

**COMPARATIVE MATRIX ON PACKAGE 2 OF THE COMPREHENSIVE TAX REFORM PROGRAM (CTRP):
PRESENT VIS-À-VIS HOUSE BILL NO. 4157 AND SENATE BILL NO. 1357***

NIRC OF 1997, AS AMENDED BY RA 11467 ¹	HOUSE BILL NO. 4157 ²	SENATE BILL NO. 1357 ³
	<p>AN ACT AMENDING SECTIONS 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 204, 222, 237, 237-A, 255, 256, 257, 258, 261, 263, 264, 266, 275, 290, 291, 292 AND ADDING NEW SECTIONS 6-A, 282-A, 293, 294, 294-A, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, AND 316, ALL UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES</p> <p>SECTION 1. <i>Short Title.</i> – This Act shall be known as the “Corporate Income Tax and Incentives Rationalization Act” or “CITIRA”.</p>	<p>AN ACT REFORMING THE CORPORATE INCOME TAX AND INCENTIVES SYSTEM, AMENDING FOR THE PURPOSE SECTIONS 4, 20, 27, 28, 34 AND 290 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND CREATING THEREIN NEW TITLE XIII, AND FOR OTHER PURPOSES</p> <p>SECTION 1. <i>Short Title.</i> – This Act shall be known as the “Corporate Income Tax and Incentives Reform Act” or “CITIRA.”</p> <p>SEC. 2. <i>Declaration of Policy.</i> – It is hereby declared the policy of the State to develop the national economy towards global competitiveness by implementing tax policies instrumental in attracting investments, which will result in productivity enhancement, employment generation, countrywide development, and a more</p>

* Prepared by the Direct Taxes Branch, Special Research and Technical Services Branch, and Fiscal Incentives Branch, NTRC.

¹ Entitled, An Act Amending Sections 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265, and 288-A and Adding a New Section 290 - A to Republic Act 8424, as Amended, Otherwise Known as the National Internal Revenue Code of 1997, and for Other Purposes”, approved on January 22, 2020.

² As approved on Third Reading by the House of Representatives on September 13, 2019.

³ Per Committee Report No. 50, February 18, 2020.

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>SEC. 4. Power of the Commissioner to Interpret Tax Laws and to Decide Tax Cases. – The power to interpret the provisions of this Code and other tax laws shall be under the exclusive and original jurisdiction of the Commissioner, subject to review by the Secretary of Finance. The power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under this Code or other laws or portions thereof administered by the Bureau of Internal Revenue is vested in the Commissioner, subject to the exclusive appellate jurisdiction of the Court of Tax Appeals.</p>	<p>SEC. 2. Section 4 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 4. Power of the Commissioner to Interpret Tax Laws and to Decide Tax Cases. – The power to interpret the provisions of this Code and other tax laws shall be under the exclusive and original jurisdiction of the Commissioner, subject to review by the Secretary of Finance: PROVIDED, THAT THE POWER TO INTERPRET THE PROVISIONS OF TITLE XIII OF THIS CODE SHALL BE THE EXCLUSIVE AND ORIGINAL JURISDICTION OF THE SECRETARY OF FINANCE AS CHAIR OF THE FISCAL INCENTIVES REVIEW BOARD.</p>	<p>inclusive economic growth, while at the same time maintaining fiscal prudence and stability.</p> <p>To achieve these objectives, the State shall:</p> <p>(a) Improve the equity and efficiency of the corporate tax system by lowering the rate, widening the tax base, and reducing tax distortions and leakages; and</p> <p>(b) Develop a more responsive and globally-competitive tax incentives regime that is performance-based, targeted, time-bound, and transparent.</p> <p>SEC. 3. Section 4 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 4. Power of the Commissioner to Interpret Tax Laws and to Decide Tax Cases. – The power to interpret the provisions of the Code and other tax laws shall be under the exclusive and original jurisdiction of the Commissioner, subject to review by the Secretary of Finance: PROVIDED, THAT THE POWER TO INTERPRET THE PROVISIONS OF TITLE XIII OF THE CODE ON TAX INCENTIVES SHALL BE THE EXCLUSIVE AND ORIGINAL JURISDICTION OF THE SECRETARY OF FINANCE, SUBJECT TO THE EXCLUSIVE APPELATE JURISDICTION OF THE COURT OF TAX APPEALS.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>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:</p> <p>A) xxx</p> <p>(B) xxx</p> <p>(C) xxx</p> <p>(D) xxx; and</p> <p>(E) xxx</p>	<p>The power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under this Code or other laws or portions thereof administered by the Bureau of Internal Revenue is vested in the Commissioner, subject to the exclusive appellate jurisdiction of the Court of Tax Appeals.”</p> <p>SEC. 3. Section 5 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>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:</p> <p>(A) xxx</p> <p>(B) xxx</p> <p>(C) xxx</p> <p>(D) xxx; [and]</p> <p>(E) xxx [-]; AND</p> <p>(F) IN CASE THE INFORMATION OR RECORDS REQUESTED ARE NOT FURNISHED WITHIN THE PERIOD</p>	<p>The power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under this Code or other laws or portions thereof administered by the Bureau of Internal Revenue is vested in the Commissioner, subject to the exclusive appellate jurisdiction of the Court of Tax Appeals.”</p>

4 <i>Comparative Matrix on Package 2 of the CTRP: Present vis-à-vis HB 4157 and SB 1357</i>	NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157 PRESCRIBED IN THE WRITTEN NOTICE, OR WHEN THE INFORMATION OR RECORDS SUBMITTED ARE INCOMPLETE, THE COMMISSIONER OR THE DULY AUTHORIZED REPRESENTATIVE, SHALL ISSUE A <i>SUBPOENA DUCES TECUM</i> STATING THEREIN THE RELEVANT FACTS, SPECIFYING THE PARTICULAR DOCUMENTS OR RECORDS NOT MADE AVAILABLE, AND THE TAXPAYER LIABLE OR THE THIRD PARTY/OFFICE CONCERNED: <i>PROVIDED</i>, THAT INFORMATION OR RECORDS DULY RECEIVED OR ALREADY WITHIN THE CUSTODY OF THE BUREAU SHALL NOT BE COVERED BY ANY <i>SUBPOENA DUCES TECUM</i>. THE SERVICE OF A <i>SUBPOENA DUCES TECUM</i> SHALL BE EFFECTED BY THE REVENUE OFFICERS ASSIGNED TO INVESTIGATE THE CASE. HOWEVER, SUCH SERVICE MAY BE MADE BY ANY OTHER AUTHORIZED INTERNAL REVENUE OFFICER. THE <i>SUBPOENA DUCES TECUM</i> SHALL BE SERVED THROUGH PERSONAL SERVICE, BUT IF NOT PRACTICABLE, IT SHALL BE SERVED BY SUBSTITUTED SERVICE IN ACCORDANCE WITH THE RULES OF COURT.	SENATE BILL NO. 1357
--	---	---	-----------------------------

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>A CRIMINAL ACTION SHALL BE INSTITUTED FOR FAILURE TO OBEY THE <i>SUBPOENA DUCES TECUM</i>.</p> <p>"BOOKS, RECORDS, AND DOCUMENTS SUBMITTED PURSUANT TO A <i>SUBPOENA DUCES TECUM</i> SHALL BE PLACED UNDER THE CUSTODY OF THE RECEIVING OFFICER WHO SHALL BE RESPONSIBLE FOR ITS SAFEKEEPING AND PRESERVATION, SUBJECT TO APPLICABLE RULES.</p> <p>SEC. 4. A new section shall be inserted as Section 6-A of the National Internal Revenue Code of 1997, as amended, to read as follows:</p> <p>SEC. 6-A. SERVICE OF LETTER OF AUTHORITY, AND ASSESSMENT NOTICES ISSUED BY THE BUREAU. – THE NOTICE TO THE TAXPAYER HEREIN REQUIRED MAY BE SERVED BY THE COMMISSIONER OR THE DULY AUTHORIZED REPRESENTATIVE THROUGH PERSONAL SERVICE AT THE TAXPAYER'S REGISTERED ADDRESS. IN CASE PERSONAL SERVICE IS NOT PRACTICABLE, THE NOTICE SHALL BE SERVED BY SUBSTITUTED SERVICE IN ACCORDANCE WITH THE RULES OF COURT.</p> <p>SEC. 5. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p>	<p>SEC. 4. Section 20 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –	SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –	SEC. 20. Submission of Report and Pertinent Information by the Commissioner. –
(A) xxx	(A) xxx	(A) xxx
	(B) SUBMISSION OF TAX-RELATED INFORMATION TO THE DEPARTMENT OF FINANCE. – THE PROVISIONS OF SECTION 71, NOTWITHSTANDING, THE COMMISSIONER SHALL, UPON THE REQUEST OF THE SECRETARY OF FINANCE SPECIFICALLY IDENTIFYING THE NEEDED INFORMATION AND JUSTIFICATION FOR SUCH REQUEST, FURNISH THE SECRETARY PERTINENT TAXPAYER INFORMATION: PROVIDED, HOWEVER, THAT THE SECRETARY AND THE RELEVANT OFFICERS HANDLING SUCH SPECIFIC INFORMATION SHALL BE COVERED BY THE PROVISIONS OF SECTION 270.	(B) SUBMISSION OF TAX-RELATED INFORMATION TO THE DEPARTMENT OF FINANCE. – THE COMMISSIONER SHALL, UPON THE ORDER OF THE SECRETARY OF FINANCE SPECIFICALLY IDENTIFYING THE NEEDED INFORMATION AND JUSTIFICATION FOR SUCH ORDER, FURNISH THE SECRETARY PERTINENT TAXPAYER INFORMATION: PROVIDED, HOWEVER, THAT THE SECRETARY AND THE RELEVANT OFFICERS HANDLING SUCH SPECIFIC INFORMATION SHALL BE COVERED BY THE PROVISIONS OF SECTION 270 UNLESS THE TAXPAYER CONSENTS IN WRITING TO SUCH DISCLOSURE.
(B) Report to Oversight Committee. – The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the Chairmen of the Committee on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant to the said Section, every six (6) months of each calendar year.	[(B)] (C) Report to Oversight Committee. – The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the [Chairmen] CHAIRPERSONS of the Committee on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant to the said Section, every six (6) months of each calendar year. SEC. 6. Section 22 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	[(B)] (C) Report to Oversight Committee. –The Commissioner shall, with reference to Section 204 of this Code, submit to the Oversight Committee referred to in Section 290 hereof, through the [Chairmen] CHAIRPERSONS of the Committees on Ways and Means of the Senate and House of Representatives, a report on the exercise of his powers pursuant to the said Section, every six (6) months of each calendar year.

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	SEC. 22. <i>Definitions.</i> – xxx	
	(A) xxx	
	(B) xxx	
	(C) xxx	
	(D) xxx	
	(E) The term ‘nonresident citizen’ means:	
	(1) A citizen of the Philippines who establishes to the satisfaction of the Commissioner of the fact of [his] physical presence abroad with a definite intention to reside therein.	
	(2) A citizen of the Philippines who leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis.	
	(3) A citizen of the Philippines who works and derives income from abroad and whose employment thereat requires [him to be] BEING physically present abroad [most of the time] FOR ONE HUNDRED EIGHTY-THREE (183) DAYS OR MORE during the taxable year.	
	(4) A citizen who has been previously considered as nonresident citizen and who arrives in the Philippines at any time during the taxable year to reside permanently in the Philippines shall likewise be treated as a nonresident citizen for the taxable year [in which he arrives] OF ARRIVAL in the Philippines with respect to [his] income derived from sources abroad until the date of [his] arrival in the Philippines.	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(5) The taxpayer shall submit proof to the Commissioner to show [his] intention of leaving the Philippines to reside permanently abroad or to return and reside in the Philippines as the case may be for purposes of this Section.</p> <p>xxx.</p> <p>SEC. 7. Section 27 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 27. – Rates of Income Tax on Domestic Corporations. –</p> <p>(A) In General. – Except as otherwise provided in this Code, an income tax of thirty-five percent (35%) is hereby imposed upon the taxable income derived during each taxable year from all sources within and without the Philippines by every corporation, as defined in Section 22(B) of this Code and taxable under this Title as a corporation, organized in, or existing under the laws of the Philippines: Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).</p>	<p>SEC. 5. Section 27 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>SEC. 27. – Rates of Income Tax on Domestic Corporations. –</p> <p>(A) In General. – Except as otherwise provided in this Code, [an income tax of thirty-five percent (35%)] AN INCOME TAX RATE OF THIRTY PERCENT (30%) is hereby imposed upon the taxable income derived during each taxable year from all sources within and without the Philippines by every corporation, as defined in Section 22(B) of this Code and taxable under this Title as a corporation, organized in, or existing under the laws of the Philippines: [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).] PROVIDED, THAT THE RATE OF CORPORATE INCOME TAX SHALL BE TWENTY-NINE PERCENT (29%) BEGINNING JANUARY 1, 2020; TWENTY-EIGHT PERCENT (28%) BEGINNING JANUARY 1, 2021; TWENTY-SEVEN PERCENT (27%) BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%) BEGINNING JANUARY 1, 2023;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>FIVE PERCENT (25%) BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%) BEGINNING JANUARY 1, 2025; TWENTY-THREE PERCENT (23%) JANUARY 1, 2026; TWENTY-TWO PERCENT (22%) BEGINNING JANUARY 1, 2027; TWENTY-ONE PERCENT (21%) BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%) BEGINNING JANUARY 1, 2029: <i>PROVIDED, FURTHER</i>, THAT THE SCHEDULED RATE REDUCTION SHALL BE SUBJECT TO REVIEW BY THE SECRETARY OF FINANCE IN 2025: <i>PROVIDED, FURTHERMORE</i>, THAT THE SCHEDULED DECREASE IN THE RATE MAY BE SUSPENDED BY THE PRESIDENT UPON RECOMMENDATION OF THE SECRETARY OF FINANCE IF THE PROJECTED DEFICIT TARGET AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT EXCEEDS THE PROGRAMMED DEFICIT, AS DETERMINED BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE IN THE PRECEDING YEAR PRIOR TO THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM: <i>PROVIDED, FINALLY</i>, THAT THE PRESIDENT MAY ADVANCE THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE WHEN ADEQUATE SAVINGS ARE REALIZED FROM THE RATIONALIZATION OF FISCAL INCENTIVES UNDER TITLE XIII</p>	<p>TWENTY-FIVE PERCENT (25%) BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%) BEGINNING JANUARY 1, 2025: TWENTY-THREE PERCENT (23%) BEGINNING JANUARY 1, 2026; TWENTY-TWO PERCENT (22%) BEGINNING JANUARY 1, 2027; TWENTY-ONE PERCENT (21%) BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%) BEGINNING JANUARY 1, 2029: <i>PROVIDED, FURTHER</i>, THAT THE SCHEDULED DECREASE IN THE RATE BEGINNING 2025 MAY BE SUSPENDED BY THE PRESIDENT UPON RECOMMENDATION OF THE SECRETARY OF FINANCE IF THE PROJECTED DEFICIT TARGET AS A PERCENT OF GROSS DOMESTIC PRODUCT (GDP) EXCEEDS THE PROGRAMMED DEFICIT, AS DETERMINED BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC) IN THE PRECEDING YEAR PRIOR TO THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
OF THIS CODE, AS CERTIFIED BY THE SECRETARY OF FINANCE.		
<p>In the case of corporations adopting the fiscal year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.</p> <p>The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.</p> <p>Provided, further, That the President, upon the recommendation of the Secretary of Finance, may effective January 1, 2000, allow corporations the option to be taxed at fifteen percent (15%) of gross income as defined herein, after the following conditions have been satisfied:</p> <p>(1) A tax effort ratio of twenty percent (20%) of Gross National Product (GNP);</p> <p>(2) A ratio of forty percent (40%) of income tax collection to total tax revenues;</p> <p>(3) A VAT tax effort of four percent (4%) of GNP; and</p>	<p>In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.</p> <p>The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.</p> <p>{Provided, further, That the President, upon the recommendation of the Secretary of Finance, may effective January 1, 2000, allow corporations the option to be taxed at fifteen percent (15%) of gross income as defined herein, after following conditions that have been satisfied:</p> <p>(1) A tax effort ratio of twenty percent (20%) of Gross National Product (GNP);</p> <p>(2) A ratio of forty percent (40%) of income tax collection to total tax revenues;</p> <p>(3) A VAT tax effort of four percent (4%) of GNP; and</p>	<p>In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when specific sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.</p> <p>The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.</p> <p>{Provided, further, That the President, upon the recommendation of the Secretary of Finance, may, effective January 1, 2000, allow corporations the option to be taxed at fifteen percent (15%) of gross income as defined herein, after the following conditions have been satisfied:</p> <p>(1) A tax effort ratio of twenty percent (20%) of Gross National Product (GNP);</p> <p>(2) A ratio of forty percent (40%) of income tax collection to total tax revenues;</p> <p>(3) A VAT tax effort of four percent (4%) of GNP; and</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
(4) A 0.9 percent (0.9%) ratio of the Consolidated Public Sector Financial Position (CPSFP) to GNP.	(4) A 0.9 percent (0.9%) ratio of the Consolidated Public Sector Financial Position (CPSFP) to GNP.	(4) A 0.9 percent (0.9%) ratio of the Consolidated Public Sector Financial Position (CPSFP) to GNP.
The option to be taxed based on gross income shall be available only to firms whose ratio of cost of sales to gross sales or receipts from all sources does not exceed fifty-five percent (55%).	The option to be taxed based on gross income shall be available only to firms whose ratio of cost of sales to gross sales or receipts from all sources does not exceed fifty-five percent (55%).	The option to be taxed based on gross income shall be available only to firms whose ratio of cost of sales to gross sales or receipts from all sources does not exceed fifty-five percent (55%).
The election of the gross income tax option by the corporation shall be irrevocable for three (3) consecutive taxable years during which the corporation is qualified under the scheme.	The election of the gross income tax option by the corporation shall be irrevocable for three (3) consecutive taxable years during which the corporation is qualified under the scheme.	The election of the gross income tax option by the corporation shall be irrevocable for three (3) consecutive taxable years during which the corporation is qualified under the scheme.
For purposes of this Section, the term ' <i>gross income</i> ' derived from business shall be equivalent to gross sales less sales returns, discounts and allowances and cost of goods sold. ' <i>Cost of goods sold</i> ' shall include all business expenses directly incurred to produce the merchandise to bring them to their present location and use.	For purposes of this Section, the term ' <i>gross income</i> ' derived from business shall be equivalent to gross sales less sales returns, discounts and allowances and cost of goods sold. ' <i>Cost of goods sold</i> ' shall include all business expenses directly incurred to produce the merchandise to bring them to their present location and use.	For purposes of this Section, the term ' <i>gross income</i> ' derived from business shall be equivalent to gross sales less sales returns, discounts and allowances and cost of goods sold. ' <i>Cost of goods sold</i> ' shall include all business expenses directly incurred to produce the merchandise to bring them to their present location and use.
For a trading or merchandising concern, ' <i>cost of goods sold</i> ' shall include the invoice cost of the goods sold, plus import duties, freight in transporting the goods to the place where the goods are actually sold, including insurance while the goods are in transit.	For a trading or merchandising concern, ' <i>cost of goods sold</i> ' shall include the invoice cost of the goods sold, plus import duties, freight in transporting the goods to the place where the goods are actually sold, including insurance while the goods are in transit.	For a trading or merchandising concern, ' <i>cost of goods sold</i> ' shall include the invoice cost of the goods sold, plus import duties, freight in transporting the goods to the place where the goods are actually sold, including insurance while the goods are in transit.
For a manufacturing concern, ' <i>cost of goods manufactured and sold</i> ' shall include all costs of production of finished goods, such as raw materials used, direct labor and manufacturing overhead, freight cost, insurance premiums and other costs incurred to bring the raw materials to the factory or warehouse.	For a manufacturing concern, ' <i>cost of goods manufactured and sold</i> ' shall include all costs of production of finished goods, such as raw materials used, direct labor and manufacturing overhead, freight cost, insurance premiums and other costs incurred to bring the raw materials to the factory or warehouse.	For a manufacturing concern, ' <i>cost of goods manufactured and sold</i> ' shall include all costs of production of finished goods, such as raw materials used, direct labor and manufacturing overhead, freight cost, insurance premiums and other costs incurred to bring the raw materials to the factory or warehouse.

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.	In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.]	In the case of taxpayers engaged in the sale of service, 'gross income' means gross receipts less sales returns, allowances and discounts.]
<p>(B) Proprietary Educational Institutions and Hospitals. – Proprietary educational institutions and hospitals which are non-profit shall pay a tax of ten percent (10%) on their taxable income except those covered by Subsection (D) hereof: Provided, that if the gross income from 'unrelated trade, business or other activity' exceeds fifty percent (50%) of the total gross income derived by such educational institutions or hospitals from all sources, the tax prescribed in Subsection (A) hereof shall be imposed on the entire taxable income. For purposes of this Subsection, the term 'unrelated trade, business or other activity' means any trade, business or other activity, the conduct of which is not substantially related to the exercise or performance by such educational institution or hospital of its primary purpose or function. A 'proprietary educational institution' is any private school maintained and administered by private individuals or groups with an issued permit to operate from the Department of Education, Culture and Sports (DECS), or the Commission on Higher Education (CHED), or the Technical Education and Skills Development Authority (TESDA), as the case may be, in accordance with existing laws and regulations.</p>	<p>(B) Proprietary Educational Institutions and Hospitals. –</p> <p>xxx</p> <p><i>Provided, That if the gross income from unrelated trade, business or other activity exceeds fifty percent (50%) of the total gross income derived by such educational institutions or hospitals from all sources, the tax prescribed in Subsection (A) hereof shall be imposed on the entire taxable income. For purposes of this Subsection, the term 'unrelated trade, business or other activity' means any trade, business or other activity, the conduct of which is not substantially related to the exercise or performance by such educational institution or hospital of its primary purpose or function. A 'proprietary educational institution' is any private school maintained and administered by private individuals or groups with an issued permit to operate from the Department of Education [Culture and Sports (DECS)], or the Commission on Higher Education (CHED), or the Technical Education and Skills Development Authority (TESDA), as the case may be, in accordance with existing laws and regulations.</i></p>	<p>(B) xxx</p>
<p>(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</p>	<p>(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</p>	<p>(C) xxx</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
by the Government, except the Government Service Insurance System (GSIS), the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), and the local water districts (LWDs) 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.	by the Government, except the Government Service Insurance System (GSIS), the Social Security System (SSS), HOME DEVELOPMENT MUTUAL FUND , the Philippine Health Insurance Corporation (PHIC), and the local water districts shall pay such rate of tax upon their taxable income as are imposed by this Section upon corporations or associations engaged in similar business, industry, or activity.	
(D) Rates of Tax on Certain Passive Incomes. –	(D) xxx	(D) xxx
(1) Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes and from Trust Funds and Similar Arrangements, and Royalties. – xxx		
(2) Capital Gains from the Sale of Shares of Stock Not Traded in the Stock Exchange. – xxx		
(3) Tax on Income Derived under the Expanded Foreign Currency Deposit System. – xxx		
(4) Intercorporate Dividends. – xxx		
(5) Capital Gains Realized from the Sale, Exchange or Disposition of Lands and/or Buildings. – xxx		
(E) Minimum Corporate Income Tax on Domestic Corporations. -	(E) xxx	(E) xxx
(1) Imposition of Tax. – xxx		

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>(2) Carry Forward of Excess Minimum Tax. – xxx</p> <p>(3) Relief from the Minimum Corporate Income Tax under Certain Conditions. – xxx</p> <p>(4) Gross Income Defined. – xxx</p> <p>xxx</p>		
	<p>SEC. 8. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p>	<p>SEC. 6. Section 28 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p>
<p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p>	<p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p>	<p>SEC. 28. Rates of Income Tax on Foreign Corporations. –</p>
<p>(A) Tax on Resident Foreign Corporations. –</p>	<p>(A) Tax on Resident Foreign Corporations. –</p>	<p>(A) Tax on Resident Foreign Corporations. –</p>
<p>(1) In General. - Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax equivalent to thirty-five percent (35%) of the taxable income derived in the preceding taxable year from all sources within the Philippines: Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).</p>	<p>(1) In General. - Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax equivalent to {thirty-five percent (35%)} THIRTY PERCENT (30%) of the taxable income derived in the preceding taxable year from all sources within the Philippines: {Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).} PROVIDED, THAT THE RATE OF CORPORATE INCOME TAX SHALL BE TWENTY-NINE PERCENT (29%) BEGINNING JANUARY 1, 2020; TWENTY-EIGHT PERCENT (28%)</p>	<p>(1) In General. – Except as otherwise provided in this Code, a corporation organized, authorized, or existing under the laws of any foreign country, engaged in trade or business within the Philippines, shall be subject to an income tax equivalent to {thirty-five percent (35%)} TWENTY-NINE PERCENT (29%) of the taxable income derived in the preceding taxable year from all sources within the Philippines EFFECTIVE JANUARY 1, 2020: {Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).} PROVIDED, THAT THE RATE OF CORPORATE INCOME TAX SHALL BE TWENTY-EIGHT PERCENT (28%) BEGINNING</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>BEGINNING JANUARY 1, 2021; TWENTY-SEVEN PERCENT (27%) BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%) BEGINNING JANUARY 1, 2023; TWENTY-FIVE PERCENT (25%) BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%) BEGINNING JANUARY 1, 2025; TWENTY-THREE PERCENT (23%) BEGINNING JANUARY 1, 2026; TWENTY-TWO PERCENT (22%) BEGINNING JANUARY 1, 2027; TWENTY- ONE PERCENT (21%) BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%) BEGINNING JANUARY 1, 2029: <i>PROVIDED,</i> <i>FURTHER,</i> THAT THE SCHEDULED RATE REDUCTION SHALL BE SUBJECT TO REVIEW BY THE SECRETARY OF FINANCE IN 2025: <i>PROVIDED,</i> <i>FURTHERMORE,</i> THAT THE SCHEDULED DECREASE IN THE RATE MAY BE SUSPENDED BY THE PRESIDENT UPON THE RECOMMENDATION OF THE SECRETARY OF FINANCE IF THE PROJECTED DEFICIT TARGET AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT EXCEEDS THE PROGRAMMED DEFICIT, AS DETERMINED BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE IN THE PRECEDING YEAR PRIOR TO THE SCHEDULED REDUCTION IN THE CORPORATE</p>	<p>JANUARY 1, 2021; TWENTY-SEVEN PERCENT (27%) BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%) BEGINNING JANUARY 1, 2023; TWENTY-FIVE PERCENT (25%) BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%) BEGINNING JANUARY 1, 2025: TWENTY-THREE PERCENT (23%) BEGINNING JANUARY 1, 2026; TWENTY-TWO PERCENT (22%) BEGINNING JANUARY 1, 2027; TWENTY-ONE PERCENT (21%) BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%) BEGINNING JANUARY 1, 2029: <i>PROVIDED,</i> <i>FURTHER,</i> THAT THE SCHEDULED DECREASE IN THE RATE BEGINNING 2025 MAY BE SUSPENDED BY THE PRESIDENT UPON RECOMMENDATION OF THE SECRETARY OF FINANCE IF THE PROJECTED DEFICIT TARGET AS A PERCENT OF GROSS DOMESTIC PRODUCT (GDP) EXCEEDS THE PROGRAMMED DEFICIT, AS DETERMINED BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC) IN THE PRECEDING YEAR PRIOR TO THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.</p> <p>The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.</p> <p>Provided, however, That a resident foreign corporation shall be granted the option to be taxed at fifteen percent (15%) on gross income under the same conditions, as provided in Section 27(A).</p>	<p>INCOME TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM: PROVIDED, FINALLY, THAT THE PRESIDENT MAY ADVANCE THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE WHEN ADEQUATE SAVINGS ARE REALIZED FROM THE RATIONALIZATION OF FISCAL INCENTIVES UNDER TITLE XIII OF THIS CODE, AS CERTIFIED BY THE SECRETARY OF FINANCE.</p> <p>In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.</p> <p>The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.</p> <p>{Provided, however, That a resident foreign corporation shall be granted the option to be taxed at fifteen percent (15%) on gross income under the same conditions, as provided in Section 27 (A).}</p>	<p>In the case of corporations adopting the fiscal-year accounting period, the taxable income shall be computed without regard to the specific date when sales, purchases and other transactions occur. Their income and expenses for the fiscal year shall be deemed to have been earned and spent equally for each month of the period.</p> <p>The corporate income tax rate shall be applied on the amount computed by multiplying the number of months covered by the new rate within the fiscal year by the taxable income of the corporation for the period, divided by twelve.</p> <p>{Provided, however, That a resident foreign corporation shall be granted the option to be taxed at fifteen percent (15%) on gross income under the same conditions, as provided in Section 27(A).}</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
(2) Minimum Corporate Income Tax on Resident Foreign Corporations. - A minimum corporate income tax of two percent (2%) of gross income, as prescribed under Section 27(E) of this Code, shall be imposed, under the same conditions, on a resident foreign corporation taxable under paragraph (1) of this Subsection.	(2) xxx	(2) xxx
(3) International Carrier. - An international carrier doing business in the Philippines shall pay a tax of two and one- half percent (2 1/2 %) on its ' <i>Gross Philippine Billings</i> ' as defined hereunder:	(3) xxx	(3) xxx
(a) International Air Carrier. - ' <i>Gross Philippine Billings</i> ' refers to the amount of gross revenue derived from carriage of persons, excess baggage, cargo, and mail originating from the Philippines in a continuous and uninterrupted flight, irrespective of the place of sale or issue and the place of payment of the ticket or passage document: Provided, That tickets revalidated, exchanged and/or indorsed to another international airline form part of the Gross Philippine Billings if the passenger boards a plane in a port or point in the Philippines: Provided, further, That for a flight which originates from the Philippines, but transshipment of passenger takes place at any port outside the Philippines on another airline, only the aliquot portion of the cost of the ticket corresponding to		

