.
	(q) Sections 2 and 16, insofar as VAT exemption is concerned, of R.A. 8282 or The Social Security Act of 1997;	Repeals the VAT exemption on purchases of the SSS.

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	(r) Section 39, insofar as VAT exemption is concerned, of R.A 8291 or The Government Service Insurance System Act of 1997;	Repeals the VAT exemption on purchases, sale of services and importation of the GSIS.
	(s) Section 4(c) and (f), insofar as VAT exemption is concerned, of R.A. 8292 or The Higher Education Modernization Act of 1997;	Repeals the VAT exemption on importation and domestic purchases of the CHED.
	(t) Section 25, insofar as VAT exemption is concerned, of R.A. 8492 or The National Museum Act of 1998;	Repeals the VAT exemption on importation of equipment and donations for the benefit of the National Museum.
	(u) Section 3(h), insofar as VAT exemption is concerned, of R.A. 8502 or The Jewelry Industry Development Act of 1998;	Repeals the VAT exemption on importation of equipment and domestic purchases of the Jewelry industry. Redundant incentives . Enterprises under this Act may apply to PEZA.
	(v) Article 65, insofar as VAT exemption and zero rating is concerned, of regional or area headquarters and zero-rating of the sale or lease of goods and property and the rendition of services to regional or area headquarters, and Article 67, insofar as VAT exemption is	Repeals the VAT exemption on purchases of RHQ and VAT zero rating of suppliers to RHQ. The law however, explicitly provides that existing RHQs and ROHQs enjoying VAT exemption and zero-

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	concerned, of R.A. 8756; *Provided,* That existing RHQs and ROHQs enjoying VAT exemption and zero-rating at the time of the effectivity of TRAIN shall not be affected;	rating at the time of the effectivity of TRAIN shall not be affected.
	(w) Section 7(c), insofar as VAT exemption is concerned, of R.A. 9045 or An Act Creating the Batangas State University;	Repeals the VAT exemption on donations for the benefit of the BSU.
	(x) Section 7(c), insofar as VAT exemption is concerned, of R.A. 9055 or An Act Converting the Aklan State College of Agriculture into the Aklan State University;	Repeals the VAT exemption on donations for the benefit of the ASU.
	(y) Section 13, insofar as VAT exemption is concerned, of R.A. 9083 or An Act Establishing the Sta. Rosa Science and Technology High School in Sta. Rosa, Laguna;	Repeals the VAT exemption on purchases and donations for the benefit of the school.
	(z) Section 7(c) and (f), insofar as VAT exemption is concerned, of R.A. 9138 or An Act Establishing the Guimaras State College;	Repeals the VAT exemption on purchases and donations for the benefit of the GSC.
	(aa) Section 7(c) insofar as VAT exemption is concerned, of R.A. 9141 or An Act Converting the Negros Occidental Agricultural College into State College to be known as the Negros Occidental Agricultural College;	Repeals the VAT exemption on donations for the benefit of the NOSC.

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	(bb) Section 16, insofar as VAT exemption is concerned, of R.A. 9497 or The Civil Aviation Authority Act of 2008;	Repeals the VAT exemption on importations of the CAA.
	(cc) Section 25(b) and (c), insofar as VAT exemption is concerned, and (d), insofar as VAT zero-rating is concerned, of R.A. 9500 or the University of the Philippines Charter of 2008; **It is noted that Sections 25 (b) and (c) refer to exemption from donor's tax and customs duties, respectively. Section 25(a) refers to all revenues and assets of the University of the Philippines used for educational purposes or in support thereof shall be exempt from all taxes and duties; while** **Sections 25(d) and (e) provide that the University shall only pay 0% value-added tax for all transactions subject to this tax; and all academic awards shall be exempt from taxes, respectively.**	Repeals the VAT exemption on importations and donations for the benefit of the UP.
	(dd) Section 25(b) and (c), insofar as VAT exemption is concerned, and (d), insofar as VAT zero-rating is concerned, of R.A. 9519 or An Act Converting Mindanao Polytechnic State College into State University to be known as the Mindanao University of Science and Technology;	Repeals the VAT exemption on importation and donations for the benefit of the MUST.
	(ee) Section 17(c), insofar as VAT exemption is concerned, of R.A. 3591, otherwise known as the	Repeals the VAT exemption on purchases of the PDIC.

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	PDIC Charter, as amended by Section 8 of RA 9576, otherwise known as An Act Increasing the Maximum Deposit Insurance Coverage, and in Connection Therewith, to Strengthen the Regulatory and Administrative Authority, and Financial Capability of the Philippine Deposit Insurance Corporation (PDIC), Amending for this Purpose Republic Act Numbered Three Thousand Five Hundred Ninety-One, as Amended, Otherwise Known as the PDIC Charter, and for Other Purposes;	
	(ff) Sections 2 and 19, insofar as VAT exemption is concerned, of R.A. 9679 or An Act Further Strengthening the Home Development Mutual Fund, and for Other Purposes;	Repeals the VAT exemption on purchases of the HDMF.
	(gg) Section 23, insofar as VAT exemption is concerned of the National Historical Commission of the Philippines, of R.A. 10086, or the Strengthening Peoples' Nationalism Through Philippine History Act;	Repeals the VAT exemption on sales and services, donations and importations of the NHCP
	(hh) Section 7(b) and (c), insofar as VAT exemption is concerned, and (d), insofar as VAT zero-rating is concerned, of R.A. 9647 or The Philippine Normal University Modernization Act of 2009; Exemption of all revenues and assets of PNU used actually, directly and exclusively for educational purposes or in support thereof from all taxes. It is noted that subsections (b) and (c)	Repeals the VAT exemption on importations and domestic purchases, donations for the benefit of the PNU.