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>the leg flown from the Philippines to the point of transshipment shall form part of Gross Philippine Billings.</p> <p>(b) International Shipping. - '<i>Gross Philippine Billings</i>' means gross revenue whether for passenger, cargo or mail originating from the Philippines up to final destination, regardless of the place of sale or payments of the passage or freight documents.</p> <p>Provided, That international carriers doing business in the Philippines may avail of a preferential rate or exemption from the tax herein imposed on their gross revenue derived from the carriage of persons and their excess baggage on the basis of an applicable tax treaty or international agreement to which the Philippines is a signatory or on the basis of reciprocity such that an international carrier, whose home country grants income tax exemption to Philippine carriers, shall likewise be exempt from the tax imposed under this provision.</p> <p>(4) Offshore Banking Units. - The provisions of any law to the contrary notwithstanding, income derived by offshore banking units authorized by the Bangko Sentral ng Pilipinas (BSP), from foreign currency transactions with nonresidents, other offshore banking units, local commercial banks, including branches of foreign banks that may be authorized by the Bangko Sentral ng Pilipinas (BSP) to transact</p>	<p>[(4) Offshore Banking Units. The provisions of any law to the contrary notwithstanding, income derived by offshore banking units authorized by the Bangko Sentral ng Pilipinas (BSP), from foreign currency transactions with nonresidents, other offshore banking units, local commercial banks, including branches of foreign banks that may be authorized by the Bangko Sentral ng Pilipinas (BSP) to transact</p>	<p>[(4) Offshore Banking Units. The provisions of any law to the contrary notwithstanding, income derived by offshore banking units authorized by the Bangko Sentral ng Pilipinas (BSP), from foreign currency transactions with nonresidents, other offshore banking units, local commercial banks, including branches of foreign banks that may be authorized by the Bangko Sentral ng Pilipinas (BSP) to transact</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>business with offshore banking units shall be exempt from all taxes except net income from such transactions as may be specified by the Secretary of Finance, upon recommendation of the Monetary Board which shall be subject to the regular income tax payable by banks: Provided, however, That any interest income derived from foreign currency loans granted to residents other than offshore banking units or local commercial banks, including local, branches of foreign banks that may be authorized by the BSP to transact business with offshore banking units, shall be subject only to a final tax at the rate of ten percent (10%).</p>	<p>business with offshore banking units shall be exempt from all taxes except net income from such transactions as may be specified by the Secretary of Finance, upon recommendation of the Monetary Board which shall be subject to the regular income tax payable by banks: Provided, however, That any interest income derived from foreign currency loans granted to residents other than offshore banking units or local commercial banks, including local, branches of foreign banks that may be authorized by the BSP to transact business with offshore banking units, shall be subject only to a final tax at the rate of ten percent (10%).</p>	<p>business with offshore banking units shall be exempt from all taxes except net income from such transactions as may be specified by the Secretary of Finance, upon recommendation of the Monetary Board which shall be subject to the regular income tax payable by banks: Provided, however, That any interest income derived from foreign currency loans granted to residents other than offshore banking units or local commercial banks, including local branches of foreign banks that may be authorized by the BSP to transact business with offshore banking units, shall be subject only to a final tax at the rate of ten percent (10%).</p>
<p>Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.</p>	<p>Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.]</p>	<p>Any income of nonresidents, whether individuals or corporations, from transactions with said offshore banking units shall be exempt from income tax.]</p>
<p>(5) Tax on Branch Profits Remittances. - Any profit remitted by a branch to its head office shall be subject to a tax of fifteen (15%) which shall be based on the total profits applied or earmarked for remittance without any deduction for the tax component thereof (except those activities which are registered with the Philippine Economic Zone Authority). The tax shall be collected and paid in the same manner as provided in Sections 57 and 58 of this Code: Provided, that interests, dividends, rents, royalties, including remuneration for technical services, salaries, wages premiums, annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits, income and capital gains received by a foreign</p>	<p>[(5)] (4) Tax on Branch Profits Remittances. - Any profit remitted by a branch to its head office shall be subject to a tax of fifteen (15%) which shall be based on the total profits applied or earmarked for remittance without any deduction for the tax component thereof [except those activities which are registered with the Philippine Economic Zone Authority]. xxx</p>	<p>[(5)] (4) Tax on Branch Profits Remittances. - Any profit remitted by a branch to its head office shall be subject to a tax of fifteen percent (15%) which shall be based on the total profits applied or earmarked for remittance without any deduction for the tax component thereof [(except those activities which are registered with the Philippine Economic Zone Authority)]. The tax shall be collected and paid in the same manner as provided in Sections 57 and 58 of this Code: Provided, that interests, dividends, rents, royalties, including remuneration for technical services, salaries, wages, premiums, annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits, income and capital gains</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>corporation during each taxable year from all sources within the Philippines shall not be treated as branch profits unless the same are effectively connected with the conduct of its trade or business in the Philippines.</p>		<p>received by a foreign corporation during each taxable year from all sources within the Philippines shall not be treated as branch profits unless the same are effectively connected with the conduct of its trade or business in the Philippines.</p>
<p>(6) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</p> <p>(a) Regional or area headquarters as defined in Section 22(DD) shall not be subject to income tax.</p> <p>(b) Regional operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%) of their taxable income.</p>	<p>[(6)] (5) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</p> <p>(a) Regional or area headquarters as defined in Section 22(DD) shall not be subject to income tax.</p> <p>(b) Regional operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%) of their taxable income[-]: PROVIDED, THAT AFTER TWO (2) YEARS FROM THE EFFECTIVITY OF THIS ACT, REGIONAL OPERATING HEADQUARTERS SHALL BE SUBJECT TO THE REGULAR CORPORATE INCOME TAX.</p>	<p>[(6)] (5) Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies. -</p> <p>(a) Regional or area headquarters as defined in Section 22(DD) shall not be subject to income tax.</p> <p>(b) Regional operating headquarters as defined in Section 22(EE) shall pay a tax of ten percent (10%) of their taxable income[-]: PROVIDED, THAT AFTER TWO (2) YEARS FROM THE EFFECTIVITY OF THIS ACT, REGIONAL OPERATING HEADQUARTERS SHALL BE SUBJECT TO THE REGULAR CORPORATE INCOME TAX.</p>
<p>(7) Tax on Certain Incomes Received by a Resident Foreign Corporation. -</p> <p>(a) Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield or any other</p>	<p>[(7)] (6) Tax on Certain Incomes Received by a Resident Foreign Corporation. -</p> <p>(a) Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield or any other</p>	<p>[(7)] (6) Tax on Certain Incomes Received by a Resident Foreign Corporation. -</p> <p>(a) Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes, Trust Funds and Similar Arrangements and Royalties. - Interest from any currency bank deposit and yield or any other</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>monetary benefit from deposit substitutes and from trust funds and similar arrangements and royalties derived from sources within the Philippines shall be subject to a final income tax at the rate of twenty percent (20%) of such interest: <i>Provided, however, That interest income derived by a resident foreign 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 1/2%) of such interest income.</i></p>	<p>monetary benefit from deposit substitutes and from trust funds and similar arrangements and royalties derived from sources within the Philippines shall be subject to a final income tax at the rate of twenty percent (20%) of such interest: <i>Provided, however, That interest income derived by a resident foreign 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 1/2%) FIFTEEN PERCENT (15%) of such interest income.</i></p>	<p>monetary benefit from deposit substitutes and from trust funds and similar arrangements and royalties derived from sources within the Philippines shall be subject to a final income tax at the rate of twenty percent (20%) of such interest: <i>Provided, however, That interest income derived by a resident foreign 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 1/2%) FIFTEEN PERCENT (15%) of such interest income.</i></p>
<p>(b) Income Derived under the Expanded Foreign Currency Deposit System. - Income derived by a depository bank under the expanded foreign currency deposit system from foreign currency transactions with nonresidents, offshore banking units in the Philippines, local commercial banks including branches of foreign banks that may be authorized by the Bangko Sentral ng Pilipinas (BSP) to transact business with foreign currency deposit system units, and other depository banks under the expanded foreign currency deposit system shall be exempt from all taxes, except net income from such transactions as may be specified by the Secretary of Finance, upon recommendation by the Monetary Board to</p>	<p>(b) Income Derived under the Expanded Foreign Currency Deposit System. – xxx</p>	<p>(b) Income Derived under the Expanded Foreign Currency Deposit System. – xxx</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357												
<p>be subject to the regular income tax payable by banks: Provided, however, That interest income from foreign currency loans granted by such depository banks under said expanded system to residents other than offshore banking units in the Philippines or other depository banks under the expanded system shall be subject to a final tax at the rate of ten percent (10%).</p> <p>Any income of nonresidents, whether individuals or corporations, from transactions with depository banks under the expanded system shall be exempt from income tax.</p>														
<p>(c) Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange. - 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:</p> <table><tr><td>[Not over P100,000</td><td>5%</td></tr><tr><td>On any amount in excess of P100,000</td><td>10%]</td></tr></table>	[Not over P100,000	5%	On any amount in excess of P100,000	10%]	<p>(c) Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange. - A final tax at the rate [s prescribed—below] OF FIFTEEN PERCENT (15%) 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.</p> <table><tr><td>[Not over 100,000</td><td>5%</td></tr><tr><td>On any amount in excess —of P100,000—</td><td>10%]</td></tr></table>	[Not over 100,000	5%	On any amount in excess —of P100,000—	10%]	<p>(c) Capital Gains from Sale of Shares of Stock Not Traded in the Stock Exchange. — A final tax at the rate [s prescribed—below] OF FIFTEEN PERCENT (15%) 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:</p> <table><tr><td>[Not over P100,000</td><td>5%</td></tr><tr><td>On any amount in excess —of P100,000—</td><td>10%]</td></tr></table>	[Not over P100,000	5%	On any amount in excess —of P100,000—	10%]
[Not over P100,000	5%													
On any amount in excess of P100,000	10%]													
[Not over 100,000	5%													
On any amount in excess —of P100,000—	10%]													
[Not over P100,000	5%													
On any amount in excess —of P100,000—	10%]													
<p>(d) Intercorporate Dividends. - Dividends received by a resident foreign corporation from a domestic corporation</p>	<p>(d) Intercorporate Dividends. — xxx</p>	<p>(d) Intercorporate Dividends. — xxx</p>												

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
liable to tax under this Code shall not be subject to tax under this Title.		
<p>(B) Tax on Nonresident Foreign Corporation. –</p> <p>(1) In General. - Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines shall pay a tax equal to thirty-five percent (35%) of the gross income received during each taxable year from all sources within the Philippines, such as interests, dividends, rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains, except capital gains subject to tax under subparagraph 5(c): Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).</p>	<p>(B) Tax on Nonresident Foreign Corporation. –</p> <p>(1) In General. - Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines shall pay a tax equal to [thirty-five percent (35%)] THIRTY PERCENT (30%) of the gross income received during each taxable year from all sources within the Philippines, such as interests, dividends, rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains, except capital gains subject to tax under subparagraph 5 (c): [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).] PROVIDED, THAT THE RATE OF CORPORATE INCOME TAX SHALL BE TWENTY-NINE PERCENT (29%) BEGINNING JANUARY 1, 2020; TWENTY-EIGHT PERCENT (28%) BEGINNING JANUARY 1, 2021; TWENTY-SEVEN PERCENT (27%) BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%) BEGINNING JANUARY 1, 2023; TWENTY-FIVE PERCENT (25%)</p>	<p>(B) Tax on Nonresident Foreign Corporation. –</p> <p>(1) In General. – Except as otherwise provided in this Code, a foreign corporation not engaged in trade or business in the Philippines, EFFECTIVE JANUARY 1, 2020, shall pay a tax equal to [thirty-five percent (35%)] TWENTY-NINE PERCENT (29%) of the gross income received during each taxable year from all sources within the Philippines, such as interests, dividends, rents, royalties, salaries, premiums (except reinsurance premiums), annuities, emoluments or other fixed or determinable annual, periodic or casual gains, profits and income, and capital gains, except capital gains subject to tax under subparagraph 5(c): [Provided, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).] PROVIDED, THAT THE RATE OF CORPORATE INCOME TAX SHALL BE TWENTY-EIGHT PERCENT (28%) BEGINNING JANUARY 1, 2021; TWENTY-SEVEN PERCENT (27%) BEGINNING JANUARY 1, 2022; TWENTY-SIX PERCENT (26%) BEGINNING JANUARY 1, 2023; TWENTY-FIVE PERCENT (25%) BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%)</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>BEGINNING JANUARY 1, 2024; TWENTY-FOUR PERCENT (24%) BEGINNING JANUARY 1, 2025; TWENTY-THREE PERCENT (23%) BEGINNING JANUARY 1, 2026; TWENTY-TWO PERCENT (22%) BEGINNING JANUARY 1, 2027; TWENTY-ONE PERCENT (21%) BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%) BEGINNING JANUARY 1, 2029: <i>PROVIDED, FURTHER</i>, THAT THE SCHEDULED RATE REDUCTION SHALL BE SUBJECT TO REVIEW BY THE SECRETARY OF FINANCE IN 2025: <i>PROVIDED, FURTHERMORE</i>, THAT THE SCHEDULED DECREASE IN THE RATE MAY BE SUSPENDED BY THE PRESIDENT UPON THE RECOMMENDATION OF THE SECRETARY OF FINANCE IF THE PROJECTED DEFICIT TARGET AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT EXCEEDS THE PROGRAMMED DEFICIT, AS DETERMINED BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE IN THE PRECEDING YEAR PRIOR TO THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM: <i>PROVIDED, FINALLY</i>, THAT THE</p>	<p>BEGINNING JANUARY 1, 2025: TWENTY-THREE PERCENT (23%) BEGINNING JANUARY 1, 2026; TWENTY-TWO PERCENT (22%) BEGINNING JANUARY 1, 2027; TWENTY-ONE PERCENT (21%) BEGINNING JANUARY 1, 2028; AND TWENTY PERCENT (20%) BEGINNING JANUARY 1, 2029: <i>PROVIDED, FURTHER</i>, THAT THE SCHEDULED DECREASE IN THE RATE BEGINNING 2025 MAY BE SUSPENDED BY THE PRESIDENT UPON RECOMMENDATION OF THE SECRETARY OF FINANCE IF THE PROJECTED DEFICIT TARGET AS A PERCENT OF GROSS DOMESTIC PRODUCT (GDP) EXCEEDS THE PROGRAMMED DEFICIT, AS DETERMINED BY THE DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC) IN THE PRECEDING YEAR PRIOR TO THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE, BASED ON THE ANNUAL REVIEW OF THE MEDIUM TERM FISCAL PROGRAM.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>PRESIDENT MAY ADVANCE THE SCHEDULED REDUCTION IN THE CORPORATE INCOME TAX RATE WHEN ADEQUATE SAVINGS ARE REALIZED FROM THE RATIONALIZATION OF FISCAL INCENTIVES UNDER TITLE XIII OF THIS CODE, AS CERTIFIED BY THE SECRETARY OF FINANCE.</p>	
<p>(2) Nonresident Cinematographic Film Owner, Lessor or Distributor. - A cinematographic film owner, lessor, or distributor shall pay a tax of twenty-five percent (25%) of its gross income from all sources within the Philippines.</p>	<p>(2) Nonresident Cinematographic Film Owner, Lessor or Distributor. - A cinematographic film owner, lessor, or distributor shall pay a tax of twenty-five percent (25%) of its gross income from all sources within the Philippines.</p>	<p>(2) Nonresident Cinematographic Film Owner, Lessor or Distributor. - A cinematographic film owner, lessor, or distributor shall pay a tax of twenty-five percent (25%) of its gross income from all sources within the Philippines.</p>
<p>(3) Nonresident Owner or Lessor of Vessels Chartered by Philippine Nationals. - A nonresident owner or lessor of vessels shall be subject to a tax of four and one-half percent (4 1/2%) of gross rentals, lease or charter fees from leases or charters to Filipino citizens or corporations, as approved by the Maritime Industry Authority.</p>	<p>(3) xxx</p>	<p>(3) xxx</p>
<p>(4) Nonresident Owner or Lessor of Aircraft, Machineries and Other Equipment. - Rentals, charters and other fees derived by a nonresident lessor of aircraft, machineries and other equipment shall be subject to a tax of seven and one-half percent (7 1/2%) of gross rentals or fees.</p>	<p>(4) xxx</p>	<p>(4) xxx</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. -</p> <p>(a) Interest on Foreign Loans. - A final withholding tax at the rate of twenty percent (20%) is hereby imposed on the amount of interest on foreign loans contracted on or after August 1, 1986;</p> <p>(b) Intercorporate Dividends. - A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to twenty percent (20%), which represents the difference between the regular income tax of thirty-five percent (35%) and the fifteen percent (15%) tax on dividends as provided in this subparagraph: Provided, that effective January 1, 2009, the credit against the tax due shall be equivalent to fifteen percent (15%), which represents the difference between the regular income tax of thirty percent (30%) and the fifteen percent (15%) tax on dividends.</p>	<p>(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. -</p> <p>(a) Interest on Foreign Loans. - xxx</p> <p>(b) Intercorporate Dividends. - A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to [twenty percent (20%)] FIFTEEN PERCENT (15%), which represents the difference between the regular income tax [of thirty-five percent (35%)] and the fifteen percent (15%) tax on dividends as provided in this subparagraph[-:]: Provided, That [effective January 1, 2009] EFFECTIVE JANUARY 1, 2020, the credit against the tax due shall be equivalent to [fifteen percent (15%), which represents] the difference between the regular income tax RATE [of thirty percent (30%)] and the fifteen</p>	<p>(5) Tax on Certain Incomes Received by a Nonresident Foreign Corporation. -</p> <p>(a) Interest on Foreign Loans. - xxx</p> <p>(b) Intercorporate Dividends. - A final withholding tax at the rate of fifteen percent (15%) is hereby imposed on the amount of cash and/or property dividends received from a domestic corporation, which shall be collected and paid as provided in Section 57(A) of this Code, subject to the condition that the country in which the nonresident foreign corporation is domiciled, shall allow a credit against the tax due from the nonresident foreign corporation taxes deemed to have been paid in the Philippines equivalent to [twenty percent (20%)] FIFTEEN PERCENT (15%), which represents the difference between the regular income tax [of thirty-five percent (35%)] and the fifteen percent (15%) tax on dividends as provided in this subparagraph: Provided, That [effective January 1, 2009] EFFECTIVE JANUARY 1, 2020, the credit against the tax due shall be equivalent to [fifteen percent (15%), which represents] the difference between the regular income tax RATE [of thirty percent (30%)] and the fifteen</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357																		
	percent (15%) tax on dividends;	percent (15%) tax on dividends;																		
(c) Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. - 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:	(c) Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. - A final tax at the rate[s prescribed—below] OF FIFTEEN PERCENT (15%) 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.[:	(c) Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. - A final tax at the rate[s prescribed—below] OF FIFTEEN PERCENT (15%) 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.[:																		
<table><tr><td>[Not over 100,000</td><td>5%</td></tr><tr><td>On any amount in excess</td><td></td></tr><tr><td>—of P100,000—</td><td>10%]</td></tr></table>	[Not over 100,000	5%	On any amount in excess		—of P100,000—	10%]	<table><tr><td>[Not over P100,000</td><td>5%</td></tr><tr><td>On any amount in excess</td><td></td></tr><tr><td>—of P100,000—</td><td>10%]</td></tr></table>	[Not over P100,000	5%	On any amount in excess		—of P100,000—	10%]	<table><tr><td>[Not over P100,000</td><td>5%</td></tr><tr><td>On any amount in excess</td><td></td></tr><tr><td>—of P100,000—</td><td>10%]</td></tr></table>	[Not over P100,000	5%	On any amount in excess		—of P100,000—	10%]
[Not over 100,000	5%																			
On any amount in excess																				
—of P100,000—	10%]																			
[Not over P100,000	5%																			
On any amount in excess																				
—of P100,000—	10%]																			
[Not over P100,000	5%																			
On any amount in excess																				
—of P100,000—	10%]																			
	SEC. 9. Section 34 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:	SEC. 7. Section 34 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:																		
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:	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:	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:																		

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
(A) Expenses. -	(A) Expenses. -	(A) Expenses. -
(1) Ordinary and Necessary Trade, Business or Professional Expenses. -	(1) Ordinary and Necessary Trade, Business or Professional Expenses. -	(1) Ordinary and Necessary Trade, Business or Professional Expenses. -
(a) In General. - xxx	xxx	xxx
(i) xxx;		
(ii) xxx;		
(iii) xxx; and		
(iv) xxx		
(b) Substantiation Requirements. - xxx.		
(c) Bribes, Kickbacks and Other Similar Payments. - xxx.		
(2) Expenses Allowable to Private Educational Institutions. - In addition to the expenses allowable as deductions under this Chapter, a private educational institution, referred to under Section 27(B) of this Code, may at its option elect either: (a) to deduct expenditures otherwise considered as capital outlays of depreciable assets incurred during the taxable year for the expansion of school facilities or (b) to deduct allowance for depreciation thereof under Subsection (F) hereof.		

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>(B) Interest. -</p> <p>(1) In General. - The amount of interest paid or incurred within a taxable year on indebtedness in connection with the taxpayer's profession, trade or business shall be allowed as deduction from gross income: <i>Provided, however, That the taxpayer's otherwise allowable deduction for interest expense shall be reduced by forty-two percent (42%) of the interest income subjected to final tax: Provided, That effective January 1, 2009, the percentage shall be thirty-three percent (33%).</i></p>	<p>(B) Interest. -</p> <p>(1) In General. - The amount of interest paid or incurred within a taxable year on indebtedness in connection with the taxpayer's profession, trade or business shall be allowed as deduction from gross income: <i>Provided, however, That the taxpayer's otherwise allowable deduction for interest expense shall be reduced by [forty-two percent (42%)] THIRTY-THREE PERCENT (33%) of the interest income subjected to final tax: [Provided, That effective January 1, 2009, the percentage shall be thirty-three percent (33%).] PROVIDED, FURTHER, THAT THE FOLLOWING PERCENTAGES SHALL APPLY IF THE CORPORATE INCOME TAX RATE AS PROVIDED IN SECTIONS 27(A) AND 28(A)(1) IS ADJUSTED:</i></p> <p>(A) IF THE RATE IS TWENTY-NINE PERCENT (29%), THE INTEREST EXPENSE REDUCTION RATE IS THIRTY-ONE PERCENT (31%);</p> <p>(B) IF THE RATE IS TWENTY-EIGHT PERCENT (28%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY-NINE PERCENT (29%);</p>	<p>(B) Interest. -</p> <p>(1) In General. - The amount of interest paid or incurred within a taxable year on indebtedness in connection with the taxpayer's profession, trade or business shall be allowed as deduction from gross income: <i>Provided, however, That the taxpayer's otherwise allowable deduction for interest expense shall be reduced by [forty-two percent (42%)] THIRTY-THREE PERCENT (33%) of the interest income subjected to final tax: [Provided, That effective January 1, 2009, the percentage shall be thirty-three percent (33%).] PROVIDED, FURTHER, THAT THE FOLLOWING PERCENTAGES SHALL APPLY IF THE CORPORATE INCOME TAX RATE AS PROVIDED IN SECTIONS 27(A) AND 28(A)(1) IS ADJUSTED:</i></p> <p>(A) IF RATE IS TWENTY-NINE PERCENT (29%), INTEREST EXPENSE REDUCTION RATE IS THIRTY-ONE PERCENT (31%);</p> <p>(B) IF RATE IS TWENTY-EIGHT PERCENT (28%), INTEREST EXPENSE REDUCTION RATE IS TWENTY-NINE PERCENT (29%);</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	(C) IF THE RATE IS TWENTY-SEVEN PERCENT (27%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY-SIX PERCENT (26%);	(C) IF RATE IS TWENTY-SEVEN PERCENT (27%), INTEREST EXPENSE REDUCTION RATE IS TWENTY-SIX PERCENT (26%);
	(D) IF THE RATE IS TWENTY-SIX PERCENT (26%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY-THREE PERCENT (23%);	(D) IF RATE IS TWENTY-SIX PERCENT (26%), INTEREST EXPENSE REDUCTION RATE IS TWENTY-THREE PERCENT (23%);
	(E) IF THE RATE IS TWENTY-FIVE PERCENT (25%), THE INTEREST EXPENSE REDUCTION RATE IS TWENTY PERCENT (20%);	(E) IF RATE IS TWENTY-FIVE PERCENT (25%), INTEREST EXPENSE REDUCTION RATE IS TWENTY PERCENT (20%);
	(F) IF THE RATE IS TWENTY-FOUR PERCENT (24%), THE INTEREST EXPENSE REDUCTION RATE IS SIXTEEN PERCENT (16%);	(F) IF RATE IS TWENTY-FOUR PERCENT (24%), INTEREST EXPENSE REDUCTION RATE IS SIXTEEN PERCENT (16%);
	(G) IF THE RATE IS TWENTY-THREE PERCENT (23%), THE INTEREST EXPENSE REDUCTION RATE IS THIRTEEN PERCENT (13%);	(G) IF RATE IS TWENTY-THREE PERCENT (23%), INTEREST EXPENSE REDUCTION RATE IS THIRTEEN PERCENT (13%);
	(H) IF THE RATE IS TWENTY-TWO PERCENT (22%), THE INTEREST EXPENSE REDUCTION RATE IS NINE PERCENT (9%);	(H) IF RATE IS TWENTY-TWO PERCENT (22%), INTEREST EXPENSE REDUCTION RATE IS NINE PERCENT (9%);

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(I) IF THE RATE IS TWENTY-ONE PERCENT (21%), THE INTEREST EXPENSE REDUCTION RATE IS FIVE PERCENT (5%);</p> <p>(J) IF THE RATE IS TWENTY PERCENT (20%), THE INTEREST EXPENSE REDUCTION RATE IS ZERO PERCENT (0%).</p> <p><i>PROVIDED, FINALLY, THAT IF THE INTEREST INCOME TAX IS ADJUSTED IN THE FUTURE, THE INTEREST EXPENSE REDUCTION RATE SHALL BE ADJUSTED ACCORDINGLY BASED ON THE PRESCRIBED STANDARD FORMULA AS DEFINED IN THE RULES AND REGULATIONS TO BE PROMULGATED BY THE SECRETARY OF FINANCE, UPON THE RECOMMENDATION OF THE COMMISSIONER.</i></p>	<p>(I) IF RATE IS TWENTY-ONE PERCENT (21%), INTEREST EXPENSE REDUCTION RATE IS FIVE PERCENT (5%);</p> <p>(J) IF RATE IS TWENTY PERCENT (20%), INTEREST EXPENSE REDUCTION RATE IS ZERO PERCENT (0%).</p> <p><i>PROVIDED, FINALLY, THAT IF THE INTEREST INCOME TAX IS ADJUSTED IN THE FUTURE, THE INTEREST EXPENSE REDUCTION RATE SHALL BE ADJUSTED ACCORDINGLY BASED ON THE PRESCRIBED STANDARD FORMULA AS DEFINED IN THE RULES AND REGULATIONS TO BE PROMULGATED BY THE SECRETARY OF FINANCE, UPON THE RECOMMENDATION OF THE COMMISSIONER OF INTERNAL REVENUE.</i></p>
<p>(2) Exceptions. - xxx:</p> <p>(a) xxx;</p> <p>(b) xxx; or</p> <p>(c) xxx</p>	<p>(2) xxx</p>	<p>(2) xxx</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
(3) Optional Treatment of Interest Expense. - xxx	(3) xxx	
(C) Taxes. -xxx	(C) Taxes. - xxx	(C) Taxes. - xxx
(D) Losses. - xxx	(D) Losses. - xxx	(D) Losses. - xxx
(E) Bad Debts. -xxx	(E) Bad Debts. -xxx	(E) Bad Debts. -xxx
(F) Depreciation. -xxx	(F) Depreciation. - xxx	(F) Depreciation. - xxx
(G) Depletion of Oil and Gas Wells and Mines. - xxx	(G) Depletion of Oil and Gas Wells and Mines. - xxx	(G) Depletion of Oil and Gas Wells and Mines. - xxx
(H) Charitable and Other Contributions. -xxx	(H) Charitable and Other Contributions. - xxx	(H) Charitable and Other Contributions. - xxx
(I) Research and Development. -xxx	(I) Research and Development. - xxx	(I) Research and Development. - xxx
(J) Pension Trusts. - xxx	(J) Pension Trusts. - xxx	(J) Pension Trusts. - xxx
(K) Additional Requirements for Deductibility of Certain Payments. - xxx	(K) Additional Requirements for Deductibility of Certain Payments. - xxx	(K) Additional Requirements for Deductibility of Certain Payments. - xxx
(L) Optional Standard Deduction. - 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 his intention to	(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 may be. In the case of a] AND A corporation CLASSIFIED AS A MICRO, SMALL AND MEDIUM-SIZED ENTERPRISE AS DETERMINED BY THE DEPARTMENT OF TRADE AND INDUSTRY AND subject to tax under Sections 27(A) and 28(A)(1), [it]	(L) Optional Standard Deduction (OSD). - xxx

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>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: <i>Provided</i>, 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: <i>Provided, further</i>, 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: <i>Provided, finally</i>, That except when the Commissioner otherwise permits, the said individual shall keep such records pertaining to his gross sales or gross receipts, 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.</p> <p>Notwithstanding the provision of the preceding Subsections, the Secretary of Finance, upon recommendation of the Commissioner, after a</p>	<p>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] THE TAX return [his] THE intention to elect the optional standard deduction, [he] THE TAXPAYER 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: <i>Provided</i>, That an individual who is entitled to and claimed for the optional standard deduction shall not be required to submit with [his] THE tax return such financial statements otherwise required under this Code: [<i>Provided, further</i>, 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:] <i>Provided, [finally,] FURTHER</i>, 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] THE 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.</p> <p>Notwithstanding the provisions of the preceding Subsections, the Secretary of Finance, upon recommendation of the Commissioner, after a</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>public hearing shall have been held for this purpose, may prescribe by rules and regulations, limitations or ceilings for any of the itemized deductions under Subsections (A) to (J) of this Section: Provided, That for purposes of determining such ceilings or limitations, the Secretary of Finance shall consider the following factors: (1) adequacy of the prescribed limits on the actual expenditure requirements of each particular industry; and (2) effects of inflation on expenditure levels: Provided, further, That no ceilings shall further be imposed on items of expense already subject to ceilings under present law.</p>	<p>public hearing shall have been held for this purpose, may prescribe by rules and regulations, limitations or ceilings for any of the itemized deductions under Subsections (A) to (J) of this Section: <i>Provided</i>, That for purposes of determining such ceilings or limitations, the Secretary of Finance shall consider the following factors: (1) adequacy of the prescribed limits on the actual expenditure requirements of each particular industry; and (2) effects of inflation on expenditure levels: <i>Provided, further</i>, That no ceilings shall further be imposed on items of expense already subject to ceilings under present law.</p>	
	<p>SEC. 10. Section 40(C)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p>	
<p>SEC. 40. Determination of Amount and Recognition of Gain or Loss. –</p>	<p>SEC. 40. Determination of Amount and Recognition of Gain or Loss. –</p>	
<p>(A) Computation of Gain or Loss. - xxx</p>	<p>(A) xxx</p>	
<p>(B) Basis for Determining Gain or Loss from Sale or Disposition of Property. - xxx</p>	<p>(B) xxx</p>	
<p>(C) Exchange of Property. –</p>	<p>(C) Exchange of Property. –</p>	
<p>(1) General Rule. - Except as herein provided, upon the sale or exchange of property, the entire amount of the gain or loss, as the case may be, shall be recognized.</p>	<p>(1) xxx</p>	
<p>(2) Exception. - No gain or loss shall be recognized if in pursuance of a plan of merger or consolidation –</p>	<p>(2) Exception. – No gain or loss shall be recognized ON A CORPORATION OR ON ITS STOCK OR SECURITIES IF</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>(a) A corporation, which is a party to a merger or consolidation, exchanges property solely for stock in a corporation, which is a party to the merger or consolidation; or</p> <p>(b) A shareholder exchanges stock in a corporation, which is a party to the merger or consolidation, solely for the stock of another corporation also a party to the merger or consolidation; or</p>	<p>SUCH CORPORATION IS A PARTY TO A REORGANIZATION AND EXCHANGES PROPERTY [if] in pursuance of a plan of [merger or consolidation] REORGANIZATION SOLELY FOR STOCK OR SECURITIES IN ANOTHER CORPORATION THAT IS A PARTY TO THE REORGANIZATION. A REORGANIZATION IS DEFINED AS:</p> <p>(a) A corporation, which is a party to a merger or consolidation, exchanges property solely for stock in a corporation, which is a party to the merger or consolidation; or</p> <p>(b) [A shareholder exchanges stock in a corporation, which is a party to the merger or consolidation, solely for the stock of another corporation also a party to the merger or consolidation; or] THE ACQUISITION BY ONE CORPORATION, IN EXCHANGE SOLELY FOR ALL OR A PART OF ITS VOTING STOCK, OR IN EXCHANGE SOLELY FOR ALL OR A PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OF STOCK OF ANOTHER CORPORATION IF, IMMEDIATELY AFTER THE</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>(c) A security holder of a corporation, which is a party to the merger or consolidation, exchanges his securities in such corporation, solely for stock or securities in such corporation, a party to the merger or consolidation.</p>	<p>ACQUISITION, THE ACQUIRING CORPORATION HAS CONTROL OF SUCH OTHER CORPORATION WHETHER OR NOT SUCH ACQUIRING CORPORATION HAD CONTROL IMMEDIATELY BEFORE THE ACQUISITION;</p> <p>(c) [A security holder of a corporation, which is a party to the merger or consolidation, exchanges his securities in such corporation, solely for stock or securities in another corporation, a party to the merger or consolidation.] THE ACQUISITION BY ONE CORPORATION, IN EXCHANGE SOLELY FOR ALL OR A PART OF ITS VOTING STOCK OR IN EXCHANGE SOLELY FOR ALL OR A PART OF THE VOTING STOCK OF A CORPORATION WHICH IS IN CONTROL OF THE ACQUIRING CORPORATION, OR SUBSTANTIALLY ALL OF THE PROPERTIES OF ANOTHER CORPORATION. IN DETERMINING WHETHER THE EXCHANGE IS SOLELY FOR STOCK, THE ASSUMPTION BY THE ACQUIRING CORPORATION OF A LIABILITY OF THE</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>No gain or loss shall also be recognized if property is transferred to a corporation by a person in exchange for stock or unit of participation in such a corporation of which as a result of such exchange said person, alone or together with others, not exceeding four (4) persons, gains control of said corporation: <i>Provided</i>, That stocks issued for services shall not be considered as issued in return for property.</p>		
<p>OTHER SHALL BE DISREGARDED;</p> <p>(d) A RECAPITALIZATION; OR</p> <p>(e) A REINCORPORATION.</p> <p>No gain or loss shall also be recognized if property is transferred to a corporation by a person in exchange for stock or unit of participation in such a corporation of which as a result of such exchange said person, alone or together with others, not exceeding four (4) persons, gains control of said corporation AND, IMMEDIATELY AFTER, SUCH PERSON OR PERSONS ARE IN CONTROL: <i>Provided</i>, That stocks issued for services shall not be considered as issued in return for property.</p> <p>IN ALL OF THE ABOVE INSTANCES, THE TRANSACTION OR ARRANGEMENT MUST BE UNDERTAKEN FOR A LEGITIMATE OR BONA FIDE BUSINESS PURPOSE AND NOT SOLELY FOR THE PURPOSE OF AVOIDING OR ESCAPING THE BURDEN OF TAXATION.</p> <p>THE PROVISION OF SECTION 50 OF THIS CODE SHALL BE APPLIED AND ENFORCED IN CASES WHERE THE TRANSACTION OR ARRANGEMENT ENTERED INTO IS FOUND TO BE NOT FOR A LEGITIMATE OR BONA FIDE BUSINESS PURPOSE.</p>		

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>(3) Exchange Not Solely in Kind. - (a) xxx (b) xxx</p> <p>(4) Assumption of Liability. - (a) xxx (b) xxx</p> <p>(5) Basis - (a) xxx (b) xxx</p> <p>(6) Definitions. - (a) xxx (b) xxx (c) xxx (d) xxx</p>	<p>SALE OR EXCHANGES OF PROPERTY USED FOR BUSINESS FOR SHARES OF STOCK COVERED UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO VALUE-ADDED TAX (VAT).</p> <p>xxx</p>	
<p>Section 50. Allocation of Income and Deductions. – In the case of two or more organizations, trades or businesses (whether or not incorporated and whether or not organized in the Philippines) owned or controlled directly or indirectly by the same interests, the Commissioner is authorized to distribute, apportion or allocate gross income or deductions between or among such organization,</p>	<p>SEC. 11. Section 50 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>Section 50. Allocation of Income and Deductions. In the case of two or more organizations, trades or businesses (whether or not incorporated and whether or not organized in the Philippines) owned or controlled directly or indirectly by the same interests, the Commissioner is authorized to distribute, apportion or allocate gross income or deductions between or among such</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>trade or business, if he determines that such distribution, apportionment or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income of any such organizations, trades or businesses.</p>	<p>organization, trade or business, if he determines that such distribution, apportionment or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income of any such organizations, trades or businesses.]</p> <p>AUTHORITY OF THE COMMISSIONER TO DISTRIBUTE, APPORTION, ALLOCATE, AND IMPUTE INCOME AND DEDUCTIONS TO DISREGARD AND COUNTERACT TAX AVOIDANCE ARRANGEMENTS. – IN CASE OF TWO (2) OR MORE ORGANIZATIONS, TRADES OR BUSINESSES, WHETHER OR NOT ORGANIZED IN THE PHILIPPINES, OWNED OR CONTROLLED DIRECTLY OR INDIRECTLY BY THE SAME INTERESTS, THE COMMISSIONER IS AUTHORIZED TO DISTRIBUTE, APPORTION, ALLOCATE, OR IMPUTE INCOME OR DEDUCTIONS BETWEEN OR AMONG SUCH ORGANIZATIONS, TRADES, OR BUSINESS, IF THE COMMISSIONER DETERMINE THAT SUCH DISTRIBUTION, APPORTIONMENT, ALLOCATION, OR IMPUTATION IS NECESSARY IN ORDER TO PREVENT AVOIDANCE OF TAXES OR TO CLEARLY REFLECT THE INCOME OF ANY SUCH ORGANIZATION, TRADE, OR BUSINESS.</p> <p>IN CASES WHERE THE TRANSACTION OR ARRANGEMENT IS MOTIVATED BY OBTAINING TAX BENEFIT OR ADVANTAGE WITH NO COMMERCIAL REALITY OR ECONOMIC EFFECT, SUCH AS: (A) DIRECTLY OR INDIRECTLY</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>ALTERING THE INCIDENCE OF ANY INCOME TAX; (B) DIRECTLY OR INDIRECTLY RELIEVING A PERSON FROM LIABILITY TO PAY INCOME TAX OR FROM A POTENTIAL OR PROSPECTIVE LIABILITY TO FUTURE INCOME TAX; OR (C) DIRECTLY OR INDIRECTLY AVOIDING, POSTPONING, OR REDUCING ANY LIABILITY TO INCOME TAX, OR ANY POTENTIAL OR PROSPECTIVE LIABILITY TO FUTURE INCOME TAX, THEN THE COMMISSIONER IS AUTHORIZED TO DISREGARD AND CONSIDER SUCH TRANSACTION OR ARRANGEMENT AS VOID FOR INCOME TAX PURPOSES, AND MAY ADJUST THE TAXABLE INCOME OF A PERSON AFFECTED BY THE ARRANGEMENT IN A WAY THE COMMISSIONER DEEMS APPROPRIATE, IN ORDER TO COUNTERACT A TAX ADVANTAGE OBTAINED BY THE PERSON FROM OR UNDER THE ARRANGEMENT.</p> <p>SEC. 12. Section 73 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>Section 73. Distribution of Dividends or Assets by Corporations. –</p> <p>(A) <i>Definition of Dividends.</i> – The term ‘dividends’ when used in this Title means any distribution made by a corporation to its shareholders out of its earnings or profits and payable to its shareholders, whether in money or in</p>	<p>Section 73. Distribution of Dividends or Assets by Corporations. –</p> <p>(A) <i>Definition of Dividends.</i> – The term ‘dividends’ when used in this Title means any distribution made by a corporation to its shareholders out of its earnings or profits and payable to its shareholders, whether in money or in</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
other property.	other property.	
Where a corporation distributes all of its assets in complete liquidation or dissolution, the gain realized or loss sustained by the stockholder, whether individual or corporate, is a taxable income or a deductible loss, as the case may be.	Where a corporation distributes all of its assets in complete liquidation or dissolution, the gain realized or loss sustained by the stockholder, whether individual or corporate, is a taxable income or a deductible loss, as the case may be.	
(B) <i>Stock Dividend.</i> – A stock dividend representing the transfer of surplus to capital account shall not be subject to tax. However, if a corporation cancels or redeems stock issued as a dividend at such time and in such manner as to make the distribution and cancellation or redemption, in whole or in part, essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or cancellation of the stock shall be considered as taxable income to the extent that it represents a distribution of earnings or profits.	(B) <i>Stock Dividend.</i> – A stock dividend representing the transfer of surplus to capital account shall not be subject to tax. However, if a corporation cancels or redeems stock issued as a dividend at such time and in such manner as to make the distribution and cancellation or redemption, in whole or in part, essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or cancellation of the stock shall be considered as taxable income to the extent that it represents a distribution of earnings or profits.	
	(C) LIQUIDATING DIVIDENDS. – LIQUIDATING DIVIDENDS ARE DIVIDENDS REPRESENTING THE REMAINING GAINS REALIZED OR LOSS SUSTAINED BY THE STOCKHOLDER IN A COMPLETE LIQUIDATION OR DISSOLUTION BY A CORPORATION AND SHALL BE CONSIDERED AS TAXABLE INCOME OR A DEDUCTIBLE LOSS, AS THE CASE MAY BE.	
(C) <i>Dividends Distributed are Deemed Made from Most Recently Accumulated Profits.</i> – Any distribution made to the shareholders or members	(C) (D) <i>Dividends Distributed are Deemed Made from Most Recently Accumulated Profits.</i> – Any distribution made to the shareholders or members	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>of a corporation shall be deemed to have been made from the most recently accumulated profits or surplus, and shall constitute a part of the annual income of the distributee for the year in which received.</p>	<p>of a corporation shall be deemed to have been made from the most recently accumulated profits or surplus, and shall constitute a part of the annual income of the distributee for the year in which received.</p>	
<p>(D) <i>Net Income of a Partnership Deemed Constructively Received by Partners.</i> – The taxable income declared by a partnership for a taxable year which is subject to tax under Section 27 (A) of this Code, after deducting the corporate income tax imposed therein, shall be deemed to have been actually or constructively received by the partners in the same taxable year and shall be taxed to them in their individual capacity, whether actually distributed or not.</p>	<p>[(D)] (E) <i>Net Income of a Partnership Deemed Constructively Received by Partners.</i> – The taxable income declared by a partnership for a taxable year which is subject to tax under Section 27 (A) of this Code, after deducting the corporate income tax imposed therein, shall be deemed to have been actually or constructively received by the partners in the same taxable year and shall be taxed to them in their individual capacity, whether actually distributed or not.</p>	
	<p>SEC. 13. Section 112(A) and 112 (B) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p>	
<p>Section 112. Refunds or Tax Credits of Input Tax. –</p>	<p>Section 112. Refunds [or Tax Credits] of Input Tax. –</p>	
<p>(A) <i>Zero-Rated or Effectively Zero-Rated Sales.</i> – Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax: <i>Provided, however,</i> That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and</p>	<p>(A) <i>Zero-Rated or Effectively Zero-Rated Sales.</i> – Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for [the issuance of a tax credit certificate or] refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax: <i>Provided, however,</i> That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and [(b)]</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>Section 108 (B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP): <i>Provided, further</i>, That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods of properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: <i>Provided, finally</i>, That for a person making sales that are zero-rated under Section 108 (B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales.</p>	<p>and] Section 108 (B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP): <i>Provided, further</i>, That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods of properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: <i>Provided, finally</i>, That for a person making sales that are zero-rated under Section 108 (B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales.</p>	
<p>(B) <i>Cancellation of VAT Registration.</i> – A person whose registration has been cancelled due to retirement from or cessation of business, or due to changes in or cessation of status under Section 106(C) of this Code may, within two (2) years from the date of cancellation, apply for the issuance of a tax credit certificate for any unused input tax which may be used in payment of his other internal revenue taxes.</p>	<p>(B) <i>Cancellation of VAT Registration.</i> – A person whose registration has been cancelled due to retirement from or cessation of business, or due to changes in or cessation of status under Section 106(C) of this Code may, within two (2) years from the date of cancellation, apply for the issuance of a tax credit certificate for any unused input tax which may be used in payment of his other internal revenue taxes] A REFUND.</p>	
<p>Section 117. Percentage Tax on Domestic Carriers and Keepers of Garages. – Cars for rent or hire driven by the lessee; transportation contractors, including persons who transport</p>	<p>SEC. 14. Section 117 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p>Section 117. Percentage Tax on Domestic Carriers and Keepers of Garages. – Cars for rent or hire driven by the lessee; transportation contractors, including persons who transport</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>passengers for hire, and other domestic carriers by land for the transport of passengers (except owners of bancas and owners of animal-drawn two wheeled vehicle), and keepers of garages shall pay a tax equivalent to three percent (3%) of their quarterly gross receipts.</p> <p>SEC. 204. Authority of the Commissioner to Compromise, Abate, and Refund or Credit Taxes. – The Commissioner may –</p> <p>(A) Compromise the payment of any internal revenue tax, when:</p> <ol style="list-style-type: none"> (1) A reasonable doubt as to the validity of the claim against the taxpayer exists; or (2) The financial position of the taxpayer demonstrates a clear inability to pay the assessed tax. <p>The compromise settlement of any tax liability shall be subject to the following minimum amounts:</p> <p>For cases of financial incapacity, a minimum compromise rate equivalent to ten percent (10%) of the basic assessed tax; and</p>	<p>passengers for hire, and other domestic carriers by land for the transport of passengers (except OWNERS OR OPERATORS OF TRICYCLES OPERATING NOT MORE THAN TWO (2) UNITS, owners of bancas and owners of animal-drawn two wheeled vehicle), and keepers of garages shall pay a tax equivalent to three percent (3%) of their quarterly gross receipts.</p> <p>xxx</p> <p>SEC. 15. Section 204 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 204. Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes. – The Commissioner may –</p> <p>(A) Compromise the payment of any internal revenue tax, when:</p> <ol style="list-style-type: none"> (1) A reasonable doubt as to the validity of the claim against the taxpayer exists; or (2) The financial position of the taxpayer demonstrates a clear inability to pay the assessed tax. <p>The compromise settlement of any tax liability shall be subject to the following minimum amounts:</p> <p>For cases of financial incapacity, a minimum compromise rate equivalent to ten percent (10%) of the basic assessed tax; and</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
For other cases, a minimum compromise rate equivalent to forty percent (40%) of the basic assessed tax.	For other cases, a minimum compromise rate equivalent to forty percent (40%) of the basic assessed tax.	
Where the basic tax involved exceeds One million pesos (P1,000,000) or where the settlement offered is less than the prescribed minimum rates, the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners.	Where the basic tax involved exceeds [One] TEN million pesos [(P1,000,000)] (P10,000,000) or where the settlement offered is less than the prescribed minimum rates, the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners.	
xxx	xxx	
	SEC. 16. Section 222 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:	
SEC. 222. Exceptions as to Period of Limitation of Assessment and Collection of Taxes. –	SEC. 222. Exceptions as to Period of Limitation of Assessment and Collection of Taxes. –	
(a) xxx	(a) xxx	
(b) If before the expiration of the time prescribed in Section 203 for the assessment of the tax, both the Commissioner and the taxpayer have agreed in writing to its assessment after such time, the tax may be assessed within the period agreed upon. The period so agreed upon may be extended by subsequent written agreement made before the expiration of the period previously agreed upon.	(b) If before the expiration of the time prescribed in Section 203 for the assessment of the tax, [both the Commissioner and] the taxpayer [have agreed] APPLIES WITH THE COMMISSIONER in writing [to its] FOR assessment [after such time] , the tax may be assessed within the period [agreed upon] SPECIFIED IN THE APPLICATION WHICH SHALL NOT EXCEED SIX (6) MONTHS AT ANY ONE TIME. The FOREGOING period [so agreed upon] may be extended by subsequent written [agreement] APPLICATION made before the expiration of the period previously [agreed upon] APPLIED FOR.	
xxx		

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p data-bbox="237 440 797 495">SEC. 237. Issuance of Receipts or Sales or Commercial Invoices. –</p> <p data-bbox="237 529 461 558">(A) Issuance. – xxx</p> <p data-bbox="237 592 797 1107">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.</p>	<p data-bbox="808 260 864 288">xxx</p> <p data-bbox="808 315 1368 401">SEC. 17. Section 237 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:</p> <p data-bbox="808 440 1368 495">SEC. 237. Issuance of Receipts or Sales or Commercial Invoices. –</p> <p data-bbox="808 529 1066 558">(A) Issuance. – xxx</p> <p data-bbox="808 592 1368 1353">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 AND TRANSMIT electronic receipts or sales or commercial invoices in lieu of manual receipts or sales or commercial invoices THROUGH DESIGNATED ELECTRONIC CHANNELS WITH A PUBLIC CERTIFICATION SYSTEM ACCREDITED BY THE BUREAU, subject to rules and regulations to be issued by the Secretary of Finance upon recommendation of the Commissioner [and after a] FOLLOWING 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[.]: PROVIDED, FURTHER, SUBJECT TO THE RULES AND REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE, UPON THE RECOMMENDATION OF THE</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>COMMISSIONER, THE BUREAU MAY REQUIRE ANY TAXPAYER TO COMPLY WITH THE PROVISIONS OF THIS SECTION.</p> <p>A PUBLIC CERTIFICATION SYSTEM SHALL REFER TO A DIGITAL PERSONAL AUTHENTICATION PROGRAM WITH ABILITY TO VERIFY THE IDENTITY OF THE ISSUING TAXPAYER AND ATTEST TO THE AUTHENTICITY OF THE INFORMATION IN THE ELECTRONIC RECEIPTS OR SALES OR COMMERCIAL INVOICES. THIS MAY INCLUDE THE USE OF DIGITAL SIGNATURE ISSUED BY CERTIFICATION AUTHORITY AS ACCREDITED BY THE BUREAU OF INTERNAL REVENUE.</p> <p>A DESIGNATED ELECTRONIC CHANNEL SHALL REFER TO ANY MEDIUM OR PORTAL IDENTIFIED BY THE BUREAU WITH AN ABILITY TO RECEIVE THE TRANSACTION DATA OF THE ELECTRONIC RECEIPTS OR SALES OR COMMERCIAL INVOICES FOR ASSIGNMENT OF AN APPROVED ELECTRONIC TAX TRANSACTION NUMBER.</p> <p>AN APPROVED TAX TRANSACTION NUMBER SHALL REFER TO THE UNIQUE ASSIGNED SERVICE NUMBERS AND/OR LETTERS LINKED TO A VALIDATED SALES TRANSACTION REPORTED</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>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.</p> <p>The Commissioner may, in meritorious cases, exempt any person subject to internal revenue tax from compliance with the provisions of this Section.</p> <p>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</p>	<p>THROUGH THE DESIGNATED ELECTRONIC CHANNEL.</p> <p>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 BEARING THE APPROVED ELECTRONIC TAX TRANSACTION NUMBER SHALL BE SUFFICIENT COMPLIANCE.</p> <p>The Commissioner may, in meritorious cases, exempt any person subject to internal revenue tax from compliance with the provisions of this Section.</p> <p>SEC. 18. Section 237-A of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>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</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>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.</p>	<p>TAXPAYERS ENGAGED IN E-COMMERCE 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,] USE A SYSTEM CAPABLE OF ISSUING ELECTRONIC RECEIPTS OR SALES OR COMMERCIAL INVOICES, COLLECT TRANSACTION RECORDS, AND TRANSMIT THE SAME THROUGH THE DESIGNATED ELECTRONIC CHANNELS OF THE BUREAU IN THE STANDARD FORMAT REQUIRED subject to rules and regulations to be issued by the Secretary of Finance as recommended by the Commissioner of Internal Revenue: <i>Provided</i>, That the POINT OF SALE machines, VALUE-ADDED NETWORK TERMINALS, fiscal devices, and fiscal memory devices WITH CAPACITY TO MAKE SUCH TRANSMISSION shall be at the expense of the taxpayers[.]: PROVIDED, FURTHER, THAT SUBJECT TO THE RULES AND REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE, THE COMMISSIONER MAY REQUIRE ANY TAXPAYER TO COMPLY WITH THE PROVISIONS OF THIS SECTION.</p> <p>IN YEAR ONE (1) TO YEAR FOUR (4) OF THE IMPLEMENTATION PERIOD, A TAXPAYER WHO ADOPTS THE REQUIRED SYSTEM SHALL BE GRANTED A TAX CREDIT OF 0.1% OF THE PURCHASE VALUE, NET OF VALUE-ADDED TAX, FOR EVERY ELECTRONIC RECEIPT OR SALE OR COMMERCIAL</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>INVOICE TRANSMITTED THROUGH THE DESIGNATED ELECTRONIC CHANNELS OF THE BUREAU AND ISSUED AN ELECTRONIC TAX TRANSACTION NUMBER.</p> <p>IN SUPPORT OF THE ELECTRONIC SALES REPORTING SYSTEM, THE BUREAU OF INTERNAL REVENUE MAY GRANT TAX INCENTIVES FOR ELECTRONICALLY TRACEABLE PAYMENTS IN THE FORM OF ALLOWABLE DEDUCTIBLE EXPENSE OF UP TO TEN PERCENT (10%) OF THE ELECTRONICALLY TRACEABLE PAYMENTS MADE BY THE TAXPAYER. AN ANNUAL LIMIT ON THE ALLOWED ELECTRONICALLY TRACEABLE PAYMENTS DEDUCTIBLE EXPENSE PER TAXPAYER MAY BE SET BY THE COMMISSIONER WITH THE APPROVAL OF THE SECRETARY OF FINANCE.</p> <p>ELECTRONICALLY TRACEABLE PAYMENTS REFER TO CREDIT CARD, DEBIT CARD, OR OTHER METHODS OF PAYMENT WITH A SYSTEM TO VERIFY OR LINK THE PAYMENT TO THE IDENTITY OF PAYOR.</p> <p>THE BUREAU MAY LIKEWISE ESTABLISH A RECEIPT AND INVOICE LOTTERY PROGRAM FOR ELECTRONIC RECEIPTS OR SALES OR COMMERCIAL INVOICES TRANSMITTED THROUGH THE DESIGNATED ELECTRONIC CHANNELS OF THE</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>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.</p> <p>The Bureau shall also establish policies, risk management approaches, actions, trainings, and technologies to protect the cyber environment, organization, and data in compliance with Republic Act No. 10175 or the 'Cybercrime Prevention Act of 2012'.</p> <p>SEC. 255. Failure to File Return, Supply Correct and Accurate Information, Pay Tax Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation. – Any person required under this Code or by rules and regulations promulgated thereunder to pay any tax make a return, keep any record, or supply correct the accurate information, who willfully fails to pay such tax, make such return, keep such record, or supply correct and accurate information, or withhold or remit taxes withheld, or refund excess taxes withheld on compensation, at the time or times required by law or rules and regulations shall, in addition to other</p>	<p>BUREAU AND ISSUE A CORRESPONDING ELECTRONIC TAX TRANSACTION NUMBER.</p> <p>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.</p> <p>The Bureau shall also establish policies, risk management approaches, actions, trainings, and technologies to protect the cyber environment, organization, and data in compliance with Republic Act No. 10175 or the 'Cybercrime Prevention Act of 2012'.</p> <p>SEC. 19. Section 255 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 255. Failure to File Return, Supply Correct and Accurate Information, Pay Tax, Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation. – Any person required under this Code or by rules and regulations promulgated thereunder to pay any tax, make a return, keep any record, or supply correct and accurate information, who willfully fails to pay such tax, make such return, keep such record, or supply such correct and accurate information, or withhold or remit taxes withheld, or refund excess taxes withheld on compensation, at the time or times required by law or rules and regulations</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>penalties provided by law, upon conviction thereof, be punished by a fine of not less than Ten thousand pesos (P10,000) and suffer imprisonment of not less than one (1) year but not more than ten (10) years.</p>	<p>shall, in addition to other penalties provided by law, upon conviction thereof, be punished by a fine of not less than [Ten thousand pesos (P10,000)] ONE HUNDRED THOUSAND PESOS (P100,000) BUT NOT MORE THAN ONE MILLION TWO HUNDRED THOUSAND PESOS (P1,200,000) and [suffer] imprisonment of not less than one (1) year but not more than ten (10) years.</p>	
<p>Any person who attempts to make it appear for any reason that he or another has in fact filed a return or statement, or actually files a return or statement and subsequently withdraws the same return or statement after securing the official receiving seal or stamp of receipt of internal revenue office wherein the same was actually filed shall, upon conviction therefore, be punished by a fine of not less than Ten thousand pesos (P10,000) but not more than Twenty thousand pesos (P20,000) and suffer imprisonment of not less than one (1) year but not more than three (3) years.</p>	<p>Any person who attempts to make it appear for any reason that [he] THE TAXPAYER or another has in fact filed a return or statement, or actually files a return or statement and subsequently withdraws the same return or statement after securing the official receiving seal or stamp of receipt of an internal revenue office wherein the same was actually filed shall, upon conviction therefor, be punished by a fine of not less than [Ten thousand pesos (P10,000) but not more than Twenty thousand pesos (P20,000)] ONE HUNDRED THOUSAND PESOS (P100,000) BUT NOT MORE THAN ONE MILLION TWO HUNDRED THOUSAND PESOS (P1,200,000) and [suffer] imprisonment of not less than one (1) year but not more than three (3) years.</p>	
<p>SEC. 256. Penal Liability of Corporations.— Any corporation, association or general co-partnership liable for any of the acts or omissions penalized under this Code, in addition to the penalties imposed herein upon the responsible corporate officers, partners, or employees shall, upon</p>	<p>SEC. 20. Section 256 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 256. Penal Liability of Corporations. — Any corporation, association or general co-partnership liable for any of the acts or omissions penalized under this Code, in addition to the penalties imposed herein upon the responsible corporate officers, partners, or employees shall, upon</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
conviction for each act or omission, be punished by a fine of not less than Fifty thousand pesos (P50,000) but not more than One hundred thousand pesos (P100,000).	conviction for each act or omission, be punished by a fine of not less than [Fifty thousand pesos (P50,000) but not more than One hundred thousand pesos (P100,000)] TWO HUNDRED THOUSAND PESOS (P200,000) BUT NOT MORE THAN TWO MILLION FOUR HUNDRED THOUSAND PESOS (P2,400,000).	
	SEC. 21. Section 257 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:	
SEC. 257. Penal Liability for Making False Entries, Records or Reports, or Using Falsified or Fake Accountable Forms. –	SEC. 257. Penal Liability for Making False Entries, Records or Reports, or Using Falsified or Fake Accountable Forms. –	
(A) Any financial officer or independent Certified Public Accountant engaged to examine and audit books of accounts of taxpayers under Section 232(A) and any person under his direction who:	(A) Any financial officer or independent Certified Public Accountant engaged to examine and audit books of accounts of taxpayers under Section 232(A) and any person under his direction who:	
(1) Willfully falsifies any report or statement bearing on any examination or audit, or renders a report, including exhibits, statements, schedules or other forms of accountancy work which has not been verified by him personally or under his supervision or by a member of his firm or by a member of his staff in accordance with sound auditing practices; or	(1) Willfully falsifies any report or statement bearing on any examination or audit, or renders a report, including exhibits, statements, schedules or other forms of accountancy work which has not been verified by him personally or under his supervision or by a member of his firm or by a member of his staff in accordance with sound auditing practices; or	
(2) Certifies financial statements of a business enterprise containing an essential misstatement of facts or omission in respect of the transactions, taxable	(2) Certifies financial statements of a business enterprise containing an essential misstatement of facts or omission in respect of the transactions, taxable	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
income, deduction and exemption of his client; or	income, deduction and exemption of his client; or	
(B) Any person who:	(B) Any person who:	
(1) Not being an independent Certified Public Accountant according to Section 232(B) or a financial officer, examines and audits books of accounts of taxpayers; or	(1) Not being an independent Certified Public Accountant according to Section 232(B) or a financial officer, examines and audits books of accounts of taxpayers; or	
(2) Offers to sign and certify financial statements without audit; or	(2) Offers to sign and certify financial statements without audit; or	
(3) Offers any taxpayer the use of accounting bookkeeping records for internal revenue purposes not in conformity with the requirements prescribed in this Code or rules and regulations promulgated thereunder; or	(3) Offers any taxpayer the use of accounting bookkeeping records for internal revenue purposes not in conformity with the requirements prescribed in this Code or rules and regulations promulgated thereunder; or	
(4) Knowingly makes any false entry or enters any false or fictitious name in the books of accounts or record mentioned in the preceding paragraphs; or	(4) Knowingly makes any false entry or enters any false or fictitious name in the books of accounts or records mentioned in the preceding paragraphs; or	
(5) Keeps two (2) or more sets of such records or books of accounts; or	(5) Keeps two (2) or more sets of such records or books of accounts; or	
(6) In any way commits an act or omission, in violation of the provisions of this Section; or	(6) In any way commits an act or omission, in violation of the provisions of this Section; or	
(7) Fails to keep the books of accounts or records mentioned in Section 232 in a native language, English or Spanish, or to make a true and complete translation as	(7) Fails to keep the books of accounts or records mentioned in Section 232 in a native language, English or Spanish, or to make a true and complete translation as	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>required in Section 234 of this Code, or whose books of accounts or records kept in a native language, English or Spanish, and found to be at material variance with books or records kept by him in another language; or</p>	<p>required in Section 234 of this Code, or whose books of accounts or records kept in a native language, English or Spanish, and found to be at material variance with books or records kept by him in another language; or</p>	
<p>(8) Willfully attempts in any manner to evade or defeat any tax imposed under this Code, or knowingly uses fake or falsified revenue official receipts, Letters of Authority, certificates authorizing registration, Tax Credit Certificates, Tax Debit Memoranda and other accountable forms shall, upon conviction for each act or omission, be punished by a fine not less than Fifty thousand pesos (P50,000) but not more than One hundred pesos (P100,000) and suffer imprisonment of not less than two (2) years but not more than six (6) years.</p>	<p>(8) Willfully attempts in any manner to evade or defeat any tax imposed under this Code, or knowingly uses fake or falsified revenue official receipts, Letters of Authority, certificates authorizing registration, Tax Credit Certificates, Tax Debit Memoranda and other accountable forms shall, upon conviction for each act or omission, be punished by a fine of not less than [Fifty thousand pesos (P50,000) but not more than One hundred thousand pesos (P100,000)] THREE HUNDRED THOUSAND PESOS (P300,000) BUT NOT MORE THAN ONE MILLION TWO HUNDRED THOUSAND PESOS (P1,200,000) and [suffer] imprisonment of not less than two (2) years but not more than six (6) years.</p>	
<p>If the offender is a Certified Public Accountant, his certificate as a Certified Public Accountant shall be automatically revoked or cancelled upon conviction.</p>	<p>If the offender is a Certified Public Accountant, [his] THE certificate [as] OF BEING a Certified Public Accountant shall be automatically revoked or cancelled upon conviction.</p>	
<p>In the case of foreigners, conviction under this Code shall result in his immediate deportation after serving sentence, without further proceedings for deportation.</p>	<p>In the case of foreigners, conviction under this Code shall result in [his] THEIR immediate deportation after serving sentence, without further proceedings for deportation.”</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>SEC. 258. Unlawful Pursuit of Business. – Any person who carries on any business for which an annual registration fee is imposed without paying the tax as required by law shall, upon conviction for each act or omission, be punished by a fine of not less than Five thousand pesos (P5,000) but not more than Twenty thousand pesos (P20,000) and suffer imprisonment of not less than six (6) months but not more than two (2) years: Provided, That in the case of a person engaged in the business of distilling, rectifying, repacking, compounding or manufacturing any article subject to excise tax, he shall, upon conviction for each act or omission, be punished by a fine of not less than Thirty thousand pesos (P30,000) but not more than Fifty thousand pesos (P50,000) and suffer imprisonment of not less than two (2) years but not more than four (4) years.</p> <p>SEC. 261. Unlawful Use of Denatured Alcohol. – Any person who for the purpose of manufacturing any beverage, uses denatured alcohol or alcohol</p>	<p>SEC. 22. Section 258 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 258. Unlawful Pursuit of Business. – Any person who carries on any business for which an annual registration fee is imposed without paying the tax as required by law shall, upon conviction for each act or omission, be punished by a fine of not less than Five thousand pesos (P5,000) but not more than Twenty thousand pesos (P20,000)] FIFTY THOUSAND PESOS (P50,000) BUT NOT MORE THAN THREE HUNDRED THOUSAND PESOS (P300,000) and [suffer] imprisonment of not less than six (6) months but not more than two (2) years: <i>Provided</i>, That in the case of a person engaged in the business of distilling, rectifying, repacking, compounding or manufacturing any article subject to excise tax, [he] shall, upon conviction for each act or omission, be punished by a fine of not less than [Thirty thousand pesos (P30,000) but not more than Fifty thousand pesos (P50,000)] THREE HUNDRED THOUSAND PESOS (P300,000) BUT NOT MORE THAN SEVEN HUNDRED THOUSAND PESOS (P700,000) and [suffer] imprisonment of not less than two (2) years but not more than four (4) years.</p> <p>SEC. 23. Section 261 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 261. Unlawful Use of Denatured Alcohol. – Any person who for the purpose of manufacturing any beverage, uses denatured alcohol or alcohol</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>specially denatured to be used for motive power or withdrawn under bond for industrial uses or alcohol knowingly misrepresented to be denatured to be unfit for oral intake or who knowingly sells or offers for sale any beverage made in whole or in part from such alcohol or who uses such alcohol for the manufacture of liquid medicinal preparations taken internally, or knowingly sells or offers for sale such preparations containing as an ingredient such alcohol, shall, upon conviction for each act or omission be punished by a fine of not less than Twenty thousand pesos (P20,000) but not more than One hundred thousand pesos (P100,000) and suffer imprisonment for a term of not less than six (6) years and one (1) day but not more than twelve (12) years.</p>	<p>specially denatured to be used for motive power or withdrawn under bond for industrial uses or alcohol knowingly misrepresented to be denatured to be unfit for oral intake or who knowingly sells or offers for sale any beverage made in whole or in part from such alcohol or who uses such alcohol for the manufacture of liquid medicinal preparations taken internally, or knowingly sells or offers for sale such preparations containing as an ingredient such alcohol, shall, upon conviction for each act or omission be punished by a fine of not less than [Twenty thousand pesos (P20,000) but not more than One hundred thousand pesos (P100,000)] ONE MILLION FIVE HUNDRED THOUSAND PESOS (P1,500,000) BUT NOT MORE THAN FIFTEEN MILLION PESOS (P15,000,000) and [suffer] imprisonment for a term of not less than six (6) years and one (1) day but not more than twelve (12) years.</p>	
<p>Any person who shall unlawfully recover or attempt to recover by distillation or other process any denatured alcohol or who knowingly sells or offers for sale, conceals or otherwise disposes of alcohol so recovered or redistilled shall be subject to the same penalties imposed under this Section.</p>	<p>Any person who shall unlawfully recover or attempt to recover by distillation or other process any denatured alcohol or who knowingly sells or offers for sale, conceals or otherwise disposes of alcohol so recovered or redistilled shall be subject to the same penalties imposed under this Section.</p>	
<p>SEC. 263. Unlawful Possession or Removal of Articles Subject to Excise Tax Without Payment of the Tax. – Any person who owns and/or is found in possession of imported articles subject to excise tax, the tax on which has not been paid in</p>	<p>SEC. 24. Section 263 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 263. Unlawful Possession or Removal of Articles Subject to Excise Tax without Payment of the Tax. – Any person who owns and/or is found in possession of imported articles subject to excise tax, the tax on which has not been paid in</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
accordance with law, or any person who owns and/or is found in possession of imported tax-exempt articles other than those to whom they are legally issued shall be punished by:	accordance with law, or any person who owns and/or is found in possession of imported tax-exempt articles other than those to whom they are legally issued shall be punished by:	
(a) A fine of not less than One hundred thousand pesos (P100,000.00) but not more than Two hundred thousand pesos (P200,000.00) and imprisonment of not less than sixty (60) days but not more than one hundred (100) days if the appraised value, to be determined in the manner prescribed in Republic Act No. 10863, otherwise known as the 'Customs Modernization and Tariff Act (CMTA)', including duties and taxes, of the articles does not exceed Two hundred fifty thousand pesos (P250,000.00);	(a) xxx	
(b) A fine of not less than One million pesos (P1,000,000.00) but not more than Two million pesos (P2,000,000.00) and imprisonment of not less than two (2) years but not more than four (4) years if the appraised value, to be determined in the manner prescribed in Republic Act No. 10863, otherwise known as the 'Customs Modernization and Tariff Act (CMTA)', including duties and taxes, of the articles exceeds Two hundred fifty thousand pesos (P250,000.00) but does not exceed Five hundred thousand pesos (P500,000.00);	(b) xxx	
(c) A fine of not less than Three million pesos (P3,000,000.00) but not more than Four million pesos (P4,000,000.00) and imprisonment of not less than four (4) years but not more than six (6) years, if the appraised value, to be determined in the manner prescribed in Republic Act No. 10863, otherwise known as the 'Customs Modernization	(c) xxx	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>and Tariff Act (CMTA)', including duties and taxes of the articles is more than Five hundred thousand pesos (P500,000.00) hut does not exceed One million pesos (P1,000,000.00);</p>		
<p>(d) A fine of not less than Ten million pesos (P10,000,000.00) hut not more than Twenty million pesos (P20,000,000.00) and imprisonment of not less than ten (10) years hut not more than twelve (12) years, if the appraised value, to be determined in the manner prescribed in Republic Act No. 10863, otherwise known as the 'Customs Modernization and Tariff Act (CMTA)', including duties and taxes, of the articles exceeds One million pesos (P1,000,000.00);</p>	<p>(d) xxx</p>	
	<p>(E) A FINE OF NOT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND PESOS (P1,500,000) BUT NOT MORE THAN FIFTEEN MILLION PESOS (P15,000,000), AND IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS AND ONE (1) DAY BUT NOT MORE THAN TWELVE (12) YEARS, IF THE APPRAISED VALUE, TO BE DETERMINED IN THE MANNER PRESCRIBED IN THE CUSTOMS MODERNIZATION AND TARIFF ACT, INCLUDING DUTIES AND TAXES, OF THE ARTICLES IS MORE THAN FIVE MILLION PESOS (P5,000,000) BUT NOT MORE THAN FIFTY MILLION PESOS (P50,000,000);</p> <p>(F) A FINE OF NOT LESS THAN FIFTEEN MILLION PESOS (P15,000,000) BUT NOT MORE THAN FIFTY MILLION PESOS</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(P50,000,000), AND IMPRISONMENT OF NOT LESS THAN TWELVE (12) YEARS AND ONE (1) DAY BUT NOT MORE THAN TWENTY (20) YEARS, IF THE APPRAISED VALUE, TO BE DETERMINED IN THE MANNER PRESCRIBED IN THE CUSTOMS MODERNIZATION AND TARIFF ACT, INCLUDING DUTIES AND TAXES, OF THE ARTICLES IS MORE THAN FIFTY MILLION PESOS (P50,000,000) BUT NOT MORE THAN TWO HUNDRED MILLION PESOS (P200,000,000); OR</p> <p>(G) A FINE OF NOT LESS THAN FIFTY MILLION PESOS (P50,000,000) AND IMPRISONMENT OF TWENTY (20) YEARS AND ONE (1) DAY BUT NOT MORE THAN THIRTY (30) YEARS, IF THE APPRAISED VALUE OF THE GOODS UNLAWFULLY IMPORTED TO BE DETERMINED IN THE MANNER PRESCRIBED IN THE CUSTOMS MODERNIZATION AND TARIFF ACT, INCLUDING DUTIES AND TAXES, EXCEEDS TWO HUNDRED MILLION PESOS (P200,000,000) OR IF THE AGGREGATE AMOUNT OF THE APPRAISED VALUE OF THE GOODS WHICH ARE THE SUBJECT OF UNLAWFUL IMPORTATION COMMITTED IN MORE THAN ONE INSTANCE, INCLUDING DUTIES AND TAXES, EXCEEDS TWO HUNDRED MILLION PESOS (P200,000,000).</p> <p>xxx</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>Any person who is found in possession of locally manufactured articles subject to excise tax, the tax on which has not been paid in accordance with law, or any person who is found in possession of such articles which are exempt from excise tax other than those to whom the same is lawfully issued shall be punished with a fine of not less than (10) times the amount of excise tax due on the articles found but not less than One million pesos (P1,000,000.00) and imprisonment of not less than five (5) years but not more than eight (8) years.</p> <p>Any manufacturer, importer, owner or person in charge of any article subject to excise tax who removes or allows or causes the unlawful removal of any such articles from the place of production or bonded warehouse, upon which the excise tax has not been paid at the time and in the manner required, and any person who knowingly aids or abets in the removal of such articles as aforesaid, or conceals the same after illegal removal shall, for the first offense, be punished with a fine of not less than ten (10) times the amount of excise tax due on the articles but not less than Fifty million pesos (P50,000,000.00) and imprisonment of not less than five (5) years but not more than eight (8) years.</p> <p>The mere unexplained possession of articles subject to excise tax, the tax on which has not been paid in accordance with law, shall be punishable under this Section.</p>	<p>SEC. 25. Section 264 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
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. –	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. –	
<p>(a) Any person who, being required under Section 237 to issue receipts or sales or commercial invoices, fails or refuses to issue such receipts or invoices, issues receipts or invoices that do not truly reflect and/or contain all the information required to be shown therein, or uses multiple or double receipts or invoices, shall, upon conviction for each act or omission, be punished by a fine of not less than One thousand pesos (P1,000) but not more than Fifty thousand pesos (P50,000) and suffer imprisonment of not less than two (2) years but not more than four (4) years.</p>	<p>(a) Any person who, being required under Section 237 to issue receipts or sales or commercial invoices, fails or refuses to issue such receipts or invoices, issues receipts or invoices that do not truly reflect and/or contain all the information required to be shown therein, or uses multiple or double receipts or invoices, shall, upon conviction for each act or omission, be punished by a fine of not less than One thousand pesos (P1,000) but not more than Fifty thousand pesos (P50,000) ONE HUNDRED THOUSAND PESOS (P100,000) BUT NOT MORE THAN FIVE HUNDRED THOUSAND PESOS (P500,000) and suffer imprisonment of not less than two (2) years but not more than four (4) years FOUR (4) YEARS BUT NOT MORE THAN EIGHT (8) YEARS.</p>	
<p>(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:</p>	<p>(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;</p>	
<p>(1) Printing of receipts or sales or commercial invoices without authority from the Bureau of Internal Revenue; or</p> <p>(2) Printing of double or multiple sets of invoices or receipts;</p>	<p>(1) Printing of receipts or sales or commercial invoices without authority from the Bureau of Internal Revenue; or</p> <p>(2) Printing of double or multiple sets of invoices or receipts; or</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
(3) Printing of unnumbered receipts or sales or commercial invoices, not bearing the name, business style, Taxpayer Identification Number, and business address of the person or entity; or (4) Printing of other fraudulent receipts or sales or commercial invoices.	(3) Printing of unnumbered receipts or sales or commercial invoices, not bearing the name, business style, Taxpayer Identification Number, and business address of the person or entity; or (4) Printing of other fraudulent receipts or sales or commercial invoices.	
<p>SEC. 266. Failure to Obey Summons. – Any person who, being duly summoned to appear to testify, or to appear and produce books of accounts, records, memoranda or other papers, or to furnish information as required under the pertinent provisions of this Code, neglects to appear or to produce such books of accounts, records, memoranda or other papers, or to furnish such information, shall, upon conviction, be punished by a fine of not less than Five thousand pesos (P5,000) but not more than ten thousand pesos (P10,000) and suffer imprisonment of not less than one (1) year but not more than two (2) years.</p> <p>SEC. 275. Violation of Other Provisions of this Code or Rules and Regulations in General.– Any</p>	<p>SEC. 26. Section 266 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 266. Failure to Obey Summons. – Any person who, being duly summoned to appear to testify, or to appear and produce books of accounts, records, memoranda or other papers, or to furnish information as required under the pertinent provisions of this Code, neglects to appear or to produce such books of accounts, records, memoranda or other papers, or to furnish such information, shall, upon conviction, be punished by a fine of not less than Five thousand pesos (P5,000)] ONE HUNDRED THOUSAND PESOS (P100,000) but not more than Ten thousand pesos (P10,000)] THREE HUNDRED THOUSAND PESOS (P300,000) and suffer] imprisonment of not less than one (1) year but not more than two (2) years.</p> <p>SEC. 27. Section 275 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:</p> <p>SEC. 275. Violation of Other Provisions of this Code or Rules and Regulations in General. – Any</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>person who violates any provision of this Code or any rule or regulation promulgated by the Department of Finance, for which no specific penalty is provided by law, shall, upon conviction for each act or omission, be punished by a fine of not more than One thousand pesos (P1,000) or suffer imprisonment of not more than six (6) months, or both.</p>	<p>person who violates any provision of this Code or any rule or regulation promulgated by the Department of Finance, for which no specific penalty is provided by law, shall, upon conviction for each act or omission, be punished by a fine of not more than One thousand pesos (P1,000) TEN THOUSAND PESOS (P10,000) or suffer imprisonment of not more than six (6) months, TWO (2) YEARS, or both.</p> <p>SEC. 28. A new section is hereby inserted after Section 282 of the National Internal Revenue Code of 1997, as amended, to read as follows:</p> <p>SEC. 282-A. VIOLATION OF THE PROVISIONS OF THIS CODE AMOUNTING TO ECONOMIC SABOTAGE. – ANY VIOLATION OF SECTION 254 OF THIS CODE THAT UNDERMINES, WEAKENS OR RENDERS INTO DISREPUTE THE ECONOMIC SYSTEM OR VIABILITY OF THE COUNTRY OR TENDS TO BRING OUT SUCH EFFECTS, IN LIEU OF THE PENALTY SET IN THE PRECEDING PROVISIONS, SHALL CONSTITUTE ECONOMIC SABOTAGE, AND, UPON CONVICTION FOR EACH ACT OR OMISSION, BE PUNISHED BY A FINE OF NOT LESS THAN FIFTY MILLION PESOS (P50,000,000) AND IMPRISONMENT OF TWELVE (12) YEARS AND ONE (1) DAY BUT NOT MORE THAN TWENTY (20) YEARS.</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	SEC. 29. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:	SEC. 8. Section 290 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:
<p>Section 290. Congressional Oversight Committee. – A Congressional Oversight Committee, hereinafter referred to as the Committee, is hereby constituted in accordance with the provisions of this Code. The Committee shall be composed of the Chairmen of the Committee on Ways and Means of the Senate and House Representatives and four (4) additional members from each house, to be designated by the Speaker of the House of Representatives and the Senate President, respectively.</p>	<p>SEC. 290. Congressional Oversight Committee. – A Congressional Oversight Committee, hereinafter referred to as the Committee, is hereby constituted in accordance with the provisions of this Code. The Committee shall be composed of the [Chairmen] CHAIRPERSONS of the Committee on Ways and Means of the Senate and House of Representatives ... xxx</p>	<p>SEC. 290. Congressional Oversight Committee. – A Congressional Oversight Committee, hereinafter referred to as the Committee, is hereby constituted in accordance with the provisions of this Code. The Committee shall be composed of the [Chairmen] CHAIRPERSONS of the Committee on Ways and Means of the Senate and House of Representatives... xxx</p>
The Committee shall, among others, in aid of legislation:	The Committee shall, among others, in aid of legislation:	The Committee shall, among others, in aid of legislation:
(1) Monitor and ensure the proper implementation of Republic Act No. 8240;	(1) xxx;	(1) xxx;
(2) Determine that the power of the Commissioner to compromise and abate is reasonably exercised;	(2) xxx;	(2) xxx;
(3) Review the collection performance of the Bureau of Internal Revenue; and	(3) xxx; [and]	(3) xxx; [and]
(4) Review the implementation of the programs of the Bureau of Internal Revenue.	(4) xxx[-];	(4) xxx[-];
	(5) REVIEW THE PERFORMANCE OF INVESTMENT PROMOTION AGENCIES AND THE FISCAL INCENTIVES REVIEW BOARD; AND	(5) REVIEW THE PERFORMANCE OF THE FISCAL INCENTIVES REVIEW BOARD; AND