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	refer to exemption from donor's tax and customs duties, respectively.	
	(ii) Section 17, insofar as VAT exemption is concerned, of R.A. 7898, as amended by R.A. 10349, Establishing the Revised AFP Modernization Program and for Other Purposes;	Repeals the VAT exemption on importations of AFP.
	(jj) Section 56, insofar as VAT exemption is concerned, of R.A. 10801 or the Overseas Workers Welfare Administration Act;	Repeals the VAT exemption on purchases of the OWWA. Considered as GOCC hence, VAT payments on their purchases and importations through TEF
	(kk) Section 9(e)(2) and (j), with respect to VAT, of R.A. 7900 or the High Value Crops Development Act of 1995;	Repeals the VAT exemption on purchases, importation of equipment and tax credit on domestic purchase of capital equipment and machineries
	(ll) Section 24(e) of R.A. 10068 or the Organic Agriculture Act of 2010;	Repeals the VAT zero-rating on sale or purchase of bio-organic products Limits VAT zero rating to direct exports only.
	(mm) Section 14(b), with respect to VAT, R.A. 7308 or the Seed Industry Development Act of 1992;	Repeals the VAT exemption on the importation of technical equipment

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	(nn) Section 35(b), and (c) with respect to VAT, of R.A. 8550 or The Philippine Fisheries Code of 1998;	Repeals the VAT on importations, tax credit on domestic purchases and tax rebate on fuel consumption/purchases
	(oo) Section 13, second paragraph, with respect to VAT, of R.A. 10817 or the Philippine Halal Export Development and Promotion Act of 2016;	Repeals the VAT exemption on importation of equipment and tax credit on domestic purchases They can invoke the PEZA law (if they will be PEZA registered) and other investments promotions law
	(pp) Section 9 (3), (4) and (8), with respect to VAT, of R.A. 8479 or the Downstream Oil Industry Deregulation Act of 1998;	Repeals the VAT exemption on importation of equipment and tax credit on domestic purchases
	(qq) Section 6(c) and (d), with respect to VAT, of R.A. 7103 or the Iron and Steel Industry Act;	Repeals the VAT exemption on the importation of equipment and tax credit on domestic purchase of capital equipment

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	(rr) Section 10, with respect to VAT, of R.A. 7718 or An Act Amending R.A No. 6957;	Repeals the VAT exemption on the importation of equipment and tax credit on domestic purchase of equipment
	(ss) Section 26 (B)(3). with respect to VAT, of R.A. 9275 or The Philippine Clean Water Act of 2004;	Repeals the VAT exemption on importations and tax credit on domestic purchases
	(tt) Section 20(d)(3), of R.A. 7279, or the Urban and Development and Housing Act of 1992;	Repeals the VAT exemption on donations to the benefit of LGUs and enterprises.
	(uu) Section 20(d)(3) of R.A. 10884 or An Act Strengthening the Balanced Housing Development Program, Amending for the Purpose R.A. 7279, as Amended, Otherwise Known as the Urban Development and Housing Act of 1992;	Repeals the VAT exemption on purchases.
	(vv) Section 14, with respect to VAT, of R.A. 8423 or the Traditional and Alternative Medicines Act (TAMA) of 1997;	Repeals the VAT exemption on the importation of equipment and tax credit on domestic purchases.
	(ww) Section 22(b) of RA 10747 or The Rare Disease Act of the Philippines;	Repeals the VAT exemption on importations and purchases. Section 4(k) of RA 10747 defines rare disease as referring to disorders such as inherited metabolic disorders and other diseases with similar rare occurrence as

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		recognized by the Department of Health (DOH) upon recommendation of the National Institutes of Health but excluding catastrophic (i.e., life threatening, seriously debilitating, or serious and chronic) forms of more frequently occurring diseases. Purchaser is DOH, hence may avail thru TEF.
	(xx) Section 45(a)(b)(c), with respect to VAT, of R.A. 9003 or The Ecological Solid Waste Management Act of 2000;	Repeals the VAT exemption on importations, tax credit on domestic purchases and on the donations for the support of solid waste programs.
	(yy) Section 5(b), with respect to VAT, of R.A. 10771 or The Philippine Green Jobs Act of 2016;	Repeals the VAT exemption on importations and domestic purchases.
	(zz) Section 6, with respect to VAT, of R.A. 7459 or The Investors and Inventions Incentives Act of the Philippines;	Repeals the VAT exemption of sales for ten (10) years from the date of first sale.
	(aaa) Sections 24, insofar as VAT exemption of foundations for scientific advancements is	Repeals the VAT exemptions on donations for the benefit of the

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	concerned, of R.A. 2067, as amended, or the Science Act of 1958;	Board and its agencies as well as the University of the Philippines, funds contributed to foundations for scientific advancements, and importations.
	(bbb) Section 9, with respect to VAT, of R.A. 9511 or The National Grid Corporation of the Philippines Act	Repeals the VAT exemption on the sales of transmission sector and purchases of grantee of the concession. Effectively 12% VAT + 3% Franchise. Not double taxation as different type of tax Avoided cascading nature of franchise tax and for efficient business tax system. To make tax system less distortionary and more equitable.