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
<p>In furtherance of the hereinabove cited objectives, the Committee is empowered to require of the Bureau of Internal Revenue, submission of all pertinent information, including but not limited to: industry audits; collection performance data; status reports on criminal actions initiated against persons; and the submission of taxpayer returns: Provided, however, That any return or return information which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer shall be furnished the Committee only when sitting in Executive Session unless such taxpayer otherwise consents in writing to such disclosure.</p>	<p>(6) EVALUATE THE EFFECTIVENESS OF THE INCENTIVES GRANTED TO REGISTERED ENTERPRISES AND THE FORMULATION OF THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>xxx</p> <p>SEC. 30. A new Title XIII shall be inserted in the National Internal Revenue Code of 1997, as amended, to read as follows:</p> <p style="text-align: center;">TITLE XIII TAX INCENTIVES CHAPTER I GENERAL PROVISIONS ON TAX INCENTIVES</p> <p>SEC. 291. SCOPE AND COVERAGE. – THIS TITLE SHALL COVER ALL EXISTING INVESTMENT PROMOTION AGENCIES AS DEFINED IN THIS CODE OR RELATED LAWS, AND ALL OTHER INVESTMENT</p>	<p>xxx</p> <p>SEC. 9. A new Title XIII shall be introduced in the National Internal Revenue Code of 1997, as amended, to read as follows:</p> <p style="text-align: center;">TITLE XIII TAX INCENTIVES CHAPTER I GENERAL PROVISIONS ON TAX INCENTIVES</p> <p>SEC. 291. SCOPE AND COVERAGE. – THIS TITLE SHALL COVER ALL EXISTING INVESTMENT PROMOTION AGENCIES AS DEFINED IN THIS CODE OR RELATED LAWS, AND ALL OTHER INVESTMENT</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>PROMOTION AGENCIES AND SIMILAR AUTHORITIES THAT MAY BE CREATED BY LAW.</p> <p>THE INVESTMENT PROMOTION AGENCIES SHALL MAINTAIN THEIR FUNCTIONS AND POWERS AS PROVIDED UNDER THE SPECIAL LAWS GOVERNING THEM EXCEPT ON THE EXTENT MODIFIED BY THE PROVISIONS OF THIS CODE.</p> <p>SEC. 292. <i>EXTENT OF AUTHORITY TO GRANT TAX INCENTIVES.</i> – ALL INVESTMENT PROMOTION AGENCIES SHALL RECOMMEND TO THE FISCAL INCENTIVES REVIEW BOARD THE TAX INCENTIVES PROVIDED IN THIS TITLE TO REGISTERED ENTERPRISES ONLY TO THE EXTENT OF THEIR APPROVED REGISTERED PROJECTS OR ACTIVITIES UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN. THE PERIOD OF AVAILMENT OF INCENTIVES SHALL BE RECKONED FROM THE START OF COMMERCIAL OPERATION.</p> <p>SALES RECEIPTS AND OTHER INCOME DERIVED FROM NON-REGISTERED ACTIVITY OR PROJECT SHALL BE SUBJECT TO APPROPRIATE TAXES UNDER THIS CODE.</p> <p>UNLESS OTHERWISE PROVIDED IN THIS CODE, DIRECT EXPORTS ARE SUBJECT TO VALUE-ADDED TAX ZERO-RATING</p>	<p>PROMOTION AGENCIES AND SIMILAR AUTHORITIES THAT MAY BE CREATED BY LAW IN THE FUTURE.</p> <p>THE INVESTMENT PROMOTION AGENCIES SHALL MAINTAIN THEIR FUNCTIONS AND POWERS AS PROVIDED UNDER THE SPECIAL LAWS GOVERNING THEM EXCEPT TO THE EXTENT MODIFIED BY THE PROVISIONS OF THIS CODE.</p> <p>SEC. 292. <i>EXTENT OF AUTHORITY TO GRANT TAX INCENTIVES.</i> – ALL INVESTMENT PROMOTION AGENCIES SHALL PROCESS APPLICATIONS FOR TAX INCENTIVES AND RECOMMEND TO THE FISCAL INCENTIVES REVIEW BOARD THE APPROPRIATE TAX INCENTIVES PROVIDED IN THIS TITLE TO BE GRANTED TO REGISTERED BUSINESS ENTERPRISES ONLY TO THE EXTENT OF THEIR APPROVED REGISTERED PROJECT OR ACTIVITY UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>AND DOMESTIC SALES ARE SUBJECT TO THE REGULAR VALUE-ADDED TAX RATE.</p> <p>SEC. 293. <i>DEFINITIONS.</i> – WHEN USED IN THIS TITLE:</p> <p>(A) <i>CAPITAL EQUIPMENT</i> REFERS TO MACHINERY, EQUIPMENT, MAJOR COMPONENTS THEREOF, FITTINGS AND ACCOMPANIMENTS WHICH ARE DIRECTLY AND REASONABLY NEEDED IN THE REGISTERED ACTIVITY OF THE REGISTERED ENTERPRISE.</p> <p>(B) <i>EXPORT SALES OF GOODS</i> REFER TO THE SALES OF AN EXPORT ENTERPRISE PAID FOR IN FREELY CONVERTIBLE FOREIGN CURRENCY INWARDLY REMITTED TO THE PHILIPPINES, FROM THE FOLLOWING:</p> <p>(1) THE SALE AND ACTUAL SHIPMENT OF GOODS FROM THE PHILIPPINES TO A FOREIGN COUNTRY BY AN EXPORT ENTERPRISE INCLUDING OUTSOURCE SERVICES USED TO PRODUCE FINAL EXPORT GOODS;</p> <p>(2) SALES TO DIPLOMATIC MISSIONS AND INSTITUTIONS COVERED BY INTERNATIONAL TREATY; AND</p>	<p>SEC. 293. <i>DEFINITIONS.</i> – WHEN USED IN THIS TITLE:</p> <p>(A) <i>CAPITAL EQUIPMENT</i> REFERS TO MACHINERY, EQUIPMENT, MAJOR COMPONENTS THEREOF, TOOLS, DEVICES, OR APPARATUS, WHICH ARE DIRECTLY OR REASONABLY NEEDED IN THE REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED ENTERPRISE;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(3) SALES OF AN EXPORT ENTERPRISE TO AN INTERNATIONAL SEA OR AIR TRANSPORT OPERATIONS OF GOODS, EQUIPMENT, SPARE PARTS, AND SUPPLIES, EXCEPT FUEL, FORMING PART OF DIRECT COSTS AND TO BE USED IN THE AIRCRAFT OR SEACRAFT, AND CAPITAL EQUIPMENT NEEDED FOR THE SHIPPING OR AIR TRANSPORT OPERATIONS.</p> <p>(C) <i>EXPORT SALES OF SERVICES</i> REFER TO THE SALES OF AN EXPORT ENTERPRISE, PAID FOR IN FREELY CONVERTIBLE FOREIGN CURRENCY INWARDLY REMITTED TO THE PHILIPPINES, FOR THE FOLLOWING:</p> <p>(1) SERVICES RENDERED TO NON-RESIDENT FOREIGN CLIENTS BY EXPORT ENTERPRISES;</p> <p>(2) SERVICES RENDERED TO DIPLOMATIC MISSIONS AND INSTITUTIONS COVERED BY INTERNATIONAL TREATY; AND</p> <p>(3) SERVICES FOR THE OVERHAUL, REPAIR, AND MAINTENANCE OF INTERNATIONAL SHIPPING, OR AIR TRANSPORT OPERATIONS.</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(D) <i>INVESTMENT PROMOTION AGENCIES</i> REFER TO GOVERNMENT ENTITIES CREATED BY LAW, EXECUTIVE ORDER, DECREE OR OTHER ISSUANCE, IN CHARGE OF PROMOTING INVESTMENTS, ADMINISTERING NON-TAX INCENTIVES, AND OVERSEEING THE OPERATIONS OF THE DIFFERENT ECONOMIC ZONES AND FREEPORTS IN ACCORDANCE WITH</p>	<p>(B) <i>DIRECT LOCAL EMPLOYMENT</i> REFERS TO THE HIRING OF FILIPINOS BY REGISTERED BUSINESS ENTERPRISES UNDER AN EMPLOYER-EMPLOYEE RELATIONSHIP TO PERFORM FUNCTIONS THAT ARE DIRECTLY RELATED TO THE PRODUCTION OF GOODS OR PERFORMANCE OF SERVICES UNDER THE REGISTERED PROJECT OR ACTIVITY;</p> <p>(C) <i>DOMESTIC INPUT</i> REFERS TO PURCHASES OF LOCALLY MANUFACTURED GOODS OR LOCALLY PRODUCED RAW MATERIALS OR DOMESTICALLY OUTSOURCED SERVICES KNOWN AS SERVICES EMBEDDED IN MANUFACTURING THAT ARE USED DIRECTLY IN THE PRODUCTION OF GOODS UNDER THE REGISTERED PROJECT OR ACTIVITY. IN THE CASE OF LOCALLY MANUFACTURED GOODS, 50% OF THE VALUE-ADDED OF THE SAID GOOD SHOULD LIKEWISE BE LOCALLY PRODUCED OR MANUFACTURED;</p> <p>(E) <i>INVESTMENT PROMOTION AGENCIES (IPAS)</i> REFER TO GOVERNMENT ENTITIES CREATED BY LAW, EXECUTIVE ORDER, DECREE OR OTHER ISSUANCE, IN CHARGE OF PROMOTING INVESTMENTS, GRANTING AND ADMINISTERING TAX AND NON-TAX INCENTIVES, AND OVERSEEING THE OPERATIONS OF THE DIFFERENT</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>THEIR RESPECTIVE CHARTERS. THESE INCLUDE THE BOARD OF INVESTMENTS, REGIONAL BOARD OF INVESTMENTS AUTONOMOUS REGION IN MUSLIM MINDANAO, PHILIPPINE ECONOMIC ZONE AUTHORITY, BASES CONVERSION AND DEVELOPMENT AUTHORITY, SUBIC BAY METROPOLITAN AUTHORITY, CLARK DEVELOPMENT CORPORATION, JOHN HAY MANAGEMENT CORPORATION, PORO POINT MANAGEMENT CORPORATION, CAGAYAN ECONOMIC ZONE AUTHORITY, ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY, PHIVIDEC INDUSTRIAL AUTHORITY, AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY, AUTHORITY OF THE FREEPORT AREA OF BATAAN, TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY, AND ALL OTHER SIMILAR EXISTING AUTHORITIES OR THAT MAY BE CREATED BY LAW IN THE FUTURE.</p> <p>(E) OTHER GOVERNMENT AGENCIES ADMINISTERING FISCAL INCENTIVES REFER TO GOVERNMENT AGENCIES OTHER THAN INVESTMENT PROMOTION AGENCIES WHICH REGISTER OR ADMINISTER FISCAL INCENTIVES OF ANY KIND TO ANY SPECIFIC ENTITIES</p>	<p>ECONOMIC ZONES AND FREEPORTS IN ACCORDANCE WITH THEIR RESPECTIVE SPECIAL LAWS. THESE INCLUDE THE BOARD OF INVESTMENTS, REGIONAL BOARD OF INVESTMENTS AUTONOMOUS REGION IN MUSLIM MINDANAO (RBOI-ARMM), PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA), BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA), SUBIC BAY METROPOLITAN AUTHORITY (SBMA), CLARK DEVELOPMENT CORPORATION (CDC), JOHN HAY MANAGEMENT CORPORATION (JHMC), PORO POINT MANAGEMENT CORPORATION (PPMC), CAGAYAN ECONOMIC ZONE AUTHORITY (CEZA), ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY (ZCSEZA), PHIVIDEC INDUSTRIAL AUTHORITY (PIA), AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY (APECO), AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY (TIEZA), AND ALL OTHER SIMILAR EXISTING AUTHORITIES OR THAT MAY BE CREATED BY LAW IN THE FUTURE;</p> <p>(F) OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES REFER TO GOVERNMENT AGENCIES OTHER THAN INVESTMENT PROMOTION AGENCIES WHICH REGISTER OR ADMINISTER TAX INCENTIVES OF ANY KIND TO ANY SPECIFIC ENTITIES</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW.</p> <p>(F) <i>OTHER REGISTERED ENTITIES</i> REFER TO ANY INDIVIDUAL, PARTNERSHIP, ORGANIZATION, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY INCORPORATED AND/OR ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS, AND REGISTERED WITH OTHER GOVERNMENT AGENCIES ADMINISTERING FISCAL INCENTIVES.</p> <p>(G) <i>REGISTERED ENTERPRISE</i> REFERS TO ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS AND REGISTERED WITH AN INVESTMENT PROMOTION AGENCY AS DEFINED UNDER REPUBLIC ACT NO. 10708, OR THE TAX INCENTIVES MANAGEMENT AND TRANSPARENCY ACT (TIMTA), EXCLUDING SERVICE ENTERPRISES SUCH AS THOSE ENGAGED IN CUSTOMS</p>	<p>AND/OR CLASS OF PERSONS PURSUANT TO ANY LAW;</p> <p>(G) <i>OTHER REGISTERED ENTITIES</i> REFER TO ANY INDIVIDUAL, PARTNERSHIP, ORGANIZATION, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY INCORPORATED AND/OR ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS, AND REGISTERED WITH OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES;</p> <p>(H) <i>QUALIFIED CAPITAL EXPENDITURE</i> REFERS TO PURCHASES OF CAPITAL GOODS WITH A USEFUL LIFE OF MORE THAN ONE (1) YEAR ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES TO BE DIRECTLY USED IN THE PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE;</p> <p>(I) <i>REGISTERED BUSINESS ENTERPRISE</i> REFERS TO ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, PHILIPPINE BRANCH OF A FOREIGN CORPORATION, OR OTHER ENTITY ORGANIZED AND EXISTING UNDER PHILIPPINE LAWS AND REGISTERED WITH AN INVESTMENT PROMOTION AGENCY EXCLUDING SERVICE ENTERPRISES SUCH AS THOSE ENGAGED IN CUSTOMS BROKERAGE, TRUCKING OR FORWARDING SERVICES, JANITORIAL SERVICES, SECURITY</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>BROKERAGE, TRUCKING OR FORWARDING SERVICES, JANITORIAL SERVICES, SECURITY SERVICES, INSURANCE, BANKING, AND OTHER FINANCIAL SERVICES, CONSUMERS' COOPERATIVES, CREDIT UNIONS, CONSULTANCY SERVICES, RETAIL ENTERPRISES, RESTAURANTS, OR SUCH OTHER SIMILAR SERVICES, AS MAY BE DETERMINED BY THE INVESTMENT PROMOTION AGENCY BOARD, IRRESPECTIVE OF LOCATION, WHETHER INSIDE OR OUTSIDE THE ZONES, DULY ACCREDITED OR LICENSED BY ANY OF THE INVESTMENT PROMOTION AGENCIES AND WHOSE INCOME DELIVERED WITHIN THE ECONOMIC ZONES SHALL BE SUBJECT TO TAXES UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.</p>	<p>SERVICES, INSURANCE, BANKING, AND OTHER FINANCIAL SERVICES, CONSUMERS' COOPERATIVES, CREDIT UNIONS, CONSULTANCY SERVICES, RETAIL ENTERPRISES, RESTAURANTS, OR SUCH OTHER SIMILAR SERVICES, AS MAY BE DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD, IRRESPECTIVE OF LOCATION, WHETHER INSIDE OR OUTSIDE THE ZONES, DULY ACCREDITED OR LICENSED BY ANY OF THE INVESTMENT PROMOTION AGENCIES AND WHOSE INCOME DELIVERED WITHIN THE ECONOMIC ZONES SHALL BE SUBJECT TO TAXES UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED;</p> <p>(J) <i>RESEARCH AND DEVELOPMENT</i> REFERS TO EXPERIMENTAL OR OTHER RELATED PROJECTS OR ACTIVITIES:</p> <p>(1) WHOSE OUTCOME CANNOT BE KNOWN OR DETERMINED IN ADVANCE ON THE BASIS OF CURRENT KNOWLEDGE, INFORMATION OR EXPERIENCE, BUT CAN ONLY BE DETERMINED BY APPLYING A SYSTEMATIC PROGRESSION OF WORK:</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>(I) BASED ON PRINCIPLES OF ESTABLISHED SCIENCE; AND</p> <p>(II) PROCEEDS FROM HYPOTHESIS TO EXPERIMENT, OBSERVATION AND EVALUATION, AND LEADS TO LOGICAL CONCLUSIONS; AND</p> <p>(2) THAT ARE CONDUCTED FOR THE PURPOSE OF GENERATING NEW KNOWLEDGE, INCLUDING NEW KNOWLEDGE IN THE FORM OF NEW OR IMPROVED MATERIALS, PRODUCTS, DEVICES, PROCESSES OR SERVICES;</p> <p>(K) <i>SOURCE DOCUMENT</i> REFERS TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY (IT) AND IT-ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES, NEWSPAPERS, BROCHURES, PAMPHLETS, MEDICAL RECORDS OR FILES, LEGAL RECORDS OR FILES, INSTRUCTION MATERIALS, AND DRAWINGS, BLUEPRINTS, OR OUTLINES;</p> <p>(H) <i>SPECIAL ECONOMIC ZONE OR ECOZONE</i> REFERS TO A SELECTED AREA, WHICH SHALL BE OPERATED AND MANAGED AS A SEPARATE CUSTOMS TERRITORY THAT IS HIGHLY DEVELOPED OR HAS THE POTENTIAL TO</p> <p>(L) <i>SPECIAL ECONOMIC ZONE OR ECOZONE</i> REFERS TO A SELECTED AREA, WHICH SHALL BE OPERATED AND MANAGED AS A SEPARATE CUSTOMS TERRITORY THAT IS HIGHLY DEVELOPED OR HAS THE POTENTIAL TO</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>BE DEVELOPED INTO AN AGRO-INDUSTRIAL, INDUSTRIAL, INFORMATION TECHNOLOGY, OR TOURIST/RECREATIONAL AREA, WHOSE METES AND BOUNDS ARE FIXED OR DELIMITED BY PRESIDENTIAL PROCLAMATIONS AND WITHIN A SPECIFIC GEOGRAPHICAL AREA: <i>PROVIDED</i>, THAT FOR THE ECOZONE TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, AN ECOZONE SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER AND MAY CONTAIN ANY OR ALL OF THE FOLLOWING: INDUSTRIAL ESTATES, EXPORT PROCESSING ZONES, INFORMATION AND COMMUNICATIONS TECHNOLOGY PARKS AND CENTERS, AND FREE TRADE ZONES: <i>PROVIDED, HOWEVER</i>, THAT AREAS WHERE MINING EXTRACTION IS UNDERTAKEN SHALL NOT BE DECLARED AS AN ECOZONE: <i>PROVIDED, FURTHER</i>, THAT VERTICAL ECONOMIC ZONES, SUCH AS, BUT NOT LIMITED TO, BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR, NEED TO COMPLY WITH THE MINIMUM CONTIGUOUS LAND AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD.</p> <p>(I) <i>FREEPORT ZONE</i> REFERS TO AN ISOLATED AND POLICED AREA ADJACENT TO A PORT OF ENTRY, WHICH SHALL BE OPERATED AND MANAGED AS</p>	<p>BE DEVELOPED INTO AN AGRO-INDUSTRIAL, INDUSTRIAL, INFORMATION TECHNOLOGY, OR TOURIST/RECREATIONAL AREA, WHOSE METES AND BOUNDS ARE FIXED OR DELIMITED BY PRESIDENTIAL PROCLAMATIONS AND WITHIN A SPECIFIC GEOGRAPHICAL AREA WHICH INCLUDES INDUSTRIAL ESTATES (IES), EXPORT PROCESSING ZONES (EPZS), ICT PARKS AND CENTERS, AND FREE TRADE ZONES: <i>PROVIDED</i>, THAT FOR THE ECOZONE TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, AN ECOZONE SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER <i>PROVIDED, HOWEVER</i>, THAT AREAS WHERE MINING EXTRACTION IS UNDERTAKEN SHALL NOT BE DECLARED AS AN ECOZONE: <i>PROVIDED, FURTHER</i>, THAT VERTICAL ECONOMIC ZONES, SUCH AS, BUT NOT LIMITED TO, BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR, NEED TO COMPLY WITH THE MINIMUM CONTIGUOUS LAND AREA AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD; AND</p> <p>(D) <i>FREEPORT ZONES</i> REFERS TO AN ISOLATED AND POLICED AREA ADJACENT TO A PORT OF ENTRY, WHICH SHALL BE OPERATED AND</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>A SEPARATE CUSTOMS TERRITORY TO ENSURE FREE FLOW OR MOVEMENT OF GOODS, EXCEPT THOSE EXPRESSLY PROHIBITED BY LAW, WITHIN, INTO, AND EXPORTED OUT OF THE FREEPORT ZONE WHERE IMPORTED GOODS MAY BE UNLOADED FOR IMMEDIATE TRANSSHIPMENT OR STORED, REPACKED, SORTED, MIXED, OR OTHERWISE MANIPULATED WITHOUT BEING SUBJECT TO IMPORT DUTIES. HOWEVER, MOVEMENT OF THESE IMPORTED GOODS FROM THE FREE-TRADE AREA TO A NON-FREE TRADE AREA IN THE COUNTRY SHALL BE SUBJECT TO ALL APPLICABLE INTERNAL REVENUE TAXES AND DUTIES: <i>PROVIDED</i>, THAT FOR THE FREEPORT TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, A FREEPORT SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER.”</p>	<p>MANAGED AS A SEPARATE CUSTOMS TERRITORY TO ENSURE FREE FLOW OR MOVEMENT OF GOODS, EXCEPT THOSE EXPRESSLY PROHIBITED BY LAW, WITHIN, INTO, AND EXPORTED OUT OF THE FREEPORT ZONE WHERE IMPORTED GOODS MAY BE UNLOADED FOR IMMEDIATE TRANSSHIPMENT OR STORED, REPACKED, SORTED, MIXED, OR OTHERWISE MANIPULATED WITHOUT BEING SUBJECT TO IMPORT DUTIES. HOWEVER, MOVEMENT OF THESE IMPORTED GOODS FROM THE FREE-TRADE AREA TO A NON-FREE TRADE AREA IN THE COUNTRY SHALL BE SUBJECT TO ALL APPLICABLE INTERNAL REVENUE TAXES AND DUTIES: <i>PROVIDED</i>, THAT FOR THE FREEPORT TO QUALIFY AS A SEPARATE CUSTOMS TERRITORY, A FREEPORT SHALL HAVE A PERMANENT CUSTOMS CONTROL OR CUSTOMS OFFICE AT ITS PERIMETER;</p> <p>(M) <i>TRAINING</i> REFERS TO COURSES PROVIDED TO FILIPINO EMPLOYEES WHOSE WORK IS DIRECTLY RELATED TO THE PRODUCTION OF GOODS OR PERFORMANCE OF SERVICES UNDER THE REGISTERED PROJECT OR ACTIVITY AND WHICH SHALL IMPROVE THE SPECIFIC SKILLS OR KNOWLEDGE OF THE EMPLOYEE REQUIRED IN HIS OR HER CURRENT EMPLOYMENT.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p align="center">CHAPTER II TAX AND DUTY INCENTIVES</p>	<p align="center">CHAPTER II TAX AND DUTY INCENTIVES</p>
	<p>SEC. 294. INCENTIVES. – REGISTERED PROJECTS OR ACTIVITIES UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE QUALIFIED TO INCOME TAX INCENTIVES AND ENHANCED DEDUCTIONS, THE DURATION OF WHICH SHALL FOLLOW SECTION 294(A)(1):</p>	<p>SEC. 294. INCENTIVES. – SUBJECT TO THE CONDITIONS AND PERIOD OF AVAILMENT IN SECTIONS 295 AND 296, RESPECTIVELY, THE FOLLOWING TYPES OF TAX INCENTIVES MAY BE GRANTED TO REGISTERED PROJECTS OR ACTIVITIES:</p>
	<p>(A) INCOME TAX INCENTIVES</p>	<p>(A) INCOME TAX HOLIDAY;</p>
	<p>(1) INCOME TAX HOLIDAY –</p>	
	<p>(A) NATIONAL CAPITAL REGION – UP TO THREE (3) YEARS;</p>	
	<p>(B) AREAS ADJACENT TO METRO MANILA COMPOSED OF LAGUNA, BULACAN, CAVITE, AND RIZAL – UP TO FOUR (4) YEARS;</p>	
	<p>(C) ALL OTHER AREAS NOT COVERED BY SUBPARAGRAPHS (A) AND (B) – UP TO SIX (6) YEARS: PROVIDED, THAT AFTER THE EXPIRATION OF THE INCOME TAX HOLIDAY, THE REDUCED CORPORATE INCOME TAX RATE UNDER SECTION 294(A)(2) OR ENHANCED DEDUCTIONS UNDER SECTION 294-A MAY</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	BE APPLIED FOR THE FOLLOWING DURATION:	
	(A) NATIONAL CAPITAL REGION – UP TO TWO (2) YEARS;	
	(B) AREAS ADJACENT TO METRO MANILA COMPOSED OF LAGUNA, BULACAN, CAVITE, AND RIZAL – UP TO THREE (3) YEARS;	
	(C) ALL OTHER AREAS NOT COVERED BY SUBPARAGRAPHS (A) AND (B) – UP TO FOUR (4) YEARS.	
	(2) REDUCED CORPORATE INCOME TAX. – A REDUCED TAX RATE OF EIGHTEEN PERCENT (18%) OF THE TAXABLE INCOME AS DEFINED UNDER SECTION 31 OF THIS CODE EFFECTIVE JANUARY 1, 2020: <i>PROVIDED</i> , THAT THE RATE OF CORPORATE INCOME TAX SHALL BE SEVENTEEN PERCENT (17%) BEGINNING JANUARY 1, 2022; SIXTEEN PERCENT (16%) BEGINNING JANUARY 1, 2024; FIFTEEN PERCENT (15%) BEGINNING JANUARY 1, 2026; FOURTEEN PERCENT (14%) BEGINNING JANUARY 1, 2028; AND THIRTEEN PERCENT (13%)	(B) SPECIAL CORPORATE INCOME TAX RATE - A TAX RATE EQUIVALENT TO EIGHT PERCENT (8%) EFFECTIVE JANUARY 1, 2020, NINE PERCENT (9%) EFFECTIVE JANUARY 1, 2021, AND TEN PERCENT (10%) EFFECTIVE JANUARY 1, 2022 ONWARDS, BASED ON THE GROSS INCOME EARNED, IN LIEU OF ALL TAXES, BOTH NATIONAL AND LOCAL, AS SPECIFIED IN THE RESPECTIVE SPECIAL LAWS OF THE INVESTMENT PROMOTION AGENCIES: <i>PROVIDED, THAT</i> , THE NATIONAL GOVERNMENT SHARE SHALL BE AS FOLLOWS: SIX PERCENT (6%) IN 2020, SEVEN PERCENT (7%) IN 2021 AND EIGHT PERCENT (8%) IN 2022 ONWARDS:

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>BEGINNING JANUARY 1, 2030: <i>PROVIDED, FURTHER</i>, THAT IN THE CASE OF REGISTERED ENTERPRISES WITHIN ECONOMIC ZONES AND FREEPORTS, THE TAX SHALL BE DIRECTLY REMITTED AS FOLLOWS:</p> <p>FIFTEEN PERCENT (15%) TO THE NATIONAL GOVERNMENT IN 2020 AND 2021; FOURTEEN PERCENT (14%) TO THE NATIONAL GOVERNMENT IN 2022 AND 2023; THIRTEEN PERCENT (13%) TO THE NATIONAL GOVERNMENT IN 2024 AND 2025; TWELVE PERCENT (12%) TO THE NATIONAL GOVERNMENT IN 2026 AND 2027; ELEVEN PERCENT (11%) TO THE NATIONAL GOVERNMENT IN 2028 AND 2029; AND TEN PERCENT (10%) TO THE NATIONAL GOVERNMENT IN 2030 AND THEREAFTER;</p> <p>ONE POINT FIVE PERCENT (1.5%) TO THE TREASURER'S OFFICE OF THE PROVINCE WHERE THE ENTERPRISE IS LOCATED, IN LIEU OF THE LOCAL BUSINESS TAX;</p> <p>ONE POINT FIVE PERCENT (1.5%) TO THE TREASURER'S OFFICE OF THE MUNICIPALITY OR COMPONENT CITY WHERE THE ENTERPRISE IS LOCATED, IN LIEU OF THE LOCAL BUSINESS TAX;</p>	<p><i>PROVIDED FURTHER, THAT</i>, IF APPLICABLE, THE SHARES OF THE LOCAL GOVERNMENT UNITS AND THE INVESTMENT PROMOTION AGENCIES UNDER THE SPECIAL LAWS GOVERNING THE LATTER SHALL BE OBSERVED;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>PROVIDED, THAT IF THE ENTERPRISE IS UNDER THE JURISDICTION OF A HIGHLY URBANIZED CITY OR INDEPENDENT COMPONENT CITY, THE THREE PERCENT (3%) SHARE OF THE LOCAL GOVERNMENT UNIT SHALL BE DIRECTLY REMITTED TO THE TREASURER'S OFFICE OF THE HIGHLY URBANIZED CITY OR INDEPENDENT COMPONENT CITY.</p> <p>PROVIDED, FURTHER, THAT IN LIEU OF THE INCOME TAX HOLIDAY UNDER SECTION 294(A)(1) OR THE REDUCED TAX RATE OF EIGHTEEN PERCENT (18%) UNDER SECTION 294(A)(2), THE TAX INCENTIVES UNDER SECTION 294-A(1), (2), (3), (4), (5), (6), (7), AND (8) MAY BE GRANTED ON AN INDUSTRY-SPECIFIC BASIS AS DETERMINED BY THE FISCAL INCENTIVES REVIEW BOARD. THE FISCAL INCENTIVES REVIEW BOARD SHALL PRESCRIBE THE LEVEL OF ADDITIONAL DEDUCTION FOR SELECTED INDUSTRIES.</p> <p>PROVIDED, FINALLY, THAT IN NO SUCH CASE SHALL AN INCOME TAX INCENTIVE BE EXTENDED BEYOND THE INITIAL GRANT INDICATED IN SECTION 294(A)(1), EXCEPT THOSE PROVIDED UNDER SECTION 294-A(5), AND (7), SECTIONS 295, 296 AND 297.</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(B) DUTY EXEMPTION – EXEMPTION FROM CUSTOMS DUTY ON IMPORTATION OF CAPITAL EQUIPMENT AND RAW MATERIALS DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED ACTIVITY BY REGISTERED ENTERPRISES: <i>PROVIDED</i>, THAT THE FIVE (5) YEAR-LIMIT IN THIS SUBSECTION SHALL NOT APPLY TO FREEPORT ZONES AS DEFINED UNDER THIS TITLE.</p> <p><i>PROVIDED, FURTHER</i>, THAT EXPANSION OF REGISTERED ACTIVITIES MAY BE GRANTED DUTY EXEMPTION ON CAPITAL EQUIPMENT ONLY, SUBJECT TO THE FOLLOWING CONDITIONS:</p> <ol style="list-style-type: none"> (1) THE ACTIVITY IS STILL COVERED BY THE STRATEGIC INVESTMENT PRIORITY PLAN OR IS AN INNOVATION PROJECT AS DEFINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN; (2) CUSTOMS DUTY EXEMPTION WILL ONLY APPLY ON THE INCREMENTAL PORTION OF THE ACTIVITY; AND (3) THE CUSTOMS DUTY EXEMPTION EXTENSION SHALL NOT EXCEED FIVE (5) YEARS. 	<p>(D) DUTY EXEMPTION ON IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(C) VALUE-ADDED TAX</p> <p>(1) REGISTERED ENTERPRISES WHOSE EXPORT SALES MEET THE NINETY PERCENT (90%) THRESHOLD AND ARE LOCATED WITHIN AN ECOZONE, FREEPORT, OR THOSE UTILIZING CUSTOMS BONDED MANUFACTURING WAREHOUSE: VALUE-ADDED TAX EXEMPTION ON IMPORTATION AND VALUE-ADDED TAX ZERO-RATING ON DOMESTIC PURCHASES OF CAPITAL EQUIPMENT AND RAW MATERIALS USED IN THE MANUFACTURING AND PROCESSING OF PRODUCTS AND IMPORTATION OF SOURCE DOCUMENTS SHALL APPLY.</p> <p>(2) REGISTERED ENTERPRISES WHOSE EXPORT SALES ARE BELOW THE NINETY PERCENT (90%) THRESHOLD AND ARE LOCATED WITHIN AN ECOZONE, FREEPORT, OR THOSE UTILIZING CUSTOMS BONDED MANUFACTURING WAREHOUSE: VALUE-ADDED TAX EXEMPTION ON IMPORTATION AND VALUE-ADDED TAX ZERO-RATING ON DOMESTIC PURCHASES OF CAPITAL EQUIPMENT AND RAW MATERIALS USED IN THE MANUFACTURING AND</p>	<p>(E) <i>VALUE-ADDED TAX (VAT)</i> EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p data-bbox="920 258 1375 467">PROCESSING OF PRODUCTS AND IMPORTATION OF SOURCE DOCUMENTS: <i>PROVIDED</i>, THAT THEY COMPLY WITH THE ELECTRONIC RECEIPTS OR INVOICING UNDER SECTIONS 237 AND 237-A OF THIS CODE.</p> <p data-bbox="871 503 1375 801">(3) REGISTERED ENTERPRISES WHOSE EXPORT SALES ARE BELOW NINETY PERCENT (90%) OR ARE LOCATED OUTSIDE AN ECOZONE OR FREEPORT REGARDLESS OF EXPORT SALES THRESHOLD: THE VALUE-ADDED TAX PROVISION IN TITLE IV OF THIS CODE AND SECTION 307 OF THIS ACT SHALL APPLY.</p> <p data-bbox="819 837 1375 1292">FOR THIS PURPOSE, PROCESSING REFERS TO THE CONVERSION OF RAW MATERIALS INTO MARKETABLE FORM THROUGH PHYSICAL, MECHANICAL, CHEMICAL, ELECTRICAL, BIOCHEMICAL, BIOLOGICAL, OR OTHER MEANS, OR BY A SPECIAL TREATMENT OR A SERIES OF ACTIONS, SUCH AS SLAUGHTERING, MILLING, PASTEURIZING, DRYING, OR DESICCATING, QUICK FREEZING, THAT RESULTS IN A CHANGE IN THE NATURE OR STATE OF A PRODUCT. MERE PACKING OR PACKAGING SHALL NOT CONSTITUTE PROCESSING.</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>SOURCE DOCUMENTS REFER TO INPUT MATERIALS AND DOCUMENTS REASONABLY NEEDED BY INFORMATION TECHNOLOGY AND INFORMATION TECHNOLOGY-ENABLED INDUSTRIES SUCH AS BOOKS, DIRECTORIES, MAGAZINES, NEWSPAPERS, BROCHURES, PAMPHLETS, MEDICAL RECORDS OR FILES, LEGAL RECORDS OR FILES, INSTRUCTION MATERIALS, AND DRAWINGS, BLUEPRINTS, OR OUTLINES.”</p> <p>SEC. 294-A. <i>ENHANCED DEDUCTIONS.</i> – THE FOLLOWING ARE THE ADDITIONAL DEDUCTIONS THAT MAY BE GRANTED AFTER THE EXPIRATION OF THE INCOME TAX HOLIDAY:</p> <p>(1) DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY’S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE). – TEN PERCENT (10%) FOR BUILDINGS; AND TWENTY PERCENT (20%) FOR MACHINERIES AND EQUIPMENT: <i>PROVIDED</i>, THAT DEPRECIATION MAY BE COMPUTED USING ACCELERATED DEPRECIATION METHOD ON A RATE NOT EXCEEDING TWICE THE RATE WHICH WOULD HAVE BEEN USED HAD THE ANNUAL ALLOWANCE BEEN COMPUTED IN ACCORDANCE WITH THE RULES AND REGULATIONS PRESCRIBED BY THE SECRETARY OF FINANCE AND</p>	<p>(C) ENHANCED DEDUCTIONS:</p> <p>(1) DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY’S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE) – ADDITIONAL TEN PERCENT (10%) FOR BUILDINGS; AND ADDITIONAL TWENTY PERCENT (20%) FOR MACHINERIES AND EQUIPMENT;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED: <i>PROVIDED, FURTHER</i>, THAT THE ASSETS ARE ACQUIRED DIRECTLY FOR THE REGISTERED ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES OTHER THAN ADMINISTRATIVE AND OTHER SUPPORT SERVICES.</p> <p>(2) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE LABOR EXPENSE IN THE TAXABLE YEAR AS A CONSEQUENCE OF AN INCREASE IN DIRECT LOCAL EMPLOYMENT: <i>PROVIDED</i>, THAT THIS DOES NOT INCLUDE INDIRECT LABOR, SALARIES AND WAGES, AND OTHER PERSONNEL COSTS INCURRED FOR ADMINISTRATIVE AND OTHER SUPPORT SERVICES.</p> <p>(3) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON THE INCREMENT OF RESEARCH AND DEVELOPMENT INCURRED IN THE TAXABLE YEAR: <i>PROVIDED</i>, THAT IT IS DIRECTLY RELATED TO THE REGISTERED ACTIVITY/IES OF THE ENTITY.</p> <p>(4) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAININGS INCURRED: <i>PROVIDED</i>, THAT IT IS GIVEN TO THE EMPLOYEES ENGAGED DIRECTLY IN THE ENTITY'S PRODUCTION OF GOODS AND SERVICES:</p>	<p>(2) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE LABOR EXPENSE INCURRED IN THE TAXABLE YEAR;</p> <p>(3) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON RESEARCH AND DEVELOPMENT EXPENSE INCURRED IN THE TAXABLE YEAR;</p> <p>(4) UP TO ONE HUNDRED PERCENT (100%) ADDITIONAL DEDUCTION ON TRAINING EXPENSE INCURRED IN THE TAXABLE YEAR;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p><i>PROVIDED, FURTHER</i>, THAT THE FISCAL INCENTIVES REVIEW BOARD HAS ISSUED A CORRESPONDING CERTIFICATE OF ENTITLEMENT UPON APPLICATION, AND A CERTIFICATE OF APPROVAL AFTER A REVIEW OF DOCUMENTATION OF TRAININGS SUBMITTED BY THE ENTERPRISE AT THE END OF THE TAXABLE YEAR, OTHERWISE, THIS INCENTIVE SHALL BE DEEMED WAIVED.</p> <p>(5) UP TO ONE HUNDRED PERCENT (100%) DEDUCTION ON INFRASTRUCTURE DEVELOPMENT. – REGISTERED ENTERPRISES ESTABLISHING THEIR ACTIVITY IN AN AREA THAT THE STRATEGIC INVESTMENT PRIORITY PLAN DESIGNATES AS NECESSARY FOR COUNTRYWIDE DEVELOPMENT OR IN AN AREA FOUND TO BE DEFICIENT IN INFRASTRUCTURE, PUBLIC UTILITIES, AND OTHER FACILITIES, SUCH AS IRRIGATION, DRAINAGE, OR OTHER SIMILAR WATERWORKS INFRASTRUCTURE MAY DEDUCT FROM THE GROSS INCOME AN AMOUNT EQUIVALENT TO UP TO ONE HUNDRED PERCENT (100%) OF NECESSARY AND MAJOR INFRASTRUCTURE WORKS IT MAY HAVE UNDERTAKEN WITH THE PRIOR APPROVAL AND RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY CONCERNED: <i>PROVIDED</i>, THAT THE</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>INFRASTRUCTURE SHALL BE OPEN FOR USE BY THE GENERAL PUBLIC: <i>PROVIDED, FURTHER</i>, THAT THE TITLE TO ALL SUCH INFRASTRUCTURE WORKS SHALL, UPON COMPLETION, BE TRANSFERRED TO THE PHILIPPINE GOVERNMENT: <i>PROVIDED, FINALLY</i>, THAT ANY AMOUNT NOT DEDUCTED FOR A PARTICULAR YEAR MAY BE CARRIED OVER FOR DEDUCTION FOR SUBSEQUENT YEARS NOT EXCEEDING FIVE (5) YEARS FROM COMMERCIAL OPERATION.</p> <p>(6) DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY. – WHEN A MANUFACTURING REGISTERED ENTERPRISE REINVESTS ITS UNDISTRIBUTED PROFIT OR SURPLUS IN ANY OF THE ACTIVITIES LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, THE AMOUNT SO REINVESTED TO A MAXIMUM OF FIFTY PERCENT (50%) SHALL BE ALLOWED AS A DEDUCTION FROM ITS TAXABLE INCOME WITHIN A PERIOD OF FIVE (5) YEARS FROM THE TIME OF SUCH REINVESTMENT: <i>PROVIDED</i>, THAT PRIOR APPROVAL BY THE FISCAL INCENTIVES REVIEW</p>	<p>(6) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON POWER EXPENSE INCURRED IN THE TAXABLE YEAR;</p> <p>(7) DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY - WHEN A MANUFACTURING REGISTERED BUSINESS ENTERPRISE REINVESTS ITS UNDISTRIBUTED PROFIT OR SURPLUS IN ANY OF THE PROJECTS OR ACTIVITIES LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN, THE AMOUNT REINVESTED TO A MAXIMUM OF FIFTY PERCENT (50%) SHALL BE ALLOWED AS A DEDUCTION FROM ITS TAXABLE INCOME WITHIN A PERIOD OF FIVE (5) YEARS FROM THE TIME OF SUCH REINVESTMENT; AND</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>BOARD OF SUCH REINVESTMENT WAS OBTAINED BY THE REGISTERED ENTERPRISE PLANNING SUCH REINVESTMENT.</p> <p>(7) ENHANCED NET OPERATING LOSS CARRY-OVER. – THE NET OPERATING LOSS OF THE REGISTERED ACTIVITY DURING THE FIRST THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION WHICH HAD NOT BEEN PREVIOUSLY OFFSET AS DEDUCTION FROM GROSS INCOME MAY BE CARRIED OVER AS DEDUCTION FROM GROSS INCOME WITHIN THE NEXT FIVE (5) CONSECUTIVE TAXABLE YEARS IMMEDIATELY FOLLOWING THE YEAR OF SUCH LOSS.</p> <p>(8) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON THE INCREMENT OF THE DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR: PROVIDED, THAT IT IS DIRECTLY RELATED TO AND ACTUALLY USED IN THE REGISTERED EXPORT ACTIVITY OF THE REGISTERED ENTITY.”</p>	<p>(8) ENHANCED NET OPERATING LOSS CARRY-OVER (NOLCO). – THE NET OPERATING LOSS OF THE REGISTERED PROJECT OR ACTIVITY DURING THE FIRST THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION WHICH HAD NOT BEEN PREVIOUSLY OFFSET AS DEDUCTION FROM GROSS INCOME MAY BE CARRIED OVER AS DEDUCTION FROM GROSS INCOME WITHIN THE NEXT FIVE (5) CONSECUTIVE TAXABLE YEARS IMMEDIATELY FOLLOWING THE YEAR OF SUCH LOSS.</p> <p>(5) UP TO FIFTY PERCENT (50%) ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE INCURRED IN THE TAXABLE YEAR;</p> <p>SEC. 295. <i>CONDITIONS OF AVAILMENT.</i> - THE TAX INCENTIVES IN THE PRECEDING SECTION SHALL BE GOVERNED BY THE FOLLOWING RULES:</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>(A) THE INCOME TAX HOLIDAY SHALL BE FOLLOWED BY THE SPECIAL CORPORATE INCOME TAX RATE;</p> <p>(B) ENHANCED DEDUCTIONS MAY BE GRANTED IN LIEU OF THE INCOME TAX HOLIDAY AND THE SPECIAL CORPORATE INCOME TAX RATE: PROVIDED, THAT IN NO CASE SHALL THE ENHANCED DEDUCTIONS BE GRANTED SIMULTANEOUSLY WITH THE SPECIAL CORPORATE INCOME TAX: <i>PROVIDED, FURTHER</i>, THAT THE FISCAL INCENTIVES REVIEW BOARD AND THE BOARD OF INVESTMENTS, SHALL PRESCRIBE THE TERMS AND CONDITIONS ON THE GRANT OF ENHANCED DEDUCTIONS UNDER SECTION 294(C), INCLUDING THE APPROPRIATE LEVEL OF PERCENTAGE OF DEDUCTIONS.</p> <p>THE FOLLOWING CONDITIONS FOR THE AVAILMENT OF EACH ENHANCED DEDUCTIONS SHALL BE COMPLIED WITH:</p> <p>(1) THE DEPRECIATION ALLOWANCE OF THE ASSETS ACQUIRED FOR THE ENTITY'S PRODUCTION OF GOODS AND SERVICES (QUALIFIED CAPITAL EXPENDITURE) SHALL BE ALLOWED FOR ASSETS THAT ARE DIRECTLY RELATED TO THE REGISTERED ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES OTHER THAN</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p data-bbox="1440 258 1946 315">ADMINISTRATIVE AND OTHER SUPPORT SERVICES;</p> <p data-bbox="1440 349 1946 588">(2) THE ADDITIONAL DEDUCTION ON THE LABOR EXPENSE SHALL NOT INCLUDE SALARIES, WAGES, BENEFITS, AND OTHER PERSONNEL COSTS INCURRED FOR MANAGERIAL, ADMINISTRATIVE, INDIRECT LABOR, AND SUPPORT SERVICES.</p> <p data-bbox="1440 622 1946 832">(3) THE ADDITIONAL DEDUCTION ON RESEARCH AND DEVELOPMENT EXPENSE SHALL ONLY APPLY TO RESEARCH AND DEVELOPMENT DIRECTLY RELATED TO THE REGISTERED PROJECT OR ACTIVITY OF THE ENTITY.</p> <p data-bbox="1440 867 1946 1199">(4) THE ADDITIONAL DEDUCTION ON TRAINING EXPENSE SHALL ONLY APPLY TO TRAININGS, AS APPROVED BY THE INVESTMENT PROMOTION AGENCIES BASED ON THE STRATEGIC INVESTMENT PRIORITY PLAN, GIVEN TO THE FILIPINO EMPLOYEES ENGAGED DIRECTLY IN THE REGISTERED BUSINESS ENTERPRISE'S PRODUCTION OF GOODS AND SERVICES.</p> <p data-bbox="1440 1234 1946 1348">(5) THE ADDITIONAL DEDUCTION ON DOMESTIC INPUT EXPENSE SHALL ONLY APPLY TO DOMESTIC INPUT THAT ARE DIRECTLY RELATED TO</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>AND ACTUALLY USED IN THE REGISTERED EXPORT PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE.</p> <p>(6) THE ADDITIONAL DEDUCTION ON POWER EXPENSE SHALL ONLY APPLY TO POWER UTILIZED FOR THE REGISTERED PROJECT OR ACTIVITY.</p> <p>(7) THE DEDUCTION FOR REINVESTMENT ALLOWANCE TO MANUFACTURING INDUSTRY SHALL BE DETERMINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>(C) THE DUTY EXEMPTION SHALL ONLY APPLY TO THE IMPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED PROJECT OR ACTIVITY BY REGISTERED BUSINESS ENTERPRISES: <i>PROVIDED, THAT</i> THE FOLLOWING CONDITIONS ARE COMPLIED WITH:</p> <p>(1) THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES ARE DIRECTLY AND REASONABLY NEEDED AND WILL BE USED EXCLUSIVELY IN AND AS PART OF THE DIRECT COST OF THE REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE, AND ARE NOT</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>PRODUCED OR MANUFACTURED DOMESTICALLY IN SUFFICIENT QUANTITY OR OF COMPARABLE QUALITY AND AT REASONABLE PRICES. PRIOR APPROVAL OF THE INVESTMENT PROMOTION AGENCY MAY BE SECURED FOR THE PART-TIME UTILIZATION OF SAID CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IN A NON-REGISTERED PROJECT OR ACTIVITY TO MAXIMIZE USAGE THEREOF: PROVIDED, THAT THE PROPORTIONATE TAXES AND DUTIES ARE PAID ON A SPECIFIC CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IN PROPORTION TO THE UTILIZATION FOR NON-REGISTERED PROJECTS OR ACTIVITIES. IN THE EVENT THAT THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES SHALL BE USED FOR A NON-REGISTERED PROJECT OR ACTIVITY OF THE REGISTERED BUSINESS ENTERPRISE AT ANY TIME WITHIN THE FIRST FIVE (5) YEARS FROM DATE OF IMPORTATION, THE REGISTERED BUSINESS ENTERPRISE SHALL FIRST SEEK PRIOR APPROVAL OF THE CONCERNED INVESTMENT PROMOTION AGENCY AND PAY THE TAXES AND CUSTOMS DUTIES THAT WERE NOT PAID UPON THE IMPORTATION; AND</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>(2) THE APPROVAL OF THE INVESTMENT PROMOTION AGENCY WAS OBTAINED BY THE REGISTERED BUSINESS ENTERPRISE PRIOR TO THE IMPORTATION OF SUCH CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES.</p> <p>APPROVAL OF THE INVESTMENT PROMOTION AGENCY MUST BE SECURED BEFORE THE SALE, TRANSFER, OR DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES WHICH WERE GRANTED TAX AND CUSTOMS DUTY EXEMPTION HEREUNDER, AND SHALL BE ALLOWED ONLY UNDER THE FOLLOWING CIRCUMSTANCES:</p> <p>(a) IF MADE TO ANOTHER ENTERPRISE AVAILING CUSTOMS DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES;</p> <p>(b) IF MADE TO ANOTHER ENTERPRISE NOT AVAILING OF DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES, UPON</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>PAYMENT OF ANY TAXES AND DUTIES DUE ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES TO BE SOLD;</p> <p>(c) EXPORTATION OF CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, ACCESSORIES, SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL; OR</p> <p>(d) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES.</p> <p>PROVIDED, THAT IF THE REGISTERED BUSINESS ENTERPRISE SELLS, TRANSFERS, OR DISPOSES THE AFOREMENTIONED IMPORTED ITEMS WITHOUT PRIOR APPROVAL, THE REGISTERED BUSINESS ENTERPRISE AND THE VENDEE, TRANSFEREE, OR ASSIGNEE SHALL BE SOLIDARILY LIABLE TO PAY TWICE THE AMOUNT OF THE DUTY EXEMPTION THAT SHOULD HAVE BEEN PAID DURING ITS IMPORTATION: PROVIDED,</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>FURTHER, THAT EVEN IF THE SALE, TRANSFER, OR DISPOSITION OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES WAS MADE AFTER FIVE (5) YEARS FROM DATE OF IMPORTATION WITH THE APPROVAL OF THE INVESTMENT PROMOTION AGENCY, THE REGISTERED BUSINESS ENTERPRISE IS STILL LIABLE TO PAY THE DUTIES BASED ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT, RAW MATERIALS, SPARE PARTS, OR ACCESSORIES IF IT HAS VIOLATED ANY OF ITS REGISTRATION TERMS AND CONDITIONS.</p> <p>(D) THE VAT EXEMPTION ON IMPORTATION AND VAT ZERO-RATING ON LOCAL PURCHASES SHALL ONLY APPLY TO GOODS AND SERVICES DIRECTLY AND EXCLUSIVELY USED IN THE REGISTERED PROJECT OR ACTIVITY BY REGISTERED BUSINESS ENTERPRISE LOCATED INSIDE AN ECOZONE OR FREEPORT.</p> <p>NOTWITHSTANDING THE PROVISIONS IN THE PRECEDING PARAGRAPHS, SALES RECEIPTS AND OTHER INCOME DERIVED FROM NON-REGISTERED PROJECT OR ACTIVITY SHALL BE SUBJECT TO APPROPRIATE TAXES IMPOSED UNDER THIS CODE.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357																
		<p>SEC. 296. <i>PERIOD OF AVAILMENT.</i> –THE PERIOD OF AVAILMENT OF INCENTIVE BY THE REGISTERED BUSINESS ENTERPRISE SHALL FOLLOW THREE CATEGORIES: A (BASIC), B (ENHANCED), AND C (ADVANCED):</p> <p>(A) INCOME TAX HOLIDAY (ITH) FOLLOWED BY SPECIAL CORPORATE INCOME TAX RATE (SCIT)</p> <table><tr><th>CATEGORY</th><th>ITH DURATION IN YEARS</th><th>SCIT DURATION IN YEARS</th><th>TOTAL IN YEARS</th></tr><tr><td>A (BASIC)</td><td>2</td><td>3</td><td>5</td></tr><tr><td>B (ENHANCED)</td><td>3</td><td>4</td><td>7</td></tr><tr><td>C (ADVANCED)</td><td>4</td><td>4</td><td>8</td></tr></table>	CATEGORY	ITH DURATION IN YEARS	SCIT DURATION IN YEARS	TOTAL IN YEARS	A (BASIC)	2	3	5	B (ENHANCED)	3	4	7	C (ADVANCED)	4	4	8
CATEGORY	ITH DURATION IN YEARS	SCIT DURATION IN YEARS	TOTAL IN YEARS															
A (BASIC)	2	3	5															
B (ENHANCED)	3	4	7															
C (ADVANCED)	4	4	8															
		<p>THE PERIOD OF AVAILMENT OF THE SPECIAL CORPORATE INCOME TAX RATE BY THE REGISTERED BUSINESS ENTERPRISE MAY BE EXTENDED BY THREE (3) OR FOUR (4) YEARS, AT ANY ONE TIME, DEPENDING ON THE CATEGORY, SUBJECT TO THE QUALIFICATIONS SET FORTH IN THE STRATEGIC INVESTMENT PRIORITY PLAN AND PERFORMANCE REVIEW BY THE FISCAL INCENTIVES REVIEW BOARD: <i>PROVIDED, THAT</i> THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED TWELVE (12) YEARS, <i>PROVIDED FURTHER</i>, THAT EXISTING REGISTERED PROJECTS OR ACTIVITIES PRIOR TO THE EFFECTIVITY OF THIS ACT MAY QUALIFY TO REGISTER UNDER</p>																

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
---	---------------------	----------------------

THIS ACT AND AVAIL OF THE SPECIAL CORPORATE INCOME TAX FOR THE PRESCRIBED PERIOD SUBJECT TO THE CRITERIA AND CONDITIONS SET FORTH IN THE STRATEGIC INVESTMENT PRIORITY PLAN.

(B) ENHANCED DEDUCTIONS

<u>CATEGORY</u>	<u>TOTAL IN YEARS</u>
A (BASIC)	5
B (ENHANCED)	7
C (ADVANCED)	8

THE PERIOD OF AVAILMENT OF ENHANCED DEDUCTION BY THE REGISTERED BUSINESS ENTERPRISE MAY BE EXTENDED BY THREE (3) OR FOUR (4) YEARS, AT ANY ONE TIME, DEPENDING ON THE CATEGORY, SUBJECT TO THE QUALIFICATIONS SET FORTH IN THE STRATEGIC INVESTMENT PRIORITY PLAN AND PERFORMANCE REVIEW BY THE FISCAL INCENTIVES REVIEW BOARD, PROVIDED, THAT THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED TWELVE (12) YEARS.

PROVIDED FURTHER, THAT THE PERIOD OF AVAILMENT OF INCENTIVES SHALL COMMENCE FROM THE ACTUAL START OF COMMERCIAL OPERATIONS WITH THE REGISTERED BUSINESS

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p data-bbox="1395 263 1946 471">ENTERPRISE AVAILING OF THE TAX INCENTIVES WITHIN THREE (3) YEARS FROM THE DATE OF REGISTRATION, UNLESS OTHERWISE PROVIDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN AND ITS CORRESPONDING GUIDELINES.</p> <p data-bbox="1395 506 1946 746">FOR THE PURPOSE OF THIS SECTION, THE DETERMINATION OF THE CATEGORY SHALL BE BASED ON BOTH LOCATION AND INDUSTRY OF THE REGISTERED PROJECT OR ACTIVITY, AND OTHER RELEVANT FACTORS AS MAY BE DEFINED IN THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p data-bbox="1395 780 1946 1329">THE LOCATION OF THE REGISTERED PROJECT OR ACTIVITY SHALL BE PRIORITIZED ACCORDING TO THE ECONOMIC LEVEL OF DEVELOPMENT AS FOLLOWS: (1) LESS DEVELOPED AREAS, AS DETERMINED BY THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY; (2) AREAS ADJACENT TO NCR WHICH INCLUDE BULACAN, CAVITE, LAGUNA AND RIZAL; (3) NCR AND OTHER MAJOR METROPOLITAN AREAS; PROVIDED THAT, FOR ALL OTHER AREAS, THE FISCAL INCENTIVES REVIEW BOARD SHALL DETERMINE THE APPLICABLE INDUSTRY TIER IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN, WHICH IS SUBJECT TO</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>REVIEW AND REVISION, EVERY THREE (3) YEARS OR AS MAY BE NEEDED.</p> <p>THE INDUSTRY OF THE REGISTERED PROJECT OR ACTIVITY SHALL BE PRIORITIZED ACCORDING TO NATIONAL INDUSTRIAL STRATEGY AS FOLLOWS, SUBJECT TO REVIEW AND REVISION EVERY THREE YEARS IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN:</p> <p>(1) TIER I ACTIVITIES SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING ACTIVITIES: AGRICULTURE, FISHING, FORESTRY AND AGRIBUSINESS ACTIVITIES, INCLUDING EMERGING MANUFACTURING AND SERVICES INDUSTRIES THAT ARE INNOVATING, UPGRADING AND MOVING UP THE VALUE CHAIN, AS WELL AS INFRASTRUCTURE, TRANSPORTATION, UTILITIES AND LOGISTICS THAT ARE CRUCIAL TO THE COUNTRY'S INDUSTRIALIZATION;</p> <p>(2) TIER II ACTIVITIES SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING ACTIVITIES: ACTIVITIES THAT PRODUCE SUPPLIES, PARTS AND COMPONENTS THAT ARE NOT LOCALLY PRODUCED OR MANUFACTURED BUT ARE CRITICAL TO INDUSTRIAL</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p data-bbox="1440 263 1946 381">DEVELOPMENT AND IMPORT-SUBSTITUTING ACTIVITIES OPERATING UNDER HIGH-CONTESTABLE MARKETS; AND</p> <p data-bbox="1440 417 1946 835">(3) TIER III ACTIVITIES SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING ACTIVITIES: HIGHLY TECHNICAL MANUFACTURING AND SERVICES ACTIVITIES THAT INDISPENSABLY REQUIRES THE EMPLOYMENT OF KNOWLEDGE, MODERN SCIENCE, ENGINEERING, AND RESEARCH IN THE PROCESS OF PRODUCTION OF GOODS AND SERVICES, RESULTING IN DEMONSTRABLY SIGNIFICANT VALUE-ADDED AND HIGH PAYING JOBS.</p> <p data-bbox="1395 871 1946 1235">THE COMBINATION OF BOTH LOCATION AND INDUSTRY PRIORITIES SHALL DETERMINE THE CATEGORY OF INCENTIVE AS INDICATED HEREIN. THE FISCAL INCENTIVES REVIEW BOARD AND THE BOARD OF INVESTMENTS, SHALL REVIEW, AND REVISE, EVERY THREE (3) YEARS OR AS MAY BE NEEDED, THE LOCATION AND INDUSTRY PRIORITIES IN ACCORDANCE WITH THE STRATEGIC INVESTMENT PRIORITY PLAN.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357			
		LOCATION/ INDUSTRY TIERS	TIER I	TIER II	TIER III
		NCR AND OTHER METROPO- LITAN AREAS	A	B	C
		AREAS ADJACENT TO NCR (BULACAN, CAVITE, LAGUNA, AND RIZAL)	B	B	C
		LESS DEVELOPED AREAS	C	C	C
<p>SEC. 295. INCENTIVES FOR AGRIBUSINESS. – AGRIBUSINESS PROJECTS OR ACTIVITIES OF REGISTERED ENTERPRISES LOCATED OUTSIDE METRO MANILA AND OTHER URBAN AREAS AS IDENTIFIED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE ENTITLED TO ADDITIONAL THREE (3) YEARS OF INCENTIVE UNDER SECTION 294, OF WHICH TWO (2) YEARS MAY BE ADDITIONAL YEARS OF INCOME TAX HOLIDAY.</p>					

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>SEC. 296. PROJECTS OR ACTIVITIES LOCATED IN AREAS RECOVERING FROM ARMED CONFLICT OR A MAJOR DISASTER. – PROJECTS OR ACTIVITIES OF REGISTERED ENTERPRISES LOCATED IN AREAS RECOVERING FROM ARMED CONFLICT OR A MAJOR DISASTER AS DETERMINED BY THE OFFICE OF THE PRESIDENT SHALL BE ENTITLED TO ADDITIONAL THREE (3) YEARS OF INCENTIVE UNDER SECTION 294, OF WHICH TWO (2) YEARS MAY BE AN ADDITIONAL YEAR OF INCOME TAX HOLIDAY.</p> <p>SEC. 297. RELOCATION PROJECTS OR ACTIVITIES. – PRIOR TO THE EFFECTIVITY OF THIS ACT, REGISTERED PROJECTS OR ACTIVITIES RELOCATING FROM METRO MANILA AND SELECTED URBANIZED AREAS ADJACENT TO METRO MANILA TO OTHER AREAS OF THE COUNTRY SHALL BE ENTITLED TO ADDITIONAL THREE (3) YEARS OF INCENTIVE UNDER SECTION 294, OF WHICH TWO (2) YEARS MAY BE AN ADDITIONAL YEAR OF INCOME TAX HOLIDAY.</p> <p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">THE FISCAL INCENTIVES REVIEW BOARD</p> <p>SEC. 298. EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FUNCTIONS AND POWERS OF THE FISCAL INCENTIVES REVIEW BOARD</p>	<p style="text-align: center;">CHAPTER III</p> <p style="text-align: center;">THE FISCAL INCENTIVES REVIEW BOARD</p> <p>SEC. 297. EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FUNCTIONS AND POWERS OF THE FISCAL INCENTIVES REVIEW BOARD</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>CREATED UNDER PRESIDENTIAL DECREE NO. 776, AS AMENDED BY PRESIDENTIAL DECREE NO. 1931 AND PRESIDENTIAL DECREE NO. 1955; OFFICE OF THE PRESIDENT MEMORANDUM ORDER NO. 23, SERIES OF 1986; AND EXECUTIVE ORDER NO. 93, SERIES OF 1986, SHALL BE EXPANDED AS FOLLOWS:</p> <p>(A) TO EXERCISE POLICY MAKING AND OVERSIGHT FUNCTIONS OVER THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES, THE FISCAL INCENTIVES REVIEW BOARD SHALL:</p> <p>(1) SET AND REVIEW THE GENERAL POLICY WITH REGARD TO THE GRANT OF FISCAL INCENTIVES;</p> <p>(2) REVIEW AND AUDIT THE COMPLIANCE OF INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES TO THE GENERAL POLICY ON INCENTIVES SET BY THE FISCAL INCENTIVES REVIEW BOARD AS MANDATED IN THIS ACT, THE STRATEGIC INVESTMENT PRIORITY PLAN, AND THE RESPECTIVE CHARTERS OF THE INVESTMENT PROMOTION</p>	<p>CREATED UNDER PRESIDENTIAL DECREE (PD) NO. 776, AS AMENDED, SHALL BE EXPANDED AS FOLLOWS:</p> <p>(A) TO EXERCISE POLICY MAKING AND OVERSIGHT FUNCTIONS ON THE ADMINISTRATION AND GRANT OF TAX INCENTIVES BY THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES. IN PARTICULAR, THE FISCAL INCENTIVES REVIEW BOARD SHALL:</p> <p>(1) DETERMINE THE TARGET PERFORMANCE METRICS AS CONDITIONS TO AVAIL OF TAX INCENTIVES;</p> <p>(2) REVIEW AND AUDIT THE COMPLIANCE OF INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, WITH RESPECT TO THE ADMINISTRATION AND GRANT OF TAX INCENTIVES AND IMPOSE SANCTIONS SUCH AS BUT NOT LIMITED TO WITHDRAWAL, SUSPENSION, OR CANCELANATION OF</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>AGENCIES AND OTHER GOVERNMENT AGENCIES; AND IMPOSE SANCTIONS ON VIOLATION OR NONCOMPLIANCE OF INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES SUCH AS BUT NOT LIMITED TO SUSPENSION OR CANCELLATION OF THEIR POWER TO GRANT FISCAL INCENTIVES;</p> <p>(3) DETERMINE THE MINIMUM CONTIGUOUS FLOOR AREA THAT ECONOMIC ZONES SHOULD COMPLY WITH IN THE CASE OF VERTICAL ZONES SUCH AS BUT NOT LIMITED TO BUILDINGS, SELECTED FLOORS WITHIN BUILDINGS, AND SELECTED AREAS ON A FLOOR;</p> <p>(4) CONDUCT REGULAR MONITORING AND EVALUATION OF INVESTMENT AND NON-INVESTMENT FISCAL INCENTIVES, SUCH AS USING COST BENEFIT ANALYSIS, TO DETERMINE THEIR IMPACT ON THE ECONOMY AND WHETHER AGREED PERFORMANCE TARGETS ARE MET; AND</p> <p>(5) CHECK AND VERIFY REGULARLY THE COMPLIANCE OF REGISTERED BUSINESS ENTERPRISES WHICH ARE GRANTED FISCAL INCENTIVES WITH</p>	<p>THEIR POWER TO GRANT TAX INCENTIVES;</p> <p>(3) DETERMINE THE MINIMUM CONTIGUOUS LAND AREA THAT VERTICAL ECONOMIC ZONES SHOULD COMPLY WITH;</p> <p>(4) CONDUCT REGULAR MONITORING AND EVALUATION OF INVESTMENT AND NON-INVESTMENT TAX INCENTIVES, SUCH AS USING COST-BENEFIT ANALYSIS (CBA) TO DETERMINE THEIR IMPACT ON THE ECONOMY AND WHETHER AGREED PERFORMANCE TARGETS ARE MET; AND</p> <p>(5) CHECK AND VERIFY, AS NECESSARY, THE COMPLIANCE OF REGISTERED BUSINESS ENTERPRISES WITH THE TERMS</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>THE TERMS AND CONDITIONS OF THEIR AVAILMENT, THE RELEVANT PROVISIONS AND RULES AND REGULATIONS OF THIS ACT, AND OTHER RELEVANT LAWS OR ISSUANCES;</p> <p>(B) TO APPROVE OR DISAPPROVE THE GRANT OF FISCAL INCENTIVES TO THE EXTENT OF THE REGISTERED ACTIVITY UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY BOARD: <i>PROVIDED</i>, THAT THE APPLICATION FOR TAX INCENTIVES SHALL BE DEEMED APPROVED IF NOT DECIDED UPON BY THE FISCAL INCENTIVES REVIEW BOARD AFTER FORTY-FIVE (45) DAYS UPON APPLICATION FOR TAX INCENTIVES;</p>	<p>AND CONDITIONS OF THEIR AVAILMENT, IN PARTICULAR THE AGREED TARGET PERFORMANCE METRICS, RULES AND REGULATIONS OF THIS ACT, AND OTHER RELEVANT LAWS OR ISSUANCES;</p> <p>(B) TO APPROVE OR DISAPPROVE, THE GRANT OF TAX INCENTIVES TO THE EXTENT OF THE REGISTERED PROJECT OR ACTIVITY UPON THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY: <i>PROVIDED, THAT</i> THE APPLICATION FOR TAX INCENTIVES SHALL BE DEEMED APPROVED IF NOT DECIDED UPON BY THE FISCAL INCENTIVES REVIEW BOARD AFTER FORTY-FIVE (45) WORKING DAYS FROM THE SUBMISSION OF THE INVESTMENT PROMOTION AGENCY RECOMMENDATION TO THE FISCAL INCENTIVES REVIEW BOARD: <i>PROVIDED FURTHER, THAT</i> THE FISCAL INCENTIVES REVIEW BOARD MAY DELEGATE THE GRANT OF TAX INCENTIVES TO THE TECHNICAL COMMITTEE OF THE FISCAL INCENTIVES REVIEW BOARD OR TO THE CONCERNED INVESTMENT PROMOTION AGENCY: <i>PROVIDED FINALLY, THAT</i> THE FIRB SHALL PRESCRIBE THE CONDITIONS ON THE DELEGATION OF APPROVAL OF TAX INCENTIVES.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES;</p> <p>(D) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF FISCAL INCENTIVES OF CONCERNED REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES, AND ENDORSE THE SAME TO THE CONCERNED REVENUE AGENCIES FOR ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE, INCLUDING FINES OR PENALTIES, IF WARRANTED, FOR THE FOLLOWING REASONS: (1) FAILURE TO MAINTAIN THE QUALIFICATIONS REQUIRED BY THE</p>	<p>FOR THIS PURPOSE, THE INVESTMENT PROMOTION AGENCY CONCERNED SHALL ENSURE COMPLETE SUBMISSION OF APPLICATIONS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL TO ITS RECOMMENDATION.</p> <p>(C) TO APPROVE APPLICATIONS FOR TAX SUBSIDIES TO GOVERNMENT OWNED AND CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES</p> <p>FOR THIS PURPOSE, THE OTHER GOVERNMENT AGENCIES SHALL ENSURE COMPLETE SUBMISSION OF APPLICATIONS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL;</p> <p>(D) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF FISCAL INCENTIVES OF CONCERNED REGISTERED BUSINESS ENTERPRISES FOR VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF FISCAL INCENTIVES, INCLUDING BUT NOT LIMITED TO, THE NON-COMPLIANCE OF THE AGREED PERFORMANCE COMMITMENTS OR NON-SUBMISSION OF REQUIRED REPORTS, AND ENDORSE REGISTERED BUSINESS ENTERPRISES WHOSE</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>CONCERNED INVESTMENT PROMOTION AGENCY OR BY THE FISCAL INCENTIVES REVIEW BOARD FOR AVAILMENT OF INCENTIVES; AND (2) VIOLATION OF ANY PROVISIONS OF THIS ACT, RULES AND REGULATIONS ISSUED UNDER THE RESPECTIVE CHARTERS OF THE INVESTMENT PROMOTION AGENCIES, OR OF THE TERMS AND CONDITIONS OF REGISTRATION;</p> <p>(E) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF TAX SUBSIDY OF CONCERNED GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES AND ENDORSE THE SAME TO THE CONCERNED REVENUE AGENCIES FOR ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE, INCLUDING FINES OR PENALTIES, IF WARRANTED, FOR VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF TAX SUBSIDY, OR PROVISIONS OF THIS ACT, OR APPLICABLE RULES;</p> <p>(F) TO REQUIRE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES TO SUBMIT, REGULARLY OR WHEN NECESSARY, SUMMARIES OF APPROVED INVESTMENT AND INCENTIVES</p>	<p>INCENTIVES ARE CANCELLED, SUSPENDED, OR WITHDRAWN TO THE CONCERNED REVENUE AGENCIES FOR THE ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE COMMENCING FROM THE FIRST YEAR OF AVAILMENT;</p> <p>(E) TO CANCEL, SUSPEND, OR WITHDRAW THE ENJOYMENT OF TAX SUBSIDY OF CONCERNED GOVERNMENT OWNED AND CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES AND, WHEN NECESSARY, ENDORSE THE SAME TO THE CONCERNED REVENUE AGENCIES FOR ASSESSMENT AND COLLECTION OF TAXES AND DUTIES DUE, INCLUDING FINES OR PENALTIES, IF WARRANTED, FOR VIOLATIONS OF ANY OF THE CONDITIONS IMPOSED IN THE GRANT OF TAX SUBSIDY, OR PROVISIONS OF THIS ACT, OR APPLICABLE RULES;</p> <p>(F) TO REQUIRE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES TO SUBMIT, REGULARLY OR WHEN REQUESTED, SUMMARIES OF</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>GRANTED, AND FIRM- OR ENTITY-LEVEL FISCAL INCENTIVES AND BENEFITS DATA AS INPUT TO THE FISCAL INCENTIVES REVIEW BOARD'S REVIEW AND AUDIT FUNCTION AND EVALUATION OF PERFORMANCE OF RECIPIENTS OF FISCAL INCENTIVES;</p> <p>(G) TO PUBLISH THE NAMES OF THE REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES WITH DETAILED ESTIMATED AMOUNT OF FISCAL INCENTIVES, TAX PAYMENTS, AND OTHER RELATED INFORMATION, INCLUDING BENEFITS DATA;</p> <p>(H) TO REQUIRE THE SUBMISSION AND PRODUCTION OF DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL TO THE EVALUATION OF APPLICATION FOR FISCAL INCENTIVES AND TAX SUBSIDIES, FROM INVESTMENT PROMOTION AGENCIES, OTHER GOVERNMENT AGENCIES, REGISTERED BUSINESS ENTERPRISES, OTHER REGISTERED ENTITIES, GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, AND STATE UNIVERSITIES AND COLLEGES, LOCAL GOVERNMENT UNITS, AMONG OTHERS;</p>	<p>APPROVED INVESTMENT AND INCENTIVES GRANTED, AND FIRM- OR ENTITY-LEVEL TAX INCENTIVES AND BENEFITS DATA AS INPUT TO THE FISCAL INCENTIVES REVIEW BOARD'S REVIEW AND AUDIT FUNCTION, AND EVALUATION OF PERFORMANCE OF RECIPIENTS OF TAX INCENTIVES;</p> <p>(G) TO PUBLISH REGULARLY, PER INDUSTRY GROUP, THE DATA PERTAINING TO THE AMOUNT OF TAX INCENTIVES, TAX PAYMENTS, AND OTHER RELATED INFORMATION, INCLUDING BENEFITS DATA;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(I) TO OBTAIN INFORMATION, SUMMON, EXAMINE, INQUIRE AND RECEIVE FROM INVESTMENT PROMOTION AGENCIES, OTHER GOVERNMENT AGENCIES, REGISTERED BUSINESS ENTERPRISES, OTHER REGISTERED ENTITIES, GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, GOVERNMENT INSTRUMENTALITIES, GOVERNMENT COMMISSARIES, STATE UNIVERSITIES AND COLLEGES, AND LOCAL GOVERNMENT UNITS, DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL TO THE RESOLUTION OF ISSUES ARISING FROM THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL OR FORFEITURE OF FISCAL INCENTIVES OR TAX SUBSIDY, OR IN IMPOSING PENALTIES FOR VIOLATIONS OF THE TERMS AND CONDITIONS ON THE AVAILMENT OF FISCAL INCENTIVES AND TAX SUBSIDY, OR ANY OF THE PROVISIONS OF THIS ACT;</p> <p>(J) TO SUBMIT ANNUAL REPORTS TO THE OFFICE OF THE PRESIDENT, AS PART OF THE BUDGET PROCESS COVERING ITS POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON FISCAL INCENTIVE POLICIES AND APPROVAL OF FISCAL INCENTIVES;</p>	<p>(H) TO OBTAIN INFORMATION, SUMMON, EXAMINE, INQUIRE AND RECEIVE FROM OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, GOVERNMENT OWNED AND CONTROLLED CORPORATIONS (GOCCS), GOVERNMENT INSTRUMENTALITIES (GIS), GOVERNMENT COMMISSARIES, STATE UNIVERSITIES AND COLLEGES (SUCS), AND LOCAL GOVERNMENT UNITS (LGUS), DOCUMENTS, RECORDS, BOOKS, OR OTHER DATA RELEVANT OR MATERIAL TO THE RESOLUTION OF ISSUES ARISING FROM THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL OR FORFEITURE OF TAX SUBSIDY, OR IN IMPOSING PENALTIES FOR VIOLATIONS OF THE TERMS AND CONDITIONS ON THE AVAILMENT OF TAX SUBSIDY, OR ANY OF THE PROVISIONS OF THIS ACT;</p> <p>(I) TO SUBMIT ANNUAL REPORTS TO THE OFFICE OF THE PRESIDENT, AS PART OF THE BUDGET PROCESS, COVERING ITS POLICY AND ACTIVITIES IN THE ADMINISTRATION OF THIS ACT, INCLUDING RECOMMENDATIONS ON TAX INCENTIVE POLICIES AND APPROVAL OF TAX INCENTIVES;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(K) TO SUBMIT TO CONGRESS MONTHLY REPORTS ON APPROVALS, DISAPPROVALS, CANCELLATIONS, SUSPENSIONS, AND WITHDRAWALS OF FISCAL INCENTIVES IN ACCORDANCE WITH THIS ACT, INCLUDING THE METHODOLOGY UTILIZED IN RECOMMENDING THE SAME;</p> <p>(L) TO FIX AND IMPOSE REASONABLE FEES AND CHARGES FOR THE PROCESSING OF APPLICATIONS FOR FISCAL INCENTIVES OR TAX SUBSIDIES: <i>PROVIDED</i>, THAT THE PROCEEDS THEREOF SHALL ACCRUE DIRECTLY AND AUTOMATICALLY TO THE FISCAL INCENTIVES REVIEW BOARD;</p> <p>(M) TO EXERCISE ALL OTHER POWERS NECESSARY OR INCIDENTAL TO ATTAIN THE PURPOSES OF THIS ACT AND OTHER LAWS VESTING ADDITIONAL FUNCTIONS ON THE FISCAL INCENTIVES REVIEW BOARD; AND</p> <p>(N) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY</p>	<p>(J) TO DECIDE ON ISSUES, AFTER DUE HEARING, CONCERNING THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL, OR FORFEITURE OF TAX INCENTIVES OR TAX SUBSIDY IN ACCORDANCE WITH THIS ACT;</p> <p>(L) TO EXERCISE ALL OTHER POWERS NECESSARY OR INCIDENTAL TO ATTAIN THE PURPOSES OF THIS ACT AND OTHER LAWS VESTING ADDITIONAL FUNCTIONS ON THE FISCAL INCENTIVES REVIEW BOARD.</p> <p>(K) TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION.</p> <p><i>PROVIDED, THAT THE FISCAL INCENTIVES REVIEW BOARD PROPER SHALL DECIDE ON ISSUES, AFTER DUE HEARING, CONCERNING THE APPROVAL, DISAPPROVAL, CANCELLATION, SUSPENSION, WITHDRAWAL OR FORFEITURE OF FISCAL INCENTIVES OR TAX SUBSIDY IN ACCORDANCE WITH THIS ACT.</i></p> <p><i>PROVIDED, FURTHER, THAT THE SECRETARY OF FINANCE SHALL AUTOMATICALLY BE THE CO-CHAIR OF ALL THE EXISTING AND FUTURE INVESTMENT PROMOTION AGENCIES.</i></p> <p><i>PROVIDED, FINALLY, THAT THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY AND THE DEPARTMENT OF TRADE AND INDUSTRY SHALL BE MEMBERS OF ALL THE EXISTING AND FUTURE INVESTMENT PROMOTION AGENCIES.</i></p> <p><i>SEC. 299. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:</i></p>	<p>TO IMPLEMENT THE INTENT AND PROVISIONS OF THIS SECTION; AND</p> <p><i>SEC. 298. COMPOSITION OF THE FISCAL INCENTIVES REVIEW BOARD. – THE FISCAL INCENTIVES REVIEW BOARD SHALL BE RECONSTITUTED AS FOLLOWS:</i></p>

NIRC OF 1997, AS AMENDED BY RA 11467		HOUSE BILL NO. 4157		SENATE BILL NO. 1357	
		BOARD PROPER:		BOARD PROPER:	
		CHAIRPERSON	- SECRETARY OF FINANCE	CHAIRPERSON	- SECRETARY OF FINANCE
		MEMBERS	- SECRETARY OF TRADE AND INDUSTRY - DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY - SECRETARY OF BUDGET AND MANAGEMENT - EXECUTIVE SECRETARY OF THE OFFICE OF THE PRESIDENT	CO- CHAIRPERSON	- SECRETARY OF TRADE AND INDUSTRY
				MEMBERS	- SECRETARY OF THE OFFICE OF THE PRESIDENT - SECRETARY OF BUDGET AND MANAGEMENT - DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
		TECHNICAL COMMITTEE:		TECHNICAL COMMITTEE:	
		CHAIRPERSON	- UNDERSECRETARY OF FINANCE	CHAIRPERSON	- UNDERSECRETARY OF FINANCE
		MEMBERS	- UNDERSECRETARY OF TRADE AND INDUSTRY AND BOARD OF INVESTMENTS MANAGING HEAD - UNDERSECRETARY OF BUDGET AND MANAGEMENT	MEMBERS	- UNDERSECRETARY OR ASSISTANT SECRETARY OF THE OFFICE OF THE EXECUTIVE SECRETARY - UNDERSECRETARY OF TRADE AND INDUSTRY AND

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<ul style="list-style-type: none"> - DEPUTY DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY - COMMISSIONER OF INTERNAL REVENUE - COMMISSIONER OF CUSTOMS - EXECUTIVE DIRECTOR OF THE NATIONAL TAX RESEARCH CENTER 	<ul style="list-style-type: none"> BOARD OF INVESTMENTS MANAGING HEAD OR ASSISTANT SECRETARY OF TRADE AND INDUSTRY - UNDERSECRETARY OR ASSISTANT SECRETARY OF BUDGET AND MANAGEMENT - DEPUTY OR ASSISTANT DIRECTOR GENERAL OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY - COMMISSIONER OR DEPUTY COMMISSIONER OF INTERNAL REVENUE - COMMISSIONER OR DEPUTY COMMISSIONER OF CUSTOMS
	SECRETARIAT - NATIONAL TAX RESEARCH CENTER	SECRETARIAT - THE SECRETARIAT SHALL BE HEADED BY AN ASSISTANT SECRETARY OF FINANCE AND SHALL BE STAFFED

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		BY THE NATIONAL TAX RESEARCH CENTER
		SEC. 299. <i>STRUCTURE AND STAFFING PATTERN.</i> – THE FISCAL INCENTIVES REVIEW BOARD SECRETARIAT SHALL DETERMINE ITS ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN, AND CREATE SUCH SERVICES, DIVISIONS, AND UNITS, AS IT MAY REQUIRE OR DEEM NECESSARY, SUBJECT TO THE APPROVAL BY THE DEPARTMENT OF BUDGET AND MANAGEMENT.
	CHAPTER IV QUALIFIED ACTIVITIES FOR TAX INCENTIVES	CHAPTER IV QUALIFIED PROJECTS OR ACTIVITIES FOR TAX INCENTIVES
	SEC. 300. <i>STRATEGIC INVESTMENT PRIORITY PLAN.</i> – THE BOARD OF INVESTMENTS SHALL, IN COORDINATION WITH THE OFFICE OF THE PRESIDENT, THE FISCAL INCENTIVES REVIEW BOARD, THE CONCERNED INVESTMENT PROMOTION AGENCIES, AND OTHER GOVERNMENT AGENCIES AND THE PRIVATE SECTOR, FORMULATE THE STRATEGIC INVESTMENT PRIORITY PLAN TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL NOT LATER THAN DECEMBER OF THE THIRD YEAR SET FOR PERIODIC REVIEW. THE PLAN SHALL BE VALID FOR A PERIOD OF	SEC. 300. <i>STRATEGIC INVESTMENT PRIORITY PLAN.</i> – THE BOARD OF INVESTMENTS, IN COORDINATION WITH THE FISCAL INCENTIVES REVIEW BOARD, INVESTMENT PROMOTION AGENCIES, OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, AND THE PRIVATE SECTOR, SHALL FORMULATE THE STRATEGIC INVESTMENT PRIORITY PLAN TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL. THE PLAN SHALL BE VALID FOR A PERIOD OF THREE (3) YEARS SUBJECT TO REVIEW AND AMENDMENT AS THE NEED ARISES.

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>THREE (3) YEARS SUBJECT TO REVIEW AND AMENDMENT AS THE NEED ARISES. ALL SECTORS OR INDUSTRIES THAT MAY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL UNDERGO AN EVALUATION PROCESS TO DETERMINE THE SUITABILITY AND POTENTIAL OF THE INDUSTRY OR THE SECTOR IN PROMOTING LONG-TERM GROWTH AND DEVELOPMENT, AND THE NATIONAL INTEREST.</p> <p>THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL:</p> <p>(A) INCLUDE ACTIVITIES THAT COMPLY WITH THE FOLLOWING:</p> <p>(1) BE COVERED BY THE PHILIPPINE DEVELOPMENT PLAN OR ITS EQUIVALENT AND OTHER GOVERNMENT PROGRAMS;</p> <p>(2) TAKE INTO ACCOUNT ANY OF THE FOLLOWING:</p> <p>(i) SUBSTANTIAL AMOUNT OF INVESTMENTS;</p> <p>(ii) CONSIDERABLE GENERATION OF EMPLOYMENT;</p> <p>(iii) ADOPTION OF INCLUSIVE BUSINESS ACTIVITIES AND</p>	<p>THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL CONTAIN THE FOLLOWING:</p> <p>(A) PRIORITY PROJECTS OR ACTIVITIES THAT ARE INCLUDED IN THE PHILIPPINE DEVELOPMENT PLAN OR ITS EQUIVALENT, OR OTHER GOVERNMENT PROGRAMS, TAKING INTO ACCOUNT ANY OF THE FOLLOWING:</p> <p>(1) SUBSTANTIAL AMOUNT OF INVESTMENTS;</p> <p>(2) CONSIDERABLE GENERATION OF EMPLOYMENT;</p> <p>(3) CONSIDERABLE AMOUNT OF NET EXPORTS;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>VALUE-ADDING PRODUCTION BY MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES;</p> <p>(iv) USE OF MODERN OR NEW TECHNOLOGY;</p> <p>(v) ADOPTION OF ADEQUATE ENVIRONMENTAL PROTECTION SYSTEMS;</p> <p>(vi) ADDRESSING MISSING GAPS IN THE SUPPLY/VALUE CHAIN OR MOVING UP THE VALUE CHAIN OR PRODUCT LADDER;</p> <p>(vii) PROMOTION OF MARKET COMPETITIVENESS OR;</p> <p>(viii) EXPORT OF AT LEAST SEVENTY PERCENT (70%) OF PRODUCTS OR SERVICES FROM ITS REGISTERED ACTIVITY.</p> <p>(B) IDENTIFY AGRIBUSINESS ACTIVITIES, THE LESS DEVELOPED AREAS OR THOSE RECOVERING FROM ARMED CONFLICT OR A MAJOR DISASTER;</p>	<p>(4) USE OF MODERN, ADVANCE, OR NEW TECHNOLOGY;</p> <p>(5) ADOPTION OF ADEQUATE ENVIRONMENTAL PROTECTION SYSTEMS AND SUSTAINABILITY STRATEGIES;</p> <p>(6) ADDRESSING MISSING GAPS IN THE SUPPLY OR VALUE CHAIN OR OTHERWISE MOVING UP THE VALUE CHAIN OR PRODUCT LADDER; OR</p> <p>(7) PROMOTION OF MARKET COMPETITIVENESS.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(C) DETERMINE SERVICES AND ACTIVITIES THAT CAN SPUR REGIONAL OR GLOBAL OPERATIONS IN THE COUNTRY; AND</p> <p>(D) INCLUDE EXISTING REGISTERED PROJECTS OR ACTIVITIES THAT SHALL RELOCATE FROM METRO MANILA TO OTHER AREAS OF THE COUNTRY.</p> <p>THE ACTIVITIES MUST COMPLY WITH THE SPECIFIC QUALIFICATION REQUIREMENTS OR CONDITIONS FOR A PARTICULAR SECTOR OR INDUSTRY AND OTHER LIMITATIONS AS SET AND DETERMINED BY THE BOARD OF INVESTMENTS.</p> <p>THE THRESHOLD AMOUNT OF INVESTMENTS AND EMPLOYMENT GENERATION REQUIRED FOR A SPECIFIC ACTIVITY SHALL BE SUBJECT TO A PERIODIC REVIEW EVERY THREE (3) YEARS TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS AND OTHER INDICATORS.</p>	<p>(B) SCOPE AND COVERAGE OF LOCATION AND INDUSTRY TIERS IN SECTION 296;</p> <p>(C) TERMS AND CONDITIONS ON THE GRANT OF ENHANCED DEDUCTIONS UNDER SECTION 294 (C), INCLUDING THE</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p data-bbox="1395 263 1948 318">APPROPRIATE LEVEL OF PERCENTAGE OF DEDUCTIONS; AND</p> <p data-bbox="1395 357 1948 443">(D) SERVICES AND ACTIVITIES THAT CAN PROMOTE REGIONAL AND GLOBAL OPERATIONS IN THE COUNTRY.</p> <p data-bbox="1395 482 1948 929">ALL SECTORS OR INDUSTRIES THAT MAY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL UNDERGO AN EVALUATION PROCESS TO DETERMINE THE SUITABILITY AND POTENTIAL OF THE INDUSTRY OR THE SECTOR IN PROMOTING LONG-TERM GROWTH AND SUSTAINABLE DEVELOPMENT, AND THE NATIONAL INTEREST. IN NO CASE SHALL A SECTOR OR INDUSTRY BE INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN UNLESS IT IS SUPPORTED BY A FORMAL EVALUATION PROCESS OR REPORT.</p> <p data-bbox="1395 969 1948 1353">THE PROJECTS OR ACTIVITIES MUST COMPLY WITH THE SPECIFIC QUALIFICATION REQUIREMENTS OR CONDITIONS FOR A PARTICULAR SECTOR OR INDUSTRY AND OTHER LIMITATIONS AS SET AND DETERMINED BY THE BOARD OF INVESTMENTS, AND IN COORDINATION WITH THE FISCAL INCENTIVES REVIEW BOARD. IN NO CASE SHALL THE INVESTMENT PROMOTION AGENCIES ACCEPT APPLICATIONS UNLESS THE PROJECT OR ACTIVITY IS LISTED IN THE</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>SEC. 301. POWER OF THE PRESIDENT TO GRANT OR DENY INCENTIVES. – THE PRESIDENT MAY, IN THE INTEREST OF NATIONAL ECONOMIC DEVELOPMENT AND UPON THE RECOMMENDATION OF THE FISCAL INCENTIVES REVIEW BOARD, GRANT OR DENY INCENTIVES IN ADDITION TO THOSE THAT ARE PROVIDED UNDER THIS CODE, INCLUDING A LONGER PERIOD, TO HIGHLY DESIRABLE PROJECTS: <i>PROVIDED</i>, THAT THE BENEFITS THAT THE GOVERNMENT MAY DERIVE FROM SUCH INVESTMENT THERETO ARE CLEAR AND CONVINCING AND FAR OUTWEIGH THE COST OF INCENTIVES THAT WILL BE GRANTED.</p> <p>(A) CRITERIA FOR AVAILMENT. – THE FISCAL INCENTIVES REVIEW BOARD SHALL CONSIDER THE FOLLOWING CRITERIA IN DETERMINING THE TYPES OF INCENTIVES AND THE DURATION THEREOF THAT MAY BE GRANTED BY THE PRESIDENT:</p>	<p>STRATEGIC INVESTMENT PRIORITY PLAN. PROJECTS OR ACTIVITIES NOT LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE AUTOMATICALLY DISAPPROVED.</p> <p>SEC. 301. POWER OF THE PRESIDENT TO GRANT INCENTIVES – NOTWITHSTANDING THE PROVISIONS OF SECTIONS 295 AND 296, THE PRESIDENT MAY, IN THE INTEREST OF NATIONAL ECONOMIC DEVELOPMENT AND UPON THE RECOMMENDATION OF THE FISCAL INCENTIVES REVIEW BOARD, MODIFY THE PERIOD OR MANNER OF AVAILMENT OF INCENTIVES PROVIDED UNDER THIS CODE FOR ANY HIGHLY DESIRABLE PROJECT: <i>PROVIDED, THAT</i> THE TOTAL PERIOD OF INCENTIVE AVAILMENT SHALL NOT EXCEED FORTY (40) YEARS.</p> <p>IN DETERMINING IF A PROJECT OR ACTIVITY IS A HIGHLY DESIRABLE PROJECT, THE FISCAL INCENTIVES REVIEW BOARD SHALL DETERMINE WHETHER THE BENEFITS THAT THE GOVERNMENT MAY DERIVE FROM SUCH INVESTMENT ARE CLEAR AND CONVINCING AND FAR OUTWEIGH THE COST OF INCENTIVES THAT WILL BE GRANTED.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		IN RECOMMENDING THE MODIFIED PERIOD OR MANNER OF AVAILMENT OF INCENTIVES, THE FISCAL INCENTIVES REVIEW BOARD SHALL CONSIDER THE FOLLOWING:
	(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES AND INNOVATIONS; OR	(1) THE PROJECT HAS A COMPREHENSIVE SUSTAINABLE DEVELOPMENT PLAN WITH CLEAR INCLUSIVE BUSINESS APPROACHES AND INNOVATIONS; AND
	(2) MINIMUM INVESTMENT OF TWO HUNDRED MILLION US DOLLARS (US\$200,000,000) OR A MINIMUM DIRECT EMPLOYMENT GENERATION OF AT LEAST ONE THOUSAND FIVE HUNDRED (1,500) WITHIN THREE (3) YEARS FROM THE START OF COMMERCIAL OPERATION.	(2) MINIMUM PAID UP CAPITAL OF ONE BILLION US DOLLARS (USD 1,000,000,000) OR A MINIMUM DIRECT LOCAL EMPLOYMENT GENERATION OF AT LEAST TEN THOUSAND (10,000) WITHIN THREE (3) YEARS FROM THE ISSUANCE OF THE CERTIFICATE OF ENTITLEMENT.
	THE THRESHOLD SHALL BE SUBJECT TO A PERIODIC REVIEW EVERY THREE (3) YEARS TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS AND OTHER INDICATORS.	PROVIDED, THAT, THE THRESHOLD SHALL BE SUBJECT TO A PERIODIC REVIEW BY THE FISCAL INCENTIVES REVIEW BOARD EVERY THREE (3) YEARS, TAKING INTO CONSIDERATION INTERNATIONAL STANDARDS OR OTHER ECONOMIC INDICATORS. PROVIDED, FURTHER, THAT IF THE PROJECTED IMPACT ON THE ECONOMY AND AGREED PERFORMANCE TARGETS ARE NOT MET BY THE PROJECT, THE FISCAL INCENTIVES REVIEW BOARD SHALL RECOMMEND TO THE PRESIDENT THE CANCELLATION OF THE

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(3) IN THE CASE OF A FREEPORT ZONE, THE FISCAL INCENTIVES REVIEW BOARD SHALL ASSESS THE TOTALITY OF ALL ECONOMIC ACTIVITIES WITHIN ITS JURISDICTION.</p> <p>THE FISCAL INCENTIVES REVIEW BOARD MAY IMPOSE OTHER TERMS AND CONDITIONS TAKING INTO CONSIDERATION THE AMOUNT OR KIND OF INCENTIVES THAT WILL BE GRANTED TO SUCH INVESTMENTS.</p> <p>(B) <i>USE OF RESOURCES.</i> – IN THE EXERCISE OF THE POWER OF THE PRESIDENT TO GRANT INCENTIVES, THE GOVERNMENT MAY UTILIZE ITS RESOURCES SUCH AS LAND USE, WATER APPROPRIATION, POWER PROVISION, AMONG OTHERS, AS MAY BE IDENTIFIED BY THE BOARD OF INVESTMENTS.</p> <p>SEC. 302. <i>AMENDMENTS TO THE STRATEGIC INVESTMENT PRIORITY PLAN.</i> – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN, ALTER ANY OF THE TERMS OF THE DECLARATION OF AN INVESTMENT AREA, AND TEMPORARILY OR PERMANENTLY SUSPEND ACTIVITIES</p>	<p>MODIFIED PERIOD OR MANNER OF AVAILMENT OF INCENTIVES.</p> <p>SEC. 302. <i>AMENDMENTS TO THE STRATEGIC INVESTMENT PRIORITY PLAN.</i> – SUBJECT TO PUBLICATION REQUIREMENTS AND THE CRITERIA FOR INVESTMENT PRIORITY DETERMINATION, THE BOARD OF INVESTMENTS MAY, AT ANY TIME, INCLUDE ADDITIONAL AREAS IN THE STRATEGIC INVESTMENT PRIORITY PLAN, ALTER ANY OF THE TERMS OF THE DECLARATION OF AN INVESTMENT AREA, AND TEMPORARILY SUSPEND PROJECTS OR ACTIVITIES ON THE</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>ON THE STRATEGIC INVESTMENT PRIORITY PLAN IF IT CONSIDERS THAT SUCH ACTIVITY IS NO LONGER A PRIORITY. IN NO CASE SHALL THE INVESTMENT PROMOTION AGENCIES ACCEPT APPLICATIONS UNLESS THE ACTIVITY IS LISTED IN THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>SEC. 303. <i>PUBLICATION.</i> – UPON APPROVAL OF THE PLAN, IN WHOLE OR IN PART, OR UPON APPROVAL OF AN AMENDMENT THEREOF, THE PLAN OR THE AMENDMENT, SPECIFYING AND DECLARING THE AREAS OF INVESTMENTS SHALL BE PUBLISHED IN AT LEAST ONE (1) NEWSPAPER OF GENERAL CIRCULATION OR THE <i>OFFICIAL GAZETTE</i> AND ALL SUCH AREAS SHALL BE OPEN FOR APPLICATION UNTIL PUBLICATION OF AN AMENDMENT OR DELETION THEREOF.</p> <p>SEC. 304. <i>QUALIFICATIONS OF A REGISTERED ENTERPRISE FOR TAX INCENTIVES.</i> – IN THE REVIEW AND GRANT OF TAX INCENTIVES BY THE FISCAL INCENTIVES REVIEW BOARD, A REGISTERED ENTERPRISE MUST:</p> <p>(A) BE ENGAGED IN AN ACTIVITY INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN;</p>	<p>STRATEGIC INVESTMENT PRIORITY PLAN IF IT CONSIDERS THAT SUCH PROJECT OR ACTIVITY IS NO LONGER A PRIORITY WITHIN THE EFFECTIVITY OF THE STRATEGIC INVESTMENT PRIORITY PLAN.</p> <p>SEC. 303. <i>PUBLICATION.</i> – UPON APPROVAL OF THE PLAN, IN WHOLE OR IN PART, OR UPON APPROVAL OF AN AMENDMENT THEREOF, THE PLAN OR THE AMENDMENT, SPECIFYING AND DECLARING THE AREAS OF INVESTMENTS SHALL BE PUBLISHED IN AT LEAST ONE (1) NEWSPAPER OF GENERAL CIRCULATION OR THE <i>OFFICIAL GAZETTE</i>; <i>PROVIDED, THAT</i> ALL SUCH AREAS IN THE EXISTING STRATEGIC INVESTMENT PRIORITY PLAN SHALL BE OPEN FOR APPLICATION UNTIL PUBLICATION OF AN AMENDMENT OR DELETION THEREOF.</p> <p>SEC. 304. <i>QUALIFICATIONS OF A REGISTERED BUSINESS ENTERPRISES FOR TAX INCENTIVES.</i> – IN THE REVIEW AND GRANT OF TAX INCENTIVES BY THE FISCAL INCENTIVES REVIEW BOARD, THE REGISTERED BUSINESS ENTERPRISE MUST:</p> <p>(A) BE ENGAGED IN A PROJECT OR ACTIVITY INCLUDED IN THE STRATEGIC INVESTMENT PRIORITY PLAN;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		(B) MEET THE TARGET PERFORMANCE METRICS AFTER THE AGREED TIME PERIOD;
	(B) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF EACH REGISTERED PROJECT UNDERTAKEN BY THE ENTERPRISE SEPARATELY FROM THE AGGREGATE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF THE WHOLE ENTERPRISE; OR ESTABLISH A SEPARATE CORPORATION FOR EACH REGISTERED PROJECT IF THE INVESTMENT PROMOTION AGENCY SHOULD SO REQUIRE;	(C) INSTALL AN ADEQUATE ACCOUNTING SYSTEM THAT SHALL IDENTIFY THE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF EACH REGISTERED PROJECT OR ACTIVITY UNDERTAKEN BY THE ENTERPRISE SEPARATELY FROM THE AGGREGATE INVESTMENTS, REVENUES, COSTS AND PROFITS OR LOSSES OF THE WHOLE ENTERPRISE; OR ESTABLISH A SEPARATE CORPORATION FOR EACH REGISTERED PROJECT OR ACTIVITY IF THE INVESTMENT PROMOTION AGENCY SHOULD SO REQUIRE;
	(C) COMPLY WITH THE E-INVOICE AND E-SALES REQUIREMENT IN ACCORDANCE WITH SECTION 237-A OF THIS CODE; AND	(D) COMPLY WITH THE E-RECEIPTING AND E-SALES REQUIREMENT IN ACCORDANCE WITH SECTIONS 237 AND 237-A OF THIS CODE; AND
	(D) SUBMIT ANNUALLY REPORTS OF OWNERSHIP OF THE ORGANIZATION.	(E) SUBMIT ANNUALLY REPORTS OF OWNERSHIP OF THE ORGANIZATION AND RELATED PARTIES.
	CHAPTER V AVAILMENT OF TAX INCENTIVES	
	SEC. 305. INCOME TAX-BASED INCENTIVES. – ALL REGISTERED ENTERPRISES SHALL FILE THEIR TAX RETURNS USING THE ELECTRONIC OR ONLINE FACILITIES OF THE BUREAU OF	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>INTERNAL REVENUE. IN AVAILING THE INCOME TAX-BASED INCENTIVES, THE REGISTERED ENTERPRISE SHALL BE REQUIRED TO SECURE A CERTIFICATE OF ENTITLEMENT ISSUED BY THE FISCAL INCENTIVES REVIEW BOARD AND ATTACH THE SAME TO ITS INCOME TAX RETURN OR ANNUAL INFORMATION RETURN, WHICHEVER IS APPLICABLE. THEREAFTER, THE REGISTERED ENTERPRISE SHALL FILE ITS CLAIM WITH THE BUREAU OF INTERNAL REVENUE FOR VALIDATION.</p> <p>“FAILURE TO SECURE AND ATTACH THE CERTIFICATION TO THE INCOME TAX RETURN OR ANNUAL INFORMATION RETURN, AND TO FILE THE INCENTIVE AVAILMENT APPLICATION SHALL CAUSE THE FORFEITURE OF THE INCENTIVE FOR THAT TAXABLE PERIOD.</p> <p>SEC. 306. <i>CUSTOMS DUTY EXEMPTION ON CAPITAL EQUIPMENT.</i> – IMPORTATION OF CAPITAL EQUIPMENT, MACHINERY AND SPARE PARTS EXCLUSIVELY USED FOR CAPITAL EQUIPMENT AND MACHINERY INCLUDING CONSIGNMENT THEREOF BY REGISTERED ENTERPRISES MAY BE EXEMPTED TO THE EXTENT OF ONE HUNDRED PERCENT (100%) OF THE CUSTOMS DUTY: <i>PROVIDED</i>, THAT THE FOLLOWING CONDITIONS ARE COMPLIED WITH:</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(A) THE CAPITAL EQUIPMENT AND/OR SPARE PARTS ARE DIRECTLY AND REASONABLY NEEDED AND WILL BE USED EXCLUSIVELY IN AND AS PART OF THE DIRECT COST OF THE REGISTERED ACTIVITY OF THE REGISTERED ENTERPRISE, AND ARE NOT MANUFACTURED DOMESTICALLY IN SUFFICIENT QUANTITY OR OF COMPARABLE QUALITY AND AT REASONABLE PRICES. PRIOR APPROVAL OF THE INVESTMENT PROMOTION AGENCY MAY BE SECURED FOR THE PART-TIME UTILIZATION OF SAID EQUIPMENT IN A NON-REGISTERED ACTIVITY TO MAXIMIZE USAGE THEREOF: <i>PROVIDED</i>, THAT THE PROPORTIONATE TAXES AND DUTIES ARE PAID ON A SPECIFIC EQUIPMENT AND MACHINERY IN PROPORTION TO ITS UTILIZATION FOR NON-REGISTERED ACTIVITIES. IN THE EVENT THAT IT SHALL BE USED FOR A NON-REGISTERED ACTIVITY OF THE REGISTERED ENTERPRISE AT ANY TIME WITHIN THE FIRST FIVE (5) FROM THE DATE OF IMPORTATION, THE REGISTERED ENTERPRISE SHALL FIRST SEEK PRIOR APPROVAL OF THE AUTHORITY AND PAY THE TAXES AND CUSTOMS DUTIES THAT WERE NOT PAID UPON ITS IMPORTATION; AND</p> <p>(B) THE APPROVAL OF THE INVESTMENT PROMOTION AGENCY WAS OBTAINED BY THE REGISTERED</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>ENTERPRISE PRIOR TO THE IMPORTATION OF SUCH CAPITAL EQUIPMENT OR SPARE PARTS.</p> <p>APPROVAL OF THE INVESTMENT PROMOTION AGENCY MUST BE SECURED BEFORE THE SALE, TRANSFER OR DISPOSITION OF THE CAPITAL EQUIPMENT OR SPARE PARTS WHICH WERE GRANTED TAX AND CUSTOMS DUTY EXEMPTION HEREUNDER, AND SHALL BE ALLOWED ONLY UNDER THE FOLLOWING CIRCUMSTANCES:</p> <p>(1) IF MADE TO ANOTHER ENTERPRISE AVAILING CUSTOMS DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT AND/OR SPARE PARTS;</p> <p>(2) IF MADE TO ANOTHER ENTERPRISE NOT DUTY EXEMPTION ON IMPORTED CAPITAL EQUIPMENT AND/OR SPARE PARTS, UPON PAYMENT OF ANY TAXES AND DUTIES DUE ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT AND/OR SPARE PARTS TO BE SOLD;</p> <p>(3) EXPORTATION OF CAPITAL EQUIPMENT, MACHINERY, SPARE PARTS OR SOURCE DOCUMENTS, OR THOSE REQUIRED FOR POLLUTION ABATEMENT AND CONTROL; OR</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(4) PROVEN TECHNICAL OBSOLESCENCE OF THE CAPITAL EQUIPMENT OR SPARE PARTS.</p> <p>PROVIDED, THAT IF THE REGISTERED ENTERPRISE SELLS, TRANSFERS OR DISPOSES THE AFOREMENTIONED IMPORTED ITEMS WITHOUT PRIOR APPROVAL, THE REGISTERED ENTERPRISE AND THE VENDEE, TRANSFEREE, OR ASSIGNEE SHALL BE SOLIDARILY LIABLE TO PAY TWICE THE AMOUNT OF THE DUTY EXEMPTION THAT SHOULD HAVE BEEN PAID DURING ITS IMPORTATION: PROVIDED, FURTHER, THAT EVEN IF THE SALE, TRANSFER OR DISPOSITION OF THE CAPITAL EQUIPMENT WAS MADE AFTER FIVE (5) YEARS FROM DATE OF IMPORTATION WITH THE APPROVAL OF THE INVESTMENT PROMOTION AGENCY, THE REGISTERED ENTERPRISE IS STILL LIABLE TO PAY THE DUTIES BASED ON THE NET BOOK VALUE OF THE CAPITAL EQUIPMENT IF IT HAS VIOLATED ANY OF ITS REGISTRATION TERMS AND CONDITIONS.</p> <p>SEC. 307. VALUE-ADDED TAX REFUND MECHANISM ON IMPORTATION OF CAPITAL EQUIPMENT AND RAW MATERIALS. – THE VALUE-ADDED TAX ON IMPORTATION OF CAPITAL EQUIPMENT AND RAW MATERIALS PAID BY EXPORT REGISTERED ENTERPRISES</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	THAT FAILED TO MEET THE NINETY PERCENT (90%) EXPORT SALES THRESHOLD OR ARE LOCATED OUTSIDE THE ECOZONE, FREEPORT, OR THOSE UTILIZING THE CUSTOMS BONDED MANUFACTURING WAREHOUSE REGARDLESS OF THE THRESHOLD SHALL BE REFUNDED PURSUANT TO THE ENHANCED VALUE-ADDED TAX REFUND SYSTEM UNDER SECTIONS 106 AND 108 OF THIS CODE.	<p style="text-align: center;">CHAPTER V TAX INCENTIVES MANAGEMENT AND TRANSPARENCY</p> <p>SEC. 305. FILING OF TAX RETURNS AND SUBMISSION OF TAX INCENTIVES REPORTS. — ALL REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTITIES WHETHER TAXABLE OR EXEMPT, ARE REQUIRED TO FILE THEIR TAX RETURNS AND PAY THEIR TAX LIABILITIES, ON OR BEFORE THE DEADLINE AS PROVIDED UNDER THE NIRC, AS AMENDED, USING THE ELECTRONIC SYSTEM FOR FILING AND PAYMENT OF TAXES WITH THE BUREAU OF INTERNAL REVENUE: <i>PROVIDED, THAT</i>, FOR PURPOSES OF COMPLYING WITH THEIR TAX OBLIGATIONS, COOPERATIVES AND OTHER REGISTERED ENTITIES WHICH DO NOT HAVE ACCESS TO THE ELECTRONIC FACILITIES SHALL FILE WITH THEIR</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p data-bbox="1397 260 1944 315">RESPECTIVE REVENUE DISTRICT OFFICES.</p> <p data-bbox="1397 351 1944 1350">FOR REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES AVAILING OF TAX INCENTIVES ADMINISTERED BY THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, THEY SHALL FILE WITH THEIR RESPECTIVE INVESTMENT PROMOTION AGENCIES OR OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES A COMPLETE ANNUAL TAX INCENTIVES REPORT OF THEIR INCOME-BASED TAX INCENTIVES, VALUE-ADDED TAX EXEMPTIONS AND ZERO-RATING, CUSTOMS DUTY EXEMPTIONS, DEDUCTIONS, CREDITS OR EXCLUSIONS FROM THE INCOME TAX BASE, AND EXEMPTIONS FROM LOCAL TAXES, AS PROVIDED IN THE SPECIAL LAWS OF THE CONCERNED INVESTMENT PROMOTION AGENCY OR OTHER GOVERNMENT AGENCY ADMINISTERING TAX INCENTIVES, AND RESPECTIVE LAWS, AND A COMPLETE ANNUAL BENEFITS REPORT WHICH SHALL INCLUDE DATA SUCH AS BUT NOT LIMITED TO THE APPROVED AND ACTUAL AMOUNT OF INVESTMENTS, APPROVED AND ACTUAL EMPLOYMENT LEVEL AND JOB CREATION, APPROVED AND ACTUAL EXPORTS AND IMPORTS, DOMESTIC PURCHASES, PROFITS AND</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>DIVIDEND PAYOUT, ALL TAXES PAID, WITHHELD AND FOREGONE WITHIN THIRTY (30) CALENDAR DAYS FROM THE STATUTORY DEADLINE FOR FILING OF TAX RETURNS AND PAYMENT OF TAXES; <i>PROVIDED</i>, THAT, A COPY OF THE REPORT SHALL BE SIMULTANEOUSLY SUBMITTED TO THE FISCAL INCENTIVES REVIEW BOARD IN ELECTRONIC FORM.</p> <p>THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES SHALL, WITHIN SIXTY (60) CALENDAR DAYS FROM THE END OF THE STATUTORY DEADLINE FOR FILING OF THE RELEVANT TAX RETURNS, SUBMIT TO THE BUREAU OF INTERNAL REVENUE, THEIR RESPECTIVE ANNUAL TAX INCENTIVES REPORTS BASED ON THE LIST OF THE REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES WHICH HAVE FILED SAID TAX INCENTIVES REPORT.</p> <p>THE DETAILS OF THE TAX INCENTIVES REPORTS, AS PROVIDED IN THE PRECEDING PARAGRAPHS, SHALL BE PROVIDED IN THE IMPLEMENTING RULES AND REGULATIONS OF THIS ACT.</p> <p>THE FOREGOING PROVISIONS SHALL BE WITHOUT PREJUDICE TO THE RIGHT OF</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>THE BUREAU OF INTERNAL REVENUE AND THE BUREAU OF CUSTOMS TO ASSESS AND/OR AUDIT TAX LIABILITIES, IF ANY, WITHIN THE PRESCRIBED PERIOD PROVIDED IN THE NIRC, AS AMENDED, AND THE CUSTOMS MODERNIZATION AND TARIFF ACT (CMTA), AS AMENDED, RESPECTIVELY.</p> <p>SEC. 306. <i>MONITORING, EVALUATION, AND REPORTING OF TAX INCENTIVES.</i> — NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE BUREAU OF INTERNAL REVENUE AND THE BUREAU OF CUSTOMS SHALL SUBMIT TO THE DEPARTMENT OF FINANCE: (A) ALL TAX AND DUTY INCENTIVES OF REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES, AS REFLECTED IN THEIR FILED TAX RETURNS AND IMPORT ENTRIES; AND (B) ACTUAL TAX AND DUTY INCENTIVES AS EVALUATED AND DETERMINED BY THE BUREAU OF INTERNAL REVENUE AND THE BUREAU OF CUSTOMS.</p> <p>THE DEPARTMENT OF FINANCE SHALL MAINTAIN A SINGLE DATABASE FOR MONITORING AND ANALYSIS OF TAX INCENTIVES GRANTED.</p> <p>THE FISCAL INCENTIVES REVIEW BOARD IS MANDATED TO SYSTEMATICALLY COLLECT AND STORE ALL TAX INCENTIVES AND BENEFIT DATA FROM THE</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>DEPARTMENT OF FINANCE, INVESTMENT PROMOTION AGENCIES, OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, REGISTERED BUSINESS ENTERPRISES, AND OTHER REGISTERED ENTERPRISES, AS WELL AS TO EVALUATE AND ASSESS THE PROCESS, OUTCOMES, AND IMPACT OF INCENTIVES GRANTED TO FIRMS TO DETERMINE WHETHER AGREED PERFORMANCE TARGETS AND INTENDED RESULTS AND OUTCOMES ARE MET. THE METHOD OF EVALUATION MAY INCLUDE THE CONDUCT OF COST-BENEFIT ANALYSIS OR OTHER PROCESS AND IMPACT EVALUATION METHODS: <i>PROVIDED, THAT</i> FOR PURPOSES OF THIS ACT, THE TERM COST-BENEFITS ANALYSIS REFERS TO THE SYSTEMATIC EVALUATION OF THE TOTAL COSTS OF GRANTING TAX INCENTIVES VIS-À-VIS THE TOTAL BENEFITS DERIVED FROM THE GRANT OF TAX INCENTIVES BASED ON THE ANNUAL TAX INCENTIVE REPORT, ANNUAL BENEFITS REPORT, AND OTHER RELATED SOURCES, TO CALCULATE THE NET BENEFIT OR COST ASSOCIATED WITH TAX INCENTIVES.</p> <p>FOR PURPOSES OF MONITORING AND TRANSPARENCY, THE DEPARTMENT OF FINANCE SHALL SUBMIT TO THE DEPARTMENT OF BUDGET AND MANAGEMENT AGGREGATE DATA ON A SECTORAL AND PER INDUSTRY BASIS</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>CALCULATE THE NET BENEFIT OR COST ASSOCIATED WITH TAX INCENTIVES.</p> <p>FOR PURPOSES OF MONITORING AND TRANSPARENCY, THE DEPARTMENT OF FINANCE SHALL SUBMIT TO THE DEPARTMENT OF BUDGET AND MANAGEMENT AGGREGATE DATA ON A SECTORAL AND PER INDUSTRY BASIS OF: (1) THE AMOUNT OF TAX INCENTIVES AVAILED OF BY REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES; (2) THE ESTIMATE CLAIMS OF TAX INCENTIVES IMMEDIATELY PRECEDING THE CURRENT YEAR; (3) THE PROGRAMMED TAX INCENTIVES FOR THE CURRENT YEAR; AND (4) THE PROJECTED TAX INCENTIVES FOR THE FOLLOWING YEAR.</p> <p>THE AFORESAID DATA SHALL BE REFLECTED BY THE DBM IN THE ANNUAL BUDGET OF EXPENDITURES AND SOURCES OF FINANCING (BESF), WHICH SHALL BE KNOWN AS THE TAX INCENTIVES INFORMATION (TII) SECTION: <i>PROVIDED, THAT</i> THE TAX INCENTIVES INFORMATION SHALL BE LIMITED TO THE AGGREGATE DATA RELATED TO INCENTIVES AVAILED OF BY REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES BASED ON THE SUBMISSIONS OF THE DEPARTMENT OF FINANCE AND THE CONCERNED</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES, CATEGORIZED BY SECTOR, BY INVESTMENT PROMOTION AGENCY OR OTHER GOVERNMENT AGENCY ADMINISTERING TAX INCENTIVES, AND BY TYPE OF TAX INCENTIVE. <i>PROVIDED FURTHER</i>, THAT THE RESULTS OF THE COST-BENEFIT ANALYSIS SHALL BE PUBLISHED AT THE INDUSTRY-LEVEL BY THE FISCAL INCENTIVES REVIEW BOARD AND A REPORT SHALL BE SUBMITTED TO THE PRESIDENT AND CONGRESS ON AN ANNUAL BASIS.</p> <p>SEC. 307. <i>CONDUCT OF COST-BENEFIT ANALYSIS ON TAX INCENTIVES.</i> – THE FISCAL INCENTIVES REVIEW BOARD IS MANDATED TO CONDUCT COST-BENEFIT ANALYSIS ON THE INVESTMENT AND NON-INVESTMENT INCENTIVES TO DETERMINE THE IMPACT OF TAX INCENTIVES ON THE PHILIPPINE ECONOMY AND ON THE RELEVANT SECTOR.</p> <p>FOR THIS PURPOSE, ALL HEADS OF THE INVESTMENT PROMOTION AGENCIES AND OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES SHALL SUBMIT TO THE FISCAL INCENTIVES REVIEW BOARD FIRM- AND PER REGISTERED PROJECT- OR ACTIVITY-LEVEL:</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>(1) DATA ON TAX INCENTIVES BASED ON THE SUBMISSIONS OF REGISTERED BUSINESS ENTERPRISES AND OTHER REGISTERED ENTERPRISES; AND</p> <p>(2) OTHER INVESTMENT- AND NON-INVESTMENT-RELATED DATA.</p> <p>SEC. 308. <i>PENALTIES FOR NONCOMPLIANCE WITH FILING AND REPORTORIAL REQUIREMENTS.</i> — ANY REGISTERED BUSINESS ENTERPRISE OR OTHER REGISTERED ENTERPRISE WHICH FAILS TO COMPLY WITH FILING AND REPORTORIAL REQUIREMENTS WITH THE APPROPRIATE INVESTMENT PROMOTION AGENCIES OR OTHER GOVERNMENT AGENCIES ADMINISTERING TAX INCENTIVES AND/OR WHICH FAILS TO SHOW PROOF OF FILING OF TAX RETURNS USING THE ELECTRONIC SYSTEM FOR FILING AND PAYMENT OF TAXES OF THE BUREAU OF INTERNAL REVENUE UNDER SECTION 305 HEREOF, SHALL BE IMPOSED THE FOLLOWING PENALTIES BY THE APPROPRIATE INVESTMENT PROMOTION AGENCY OR OTHER GOVERNMENT AGENCY ADMINISTERING TAX INCENTIVES:</p> <p>(A) FIRST VIOLATION – PAYMENT OF A FINE AMOUNTING TO ONE HUNDRED THOUSAND PESOS (P100,000.00);</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>(B) SECOND VIOLATION – PAYMENT OF A FINE AMOUNTING TO FIVE HUNDRED THOUSAND PESOS (P500,000.00); AND</p> <p>(C) THIRD VIOLATION – CANCELLATION BY THE FISCAL INCENTIVES REVIEW BOARD OF THE REGISTRATION OF THE REGISTERED BUSINESS ENTERPRISE OR REGISTERED ENTITY WITH THE INVESTMENT PROMOTION AGENCY OR OTHER GOVERNMENT AGENCY ADMINISTERING TAX INCENTIVES.</p> <p><i>PROVIDED, THAT</i> IF THE FAILURE TO SHOW SUCH PROOF IS NOT DUE TO THE FAULT OF THE REGISTERED BUSINESS ENTERPRISES OR OTHER REGISTERED ENTERPRISES, THE SAME SHALL NOT BE A GROUND FOR THE SUSPENSION OF THE INCOME TAX HOLIDAY AND/OR OTHER TAX INCENTIVES AVAILMENT: <i>PROVIDED, FURTHER THAT</i> COLLECTIONS FROM THE PENALTIES SHALL ACCRUE TO THE GENERAL FUND.</p> <p>ANY GOVERNMENT OFFICIAL OR EMPLOYEE WHO FAILS WITHOUT JUSTIFIABLE REASON TO PROVIDE OR FURNISH THE REQUIRED TAX INCENTIVES REPORT OR OTHER DATA OR INFORMATION AS REQUIRED UNDER SECTIONS 15 AND 16 OF THIS ACT SHALL BE PENALIZED, AFTER DUE PROCESS, BY A FINE EQUIVALENT TO THE OFFICIAL'S OR EMPLOYEE'S BASIC SALARY FOR A</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p style="text-align: center;">CHAPTER VI PROCEDURES, SUNSET PROVISIONS, AND STRUCTURAL ADJUSTMENT FUND</p> <p>SEC. 308. NO DOUBLE REGISTRATION OF ENTERPRISES. – REGISTERED ENTERPRISES SHALL NOT BE ALLOWED TO REGISTER THEIR ACTIVITIES IN MORE THAN ONE (1) INVESTMENT PROMOTION AGENCY.</p> <p>SEC. 309. GOVERNANCE RULES. – THE DIFFERENT INVESTMENT PROMOTION AGENCIES MAY REQUIRE DOMESTIC REGISTERED ENTERPRISES TO LIST THEIR SHARES OF STOCK IN ANY ACCREDITED STOCK EXCHANGE OR DIRECTLY OFFER A PORTION OF THEIR CAPITAL STOCK TO THE PUBLIC AND/OR THEIR EMPLOYEES WITHIN FIVE (5) YEARS FROM DATE OF REGISTRATION.</p>	<p>PERIOD OF ONE (1) MONTH TO SIX (6) MONTHS OR BY SUSPENSION FROM GOVERNMENT SERVICE FOR NOT MORE THAN ONE (1) YEAR, OR BOTH, IN ADDITION TO ANY CRIMINAL AND ADMINISTRATIVE PENALTIES IMPOSABLE UNDER EXISTING LAWS.</p> <p style="text-align: center;">CHAPTER VI TRANSITORY AND MISCELLANEOUS PROVISIONS</p> <p>SEC. 309. NO DOUBLE REGISTRATION OF ENTERPRISES. – REGISTERED ENTERPRISES SHALL NOT BE ALLOWED TO REGISTER THEIR ACTIVITIES IN MORE THAN ONE (1) INVESTMENT PROMOTION AGENCY: <i>PROVIDED, THAT,</i> REGISTERED BUSINESS ENTERPRISES RENDERING AUXILIARY PROJECTS OR ACTIVITIES MAY BE ALLOWED TO REGISTER IN MORE THAN ONE INVESTMENT PROMOTION AGENCY SUBJECT TO THE APPROVAL OF THE FISCAL INCENTIVES REVIEW BOARD.</p> <p>SEC. 310. GOVERNANCE RULES. – THE FISCAL INCENTIVES REVIEW BOARD MAY REQUIRE DOMESTIC REGISTERED ENTERPRISES TO LIST THEIR SHARES OF STOCK IN ANY ACCREDITED STOCK EXCHANGE OR DIRECTLY OFFER A PORTION OF THEIR CAPITAL STOCK TO THE PUBLIC AND/OR THEIR EMPLOYEES WITHIN FIVE (5) YEARS FROM DATE OF REGISTRATION.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>SEC. 310. <i>INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT.</i> – EXISTING REGISTERED ACTIVITIES GRANTED AN INCOME TAX HOLIDAY SHALL BE ALLOWED TO CONTINUE WITH THE AVAILMENT OF THE SAID INCENTIVE FOR THE REMAINING PERIOD OF THE INCOME TAX HOLIDAY OR FOR A PERIOD OF FIVE (5) YEARS ONLY, WHICHEVER COMES FIRST, <i>PROVIDED</i>, THAT THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED SHALL COMMENCE ONLY AFTER THE INCOME TAX HOLIDAY PERIOD HAS LAPSED, <i>PROVIDED, FURTHER</i>, THAT THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED SHALL BE ALLOWED TO CONTINUE FOLLOWING THE SCHEDULE STATED HEREIN:</p>	<p>SEC. 311. <i>INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT.</i> – REGISTERED BUSINESS ENTERPRISES WITH INCENTIVES GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE SUBJECT TO THE FOLLOWING RULES:</p> <p>(A) REGISTERED BUSINESS ENTERPRISES WHOSE PROJECTS OR ACTIVITIES WERE GRANTED ONLY AN INCOME TAX HOLIDAY PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE ALLOWED TO CONTINUE WITH THE AVAILMENT OF THE INCOME TAX HOLIDAY FOR THE REMAINING PERIOD OF THE INCOME TAX HOLIDAY AS SPECIFIED IN THE TERMS AND CONDITIONS OF THEIR REGISTRATION; <i>PROVIDED</i>, THAT FOR THOSE THAT HAVE BEEN GRANTED THE INCOME TAX HOLIDAY BUT HAVE NOT YET AVAILED OF THE INCENTIVE UPON THE EFFECTIVITY OF THIS ACT, THEY MAY USE THE INCOME TAX HOLIDAY FOR THE PERIOD SPECIFIED IN THE TERMS AND CONDITION OF THEIR REGISTRATION.</p> <p>(B) REGISTERED BUSINESS ENTERPRISES WHOSE PROJECTS OR ACTIVITIES WERE GRANTED AN INCOME TAX HOLIDAY PRIOR TO THE EFFECTIVITY OF THIS ACT AND THAT WILL EXPIRE WITHIN FIVE YEARS</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
		<p>FROM THE EFFECTIVITY OF THIS ACT AND THAT ARE ENTITLED TO THE FIVE PERCENT (5%) TAX ON GROSS INCOME EARNED INCENTIVE AFTER THE INCOME TAX HOLIDAY SHALL BE ALLOWED TO AVAIL OF THE FIVE PERCENT (5%) GROSS INCOME EARNED INCENTIVE FOR THE REMAINING PERIOD AFTER THE INCOME TAX HOLIDAY NOT TO EXCEED FIVE (5) YEARS FROM THE EFFECTIVITY OF THIS ACT.</p> <p>(C) REGISTERED BUSINESS ENTERPRISES CURRENTLY AVAILING OF THE FIVE (5%) PERCENT TAX ON GROSS INCOME EARNED GRANTED PRIOR TO THE EFFECTIVITY OF THIS ACT SHALL BE ALLOWED TO CONTINUE AVAILING THE SAID TAX INCENTIVE AT THE RATE OF FIVE PERCENT (5%) IN 2020 AND THEREAFTER, FOLLOWING THE SCHEDULE:</p>
	<p>(A) TWO (2) YEARS FOR ACTIVITIES ENJOYING THE TAX INCENTIVE FOR MORE THAN TEN (10) YEARS;</p> <p>(B) THREE (3) YEARS FOR ACTIVITIES ENJOYING THE TAX INCENTIVE BETWEEN FIVE (5) AND TEN (10) YEARS; AND</p>	<p>(1) TWO (2) YEARS FOR PROJECTS OR ACTIVITIES AVAILING OF THE GROSS INCOME EARNED INCENTIVE FOR MORE THAN TEN (10) YEARS;</p> <p>(2) THREE (3) YEARS FOR PROJECTS OR ACTIVITIES AVAILING OF THE GROSS INCOME EARNED INCENTIVE BETWEEN FIVE (5) AND TEN (10) YEARS;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(C) FIVE (5) YEARS FOR ACTIVITIES ENJOYING THE TAX INCENTIVE BELOW FIVE (5) YEARS.</p> <p><i>PROVIDED, FINALLY, THAT EXISTING REGISTERED ACTIVITIES WHICH WILL QUALIFY FOR REGISTRATION UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN, MAY OPT TO BE GOVERNED BY THE PROVISIONS OF THIS ACT. IN SUCH CASE, THE SAID ENTERPRISE SHALL BE REQUIRED TO SURRENDER ITS CERTIFICATE OF REGISTRATION, WHICH SHALL BE</i></p>	<p>(3) FIVE (5) YEARS FOR PROJECTS OR ACTIVITIES AVAILING OF THE GROSS INCOME EARNED INCENTIVE BELOW FIVE (5) YEARS; AND</p> <p>(4) SEVEN (7) YEARS FOR PROJECTS OR ACTIVITIES WHICH WILL SATISFY ANY OF THE FOLLOWING CONDITIONS: (i) REGISTERED EXPORTERS THAT EXPORT ONE HUNDRED PERCENT (100%) OF THEIR GOODS AND SERVICES; (ii) REGISTERED BUSINESS ENTERPRISES THAT EMPLOY AT LEAST TEN THOUSAND (10,000) FILIPINO EMPLOYEES DIRECTLY ENGAGED IN THE PRODUCTION OF THE REGISTERED PROJECT OR ACTIVITY PRIOR TO THE EFFECTIVITY OF THIS ACT; OR (iii) REGISTERED ENTERPRISES ENGAGED IN FOOTLOOSE PROJECTS OR ACTIVITIES AS DEFINED HEREIN.</p> <p>EXISTING REGISTERED PROJECTS OR ACTIVITIES WHICH WILL QUALIFY FOR REGISTRATION UNDER THE STRATEGIC INVESTMENT PRIORITY PLAN MAY OPT TO BE GOVERNED BY THE PROVISIONS OF THIS ACT; IN SUCH CASE, THE SAID ENTERPRISES SHALL BE REQUIRED TO SURRENDER THEIR CERTIFICATES OF REGISTRATION WHICH SHALL BE DEEMED AS AN EXPRESS WAIVER OF</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>DEEMED AS AN EXPRESS WAIVER OF THEIR PRIVILEGE TO AVAIL OF INCENTIVES PROVIDED IN THE INCENTIVES LAW UNDER WHICH THEY WERE PREVIOUSLY REGISTERED.</p> <p>SEC. 311. <i>SUSPENSION AND FORFEITURE OF TAX INCENTIVES OF REGISTERED ENTERPRISES, REFUND AND PENALTIES; WAIVER AND CONDONATION. – THE FISCAL</i></p>	<p>PRIVILEGE TO AVAIL OF INCENTIVES PROVIDED IN THE INCENTIVES LAW UNDER WHICH THEY WERE PREVIOUSLY REGISTERED.</p> <p>FOR PURPOSES OF THIS SECTION, A FOOTLOOSE PROJECT OR ACTIVITY SHALL MEET ALL OF THE FOLLOWING QUALIFICATIONS: (1) IT IS A MANUFACTURING ACTIVITY OR PROJECT; (2) IT HAS A DIRECT LABOR EXPENSE TO ASSET RATIO OF AT LEAST SEVENTY PERCENT (70%) FOR THREE CONSECUTIVE YEARS IMMEDIATELY PRECEDING THE YEAR OF IMPLEMENTATION OF THIS ACT; (3) IT EXPORTS ONE HUNDRED PERCENT (100%) OF ITS MANUFACTURED GOODS; AND (4) ITS ACTUAL AREA OF OPERATION IS OUTSIDE METRO MANILA: <i>PROVIDED, THAT</i>, THE FISCAL INCENTIVES REVIEW BOARD MAY MODIFY THE DIRECT LABOR EXPENSE TO ASSET RATIO OR THE MANUFACTURING EXPORT REQUIREMENTS, UPON THE RECOMMENDATION OF THE BOARD OF INVESTMENTS, CONSISTENT WITH THE STRATEGIC INVESTMENT PRIORITY PLAN.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>INCENTIVES REVIEW BOARD MAY IMPOSE FINES AND PENALTIES, SUSPEND OR FORFEIT THE INCENTIVES GRANTED TO THE REGISTERED ENTERPRISES FOR VIOLATIONS OF THE REGISTRATION TERMS AND CONDITIONS, WITHOUT PREJUDICE TO THE CANCELLATION OF THE REGISTRATION OF SAID ENTERPRISE.</p> <p>WHEN THERE IS PROBABLE CAUSE TO BELIEVE THAT THE REGISTERED ENTERPRISE HAS VIOLATED ITS REGISTRATION TERMS AND CONDITIONS, THE FISCAL INCENTIVES REVIEW BOARD, THROUGH THE RECOMMENDATION OF THE INVESTMENT PROMOTION AGENCY, SHALL SUSPEND THE AVAILMENT OF INCENTIVES UNTIL PROVEN OTHERWISE.</p> <p>IN CASE OF CANCELLATION OF THE CERTIFICATE OF REGISTRATION, THE CONCERNED INVESTMENT PROMOTION AGENCY MAY, IN APPROPRIATE CASES, REQUIRE THE PAYMENT OF TAXES, CUSTOMS DUTIES AND ANY APPLICABLE PENALTIES THEREON TO THE APPROPRIATE AGENCY, AND IMPOSE ADDITIONAL FINES AND PENALTIES.</p> <p>SEC. 312. <i>STRUCTURAL ADJUSTMENT FUND.</i> – THE FOLLOWING AMOUNTS</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>SHALL BE APPROPRIATED TO COMPENSATE WORKERS THAT MAY BE DISPLACED BY THE RATIONALIZATION OF FISCAL INCENTIVES TO IMPROVE EMPLOYABILITY OF WORKERS AND FOR THE DEVELOPMENT OF INFRASTRUCTURE WITHIN ECONOMIC ZONES AND FREEPORTS THAT MAY BE AFFECTED BY THIS ACT:</p> <p>(1) THE AMOUNT OF FIVE HUNDRED MILLION PESOS (P500,000,000) SHALL BE APPROPRIATED ANNUALLY, IN ADDITION TO ANY ADJUSTMENT FUND APPROPRIATED UNDER THE BUDGET OF THE DEPARTMENT OF LABOR AND EMPLOYMENT, TO PROVIDE TARGETED CASH GRANTS OR OTHER SUPPORT PROGRAMS TO DISPLACED WORKERS OF FIRMS THAT MAY BE AFFECTED BY THE RATIONALIZATION OF FISCAL INCENTIVES;</p> <p>(2) THE AMOUNT OF FIVE HUNDRED MILLION PESOS (P500,000,000) SHALL BE APPROPRIATED ANNUALLY TO PROVIDE TARGETED TRAININGS TO DISPLACED WORKERS OF FIRMS THAT MAY BE AFFECTED BY THE RATIONALIZATION OF FISCAL INCENTIVES;</p> <p>(3) THE AMOUNT OF FIVE BILLION PESOS (P5,000,000,000) SHALL BE ALLOCATED ANNUALLY FOR THE SKILLS UPGRADE PROGRAM OF THE</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>INFORMATION TECHNOLOGY-BUSINESS PROCESS OUTSOURCING INDUSTRY. THE FUND SHALL BE SOLELY USED TO PAY FOR FORMAL ACADEMIC OR TRAINING PROGRAMS OF ACCREDITED PRIVATE OR PUBLIC SCHOOLS AND TRAINING CENTERS; AND</p> <p>(4) THE AMOUNT OF FIFTEEN BILLION PESOS (P15,000,000,000), IN ADDITION TO ANY ADJUSTMENT FUND APPROPRIATED UNDER THE BUDGET OF PERTINENT GOVERNMENT DEPARTMENTS OR AGENCIES, SHALL BE APPROPRIATED FOR THE DEVELOPMENT OF INFRASTRUCTURE SURROUNDING AND WITHIN THE AREAS OR LOCALITIES OF SPECIAL ECONOMIC ZONES AND FREEPORTS TO BE AFFECTED BY THIS ACT. THIS SUBSIDY SHALL LIKEWISE BE UTILIZED TO SUPPORT RESEARCH AND DEVELOPMENT; COSTS OF POWER, WATER AND OTHER UTILITIES; LEASE OF PROPERTIES; AND OTHER ECONOMIC ACTIVITIES RELEVANT TO DEVELOPING THE ABOVEMENTIONED AREAS/LOCALITIES.</p> <p>THE RELEASES TO THE INVESTMENT PROMOTION AGENCIES SHALL BE GOVERNED BY IMPLEMENTING GUIDELINES TO BE PROMULGATED BY THE DEPARTMENT OF FINANCE AND THE DEPARTMENT OF BUDGET AND MANAGEMENT.</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>THE EARMARKING OF FUNDS FOR THESE PURPOSES SHALL BE TERMINATED FIVE (5) YEARS AFTER THE EFFECTIVITY OF THIS ACT.</p> <p>SEC. 313. <i>ENHANCED TAX EXPENDITURE FUND SYSTEM.</i> – ALL INTERNAL REVENUE TAX AND DUTY OBLIGATIONS OF GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS SHALL BE CHARGEABLE TO THE TAX EXPENDITURE FUND OF THE GOVERNMENT UPON THE ESTABLISHMENT AND IMPLEMENTATION OF AN ENHANCED TAX EXPENDITURE FUND SYSTEM THAT GRANTS TAX SUBSIDY WITHIN THIRTY (30) DAYS FROM THE FILING OF APPLICATION WITH THE FISCAL INCENTIVES REVIEW BOARD.</p> <p>SEC. 314. <i>ANNUAL REPORT.</i> – THE FISCAL INCENTIVES REVIEW BOARD SHALL SUBMIT AN ANNUAL REPORT TO CONGRESS THE NAMES OF RECIPIENTS OF INCENTIVES AND THE AMOUNT OF INCENTIVES AVAILED OF. THE REPORT SHALL BE MADE AVAILABLE TO THE PUBLIC.</p> <p>SEC. 31. Title XIII of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Title XIV, to read as follows:</p>	<p>SEC. 10-A. <i>Repealing Clause.</i> – The following laws, decrees, executive orders, rules and regulations are hereby repealed:</p>

NIRC OF 1997, AS AMENDED
BY RA 11467

HOUSE BILL NO. 4157

SENATE BILL NO. 1357

**TITLE [XIII] XIV
REPEALING PROVISIONS**

SEC. [291]**315.** *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.

(A) To ensure that the Department of Finance, National Economic and Development Authority and Department of Trade and Industry are represented in the Governing Boards of all investment promotion agencies, where the Department of Finance shall automatically serve as Co-chair, and Department of Trade and Industry and National Economic and Development Authority, as members, pursuant to Section 299 of this Act, the following provisions, among others, are amended accordingly:

- (1) Article 4 of Executive Order No. 226, as amended, entitled “The Omnibus Investments Code of 1987”;
- (2) Sections 9 and 13(c) of Republic Act No. 7227, entitled ‘An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds Therefor and for Other Purposes’;
- (3) Section 3 of Executive Order No. 80, series of 1993, entitled “Authorizing the Establishment of the Clark Development

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>Corporation as the Implementing Arm of the Bases Conversion and Development Authority for the Clark Special Economic Zone, and Directing all Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of Government to Support the Program”;</p> <p>(4) Section 6 of Executive Order No. 132, series of 2002, entitled “Authorizing the Creation of the Poro Point Management Corporation as the Implementing Arm of the Bases Conversion Development Authority over the Poro Point Special Economic and Freeport Zone and Renaming the John Hay Poro Point Development Corporation as the John Hay Management Corporation”;</p> <p>(5) Section 9 of Republic Act No. 7903, entitled ‘An Act Creating a Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes’;</p> <p>(6) Section 14 of Republic Act No. 9728, entitled ‘An Act Converting the Bataan Economic Zone Located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan (FAB), Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes’;</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(7) Section 65 of Republic Act No. 9593, entitled 'An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement that Policy, and Appropriating Funds Therefor';</p> <p>(8) Section 15 of Republic Act No. 9490, entitled 'An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes', as amended by Republic Act No. 10083;</p> <p>(9) Section 7 of Republic Act No. 7922, entitled 'An Act Establishing a Special Economic Zone and Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing Funds Therefor, and for Other Purposes';</p> <p>(10) Section 6 of Presidential Decree No. 538, entitled 'Creating and Establishing the PHIVIDEC Industrial Authority and Making it a Subsidiary Agency of the Philippine Veterans Investment Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes', as amended by</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	Executive Order No. 1031, series of 1985; and	
	(11) Section 11 of Republic Act No. 7916, entitled 'An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority (PEZA), and for Other Purposes'.	
	(B) To transfer to the Fiscal Incentives Review Board the power of the Investment Promotion Agency Board to review, approve or disapprove fiscal incentives and to mandate the Investment Promotion Agency Board to recommend to the Fiscal Incentives Review Board after a thorough review of the application, the approval or disapproval of the same, the following provisions are hereby amended:	(A) To transfer to the Fiscal Incentives Review Board the power of the Investment Promotion Agency Board to review, approve, or disapprove fiscal incentives and to mandate the Investment Promotion Agency Board to recommend to the Fiscal Incentives Review Board after a thorough review of the application, the approval or disapproval of the same, the following provisions are hereby repealed:
	(1) Article 7 of Executive Order No. 226, series of 1987, entitled 'the Omnibus Investments Code of 1987', as amended by RA No. 7918, entitled 'An Act Amending Article 39, Title III of Executive Order No. 226, Otherwise Known as the Omnibus Investments Code of 1987, as Amended, and for Other Purposes';	(1) Articles 7(3)(8) and (14) of Executive Order No. 226, series of 1987, entitled 'the Omnibus Investments Code of 1987', as amended by RA 7918, entitled 'An Act Amending Article 39, Title III of Executive Order No. 226, series of 1987, entitled, 'the Omnibus Investment Code of 1987, as Amended, and for Other Purposes';
	(2) Section 7 of Republic Act No. 7903, entitled 'An Act Creating a Special Economic Zone and Freeport in the City	(2) Section 1 of Executive Order No. 458, series of 1991, entitled "Devolving the Powers and Functions of the Board of

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>of Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes’;</p> <p>(3) Section 1 of Executive Order No. 458, entitled ‘Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes’;</p> <p>(4) Section 13 of Republic Act No. 9728, entitled ‘An Act Converting the Bataan Economic Zone located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan, Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes’;</p> <p>(5) Section 13 (b) of Republic Act No. 7227, as amended by Republic Act No. 9400, entitled ‘An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for the Purpose, Providing Funds Therefore and for Other Purposes’;</p> <p>(6) Section 8 of Republic Act No. 9400, entitled ‘An Act Amending Republic Act No. 7227, as amended, Otherwise Known as the Bases Conversion and Development Act of 1992, and for Other Purposes’;</p>	<p>Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes”;</p> <p>(3) Sections 7 and 8 of Republic Act 9400, entitled “An Act Amending Republic Act No. 7227, as amended, Otherwise Known as the Bases Conversion and Development Act of 1992, and for Other Purposes”;</p> <p>(4) Section 85(a) of Subchapter IV-B of RA 9593, entitled “An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development and Strengthening the Department of Tourism and its Attached Agencies to Effectively Implement that Policy, and Appropriating Funds Therefor”, as amended by Republic Act No. 11262;</p> <p>(5) Sections 7 and 8 of Republic Act No. 9490, entitled “An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes”, as amended by Republic Act No. 10083, entitled “An Act Amending Republic Act No. 9490, Otherwise Known as the "Aurora Special Economic Zone Act of 2007”;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(7) Section 69 (n) of Subchapter IV-B of Republic Act No. 9593, entitled ‘An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development and Strengthening the Department of Tourism and its Attached Agencies to Effectively Implement that Policy, and Appropriating Funds Therefor’;</p> <p>(8) Sections 7 and 12 of Republic Act No. 9490, entitled ‘An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes’, as amended by Republic Act No. 10083, entitled ‘An Act Amending Republic Act No. 9490, Otherwise Known as the ‘Aurora Special Economic Zone Act of 2007’;</p> <p>(9) Section 6 of Republic Act No. 7922, entitled ‘An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands of Cagayan, Providing Funds Therefor, and for Other Purposes’;</p> <p>(10) Section 4 of Presidential Decree No. 538, entitled ‘Creating and Establishing the PHIVIDECA Industrial Authority and Making it a Subsidiary Agency of the Philippines Veterans Investment</p>	<p>(6) Section 13(i) of RA 7916, “An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority and for Other Purposes, as amended by RA 8748 entitled; and</p> <p>(B) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby repealed:</p> <p>(1) Book I, Title III, Article 39(A), (B), (C), (D), (E), (I), (J), (K), (M) and (N); Title IV, Article 40; Book III, Articles 61, 62, 63, 64, 65, 66, and 67; Book IV Article 69; Book VI, Articles 77 and 78 of Executive Order No. 226, series of 1987, entitled “The Omnibus Investments Code of 1987”, as amended by Republic Act No. 7918, and further amended by Republic Act No. 8756”;</p> <p>(2) Executive Order No. 85, series of 2019, entitled “Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments - Registered New and Expanding Enterprises”;</p> <p>(3) Section 17 (1) and (2), and Section 18(a), (b), (c), and (f) of Presidential Decree No. 66, entitled “Creating the Export</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes'; and</p> <p>(11) Sections 13 and 21 of Republic Act No. 7916, as amended by Republic Act No. 8748, entitled 'An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority, and for Other Purposes'."</p> <p>(C) The following laws are hereby amended to mandate all internal revenue tax and duty obligations of the relevant entities be chargeable to the Tax Expenditure Fund (TEF) pursuant to Section 313 of this Act:</p> <p>(1) Section 18 of Republic Act No. 7884, entitled 'An Act Creating the National Dairy Authority to Accelerate the Development of the Dairy Industry in the Philippines, Providing for a Dairy Development Fund, and for Other Purposes';</p> <p>(2) Section 8 of Republic Act No. 7903, entitled 'An Act Creating Special Economic Zone and Freeport in the City of Zamboanga Creating for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes';</p>	<p>Processing Zone Authority and Revising Republic Act No. 5490";</p> <p>(4) Section 4(e) and (f) of Republic Act No. 7903, entitled "An Act Creating Special Economic Zone and Freeport in the City of Zamboanga and Establishing for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes";</p> <p>(5) Section 4(b) and (c) of Republic Act No. 7922, entitled "An Act Establishing a Special Economic Zone and Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan Providing Funds Therefor, and for Other Purposes";</p> <p>(6) Section 23 of Republic Act No. 7916, entitled "An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for the Purpose the Philippine Economic Zone Authority (PEZA), and for Other Purposes" as amended by Republic Act No. 8748";</p> <p>(7) Sections 4(f), 5 and 9 of Republic Act No. 9490, entitled "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(3) Section 12(a) of Republic Act No. 10083, entitled 'An Act Amending Republic Act No. 9490, Otherwise Known as the "Aurora Special Economic Zone Act of 2007"';</p> <p>(4) Sections 29, 57, 74, 95(c) of Republic Act No. 9593, entitled 'An Act Declaring Tourism as Engine of Investment, Employment, Growth and National Development and Strengthening the Department of Tourism or Tourism Act of 2009';</p> <p>(5) Section 10 of Presidential Decree No. 538, entitled 'Creating and Establishing the PHIVIDEC Industrial Authority and Making it a Subsidiary Agency of the Philippine Veterans Investment Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes';</p> <p>(6) Section 16(a)(b) of Republic Act No. 9497, entitled 'An Act Creating the Civil Aviation Authority of the Philippines, Authorizing the Appropriation of Funds Therefor, and for Other Purposes';</p> <p>(7) Section 14 of Republic Act No. 7354, entitled 'An Act Creating the Philippine Postal Corporation, Defining its Powers, Functions and Responsibilities, Providing for Regulation of the Industry and for Other Purposes Connected Therewith';</p>	<p>Therefor and for Other Purposes", as amended by RA 10083;</p> <p>(8) Sections 4(f), 5, 9 and 10 of Republic Act No. 9728, entitled "An Act Converting the Bataan Economic Zone Located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan (FAB), Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes";</p> <p>(9) Section 16 of Republic Act No. 7844, entitled "An Act to Develop Exports as a Key Towards the Achievement of the National Goals Towards the Year 2000";</p> <p>(10) Sections 86(a),(c),(d),(e),(f), 88, and 95(a) and (b) of Republic Act No. 9593, entitled "An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement That Policy, and Appropriating Funds Therefor";</p> <p>(11) Section 9 of Presidential Decree No. 538, entitled "Creating and Establishing the PHIVIDEC Industrial Authority and Making it a Subsidiary Agency of the Philippine Veterans Development Corporation, Defining its Powers,</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(8) Sections 8 and 14 of Presidential Decree No. 269, entitled 'Creating the National Electrification Administration as a Corporation, Prescribing its Powers and Activities, Appropriating the Necessary Funds Therefore and Declaring a National Policy Objective for the Total Electrification of the Philippines on an Area Coverage Service Basis, the Organization, Promotion and Development of Electric Cooperatives to Attain the Said Objective, Prescribing Terms and Conditions for their Operations, the Repeal of Republic Act No. 6038, and for Other Purposes';</p> <p>(9) Sections 2 and 19 of Republic Act No. 9679, entitled 'An Act Further Strengthening the Home Development Mutual Fund, and For Other Purposes';</p> <p>(10) Section 17(c) under Section 8 of Republic Act No. 9576, entitled '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';</p>	<p>Functions and Responsibilities, and for Other Purposes" as amended by Presidential Decree No. 1491;</p> <p>(12) Section 1 (G) of Executive Order No. 458, series of 1991, entitled "Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes";</p> <p>(13) Presidential Decree No. 1955, entitled "Withdrawing, Subject to Certain Conditions, the Duty and Tax Privileges Granted to Private Business Enterprises and/or Persons Engaged in Any Economic Activity and for Other Purposes".</p> <p>(C) To expand the powers and functions of the Fiscal Incentives Review Board and enhance its membership, the provisions of the following laws that are inconsistent with this Act are hereby repealed:</p> <p>(1) Sections 1(6) and 2 of Presidential Decree No. 776, entitled "Repealing All Laws, Acts, Decrees, Orders and Ordinances, Granting Exemptions from Taxes, Duties, Fees, Imposts and Other Charges Under Certain Exceptions and Creating a Fiscal Incentives Board";</p> <p>(2) Section 2 of Presidential Decree No. 1931, series of 1984, entitled "Directing the Rationalization of Duty and Tax</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	(11) Section 13 of Republic Act No. 7820, entitled 'An Act Creating the Partido Development Administration, Defining its Powers and Functions, Providing Funds Therefor, and for Other Purposes';	Exemption Privileges Granted to Government-Owned or -Controlled Corporations and All Other Units of Government";
	(12) Section 5(j) of Republic Act No. 9510, entitled 'An Act Establishing the Credit Information System and for Other Purposes';	(3) Section 1(c) and (d) of Executive Order No. 93, series of 1986, entitled "Withdrawing All Tax and Duty Incentives, Subject to Certain Exceptions, Expanding the Powers of the Fiscal Incentives Review Board and for Other Purposes"; and
	(13) Section 13(e) of Presidential Decree No. 857, entitled 'Providing for the Reorganization of Port Administrative and Operation Functions in the Philippines, Revising Presidential Decree No. 505 dated July 11, 1974, Creating the Philippine Port Authority, by Substitution, and for Other Purposes';	(4) Memorandum Order No. 23, series of 1986, entitled "Expanding the Membership of the Fiscal Incentives Review Board".
	(14) Section 19 of Republic Act No. 6847, entitled 'An Act Creating and Establishing the Philippine Sports Commission, Defining its Powers, Functions, and Responsibilities, Appropriating Funds Therefor, and for Other Purposes';	(D) The provisions of the following laws, that are inconsistent with the provisions on the Strategic Investment Priority Plan, are hereby repealed:
	(15) Section 8(a)(b) and Section 13 of Republic Act No. 6395, entitled 'An Act Revising the Charter of the National Power Corporation'; and	(1) Article 7(1) of Chapter II; Article 26, Chapter I, Title I, Book I; and Chapter II, Title I, Book I of EO 226, series of 1987, as amended, entitled "the Omnibus Investments Code of 1987"; and
	(16) Section 21 of Republic Act No. 7306, entitled 'An Act Providing for the Establishment of the People's Television Network, Incorporated, Defining its	(2) Sections 1(F), 2, and 3 of Executive Order No. 458, series of 1991 entitled, "Devolving the Powers and Functions of the Board of Investments Over Investments Within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for Other Purposes".

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	Powers and Functions, Providing for its Sources of Funding and for Other Purposes’.”	(E) Sections 4, 5, 6, and 7 of RA 10708, entitled “An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.”
	(D) The “in lieu of” clauses in the tax provisions of entities covered by the following franchise laws are hereby repealed two (2) years from the effectivity of this Act and the entities covered shall pay the corresponding franchise tax and all other applicable taxes under the National Internal Revenue Code of 1997, as amended:	All other laws, decrees, executive orders, rules and regulations, or parts thereof which are contrary to or inconsistent with this Act are hereby repealed accordingly.
	(1) Section 9 of Republic Act No. 7953, entitled ‘An Act Amending Republic Act Numbered Sixty-Six Hundred Thirty-Two, entitled “An Act Granting the Philippine Racing Act, Inc., a Franchise to Operate and Maintain a Race Track for Horse Racing in the Province of Rizal, and Extending the Said Franchise by Twenty-Five Years from the Expiration of the Term Thereof”’;	SEC. 10-B. Amendatory Clause. – The following laws, decrees, executive orders, rules and regulations are hereby amended or modified accordingly:
	(2) Section 12 of Republic Act No. 8407, entitled ‘An Act Amending Republic Act Numbered Sixty-Six Hundred Thirty-One, entitled “An Act Granting Manila Jockey Club, Inc., a Franchise to Construct, Operate and Maintain a Race Track for Horse Racing in the City of Manila or any Place Within the Provinces of Bulacan, Cavite or Rizal” and Extending the Said Franchise by Twenty-five (25) Years From the Expiration of the Term Thereof”’;	(A) To transfer to the Fiscal Incentives Review Board, the power of the Investment Promotion Agency Board to review, approve, or disapprove fiscal incentives and to mandate the Investment Promotion Agency Board to recommend to the Fiscal Incentives Review Board after a thorough review of the application, the approval or disapproval of the same, the following provisions are hereby amended:
		(1) Section 7(a) and (c) of Republic Act No. 7903, entitled “An Act Creating a Special Economic Zone and Freeport in the City of Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes”;
		(2) Sections 4(f), 8, and 13(c) of Republic Act No. 9728, entitled “An Act Converting the Bataan Economic Zone

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(3) Section 9 of Republic Act No. 8298, entitled 'An Act Amending Republic Act Numbered Seventy-Nine Hundred Seventy-Eight, entitled "An Act Granting the Metro Manila Turf Club, Inc., a Franchise to Construct, Operate and Maintain a Racetrack for Horse Racing in the City of Kalookan" '; and</p> <p>(4) Section 12 of Republic Act No. 8446, entitled 'An Act Granting the Fil-Asia Racing Club a Franchise to Construct, Operate and Maintain a Racetrack for Horse Racing in Rizal or Tarlac, or Pampanga or Batanga or Quezon City'."</p> <p>(E) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby amended or repealed effective two (2) years from the effectivity of this Act:</p> <p>(1) Section 37 of Republic Act No. 6848, entitled 'An Act Providing for the 1989 Charter of the Al-Amanah Islamic Investment Bank of the Philippines, Authorizing its Conduct of Islamic Banking Business, and Repealing for this Purpose Presidential Decree Numbered Two Hundred and Sixty-Four as Amended by Presidential Decree Numbered Five Hundred and Forty-Two (Creating the Philippine Amanah Bank)';</p> <p>(2) Section 17 of Republic Act No. 7906, entitled 'An Act Providing for the Regulation of the Organization and</p>	<p>located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan, Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes", as amended by Republic Act No. 11453;</p> <p>(3) Sections 12(b), 13(b), 15, and 15-C of Republic Act No. 7227, entitled "An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for the Purpose, Providing Funds Therefor and for Other Purposes", as amended by Republic Act No. 9400;</p> <p>(4) Sections 69(n) of Subchapter IV-B of RA 9593, entitled "An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development and Strengthening the Department of Tourism and its Attached Agencies to Effectively Implement that Policy, and Appropriating Funds Therefor", as amended by Republic Act No. 11262;</p> <p>(5) Section 12(a) & (b) of Republic Act No. 9490, entitled "An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes", as</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>Operations of Thrift Banks, and for Other Purposes’;</p> <p>(3) Section 15 of Republic Act No. 7353, entitled ‘An Act Providing for the Creation, Organization and Operation of Rural Banks, and for Other Purposes’;</p> <p>(4) Book I, Title I, Article 32; Title III, Article 39(A), (B), (C), (D), (E), (G), (I) and (J); Title IV, Article 40; Book III, Articles 59, 60, 61; Book IV, Article 69; Book VI, Articles 77 and 78 of Executive Order No. 226, series of 1987, entitled ‘The Omnibus Investments Code of 1987’;</p> <p>(5) Section 1 of Republic Act No. 7918, entitled ‘An Act Amending Article 39, Title III of Executive Order No. 226, Otherwise Known as the Omnibus Investments Code of 1987, as Amended, and for Other Purposes’;</p> <p>(6) Articles 62, 63, 64, 65, 66, 67, and 69 of Republic Act No. 8756, entitled ‘An Act Providing for the Terms, Conditions and Licensing Requirements of Regional or Area Headquarters, Regional Operating Headquarters, Regional Warehouses of Multinational Companies, Amending for the Purpose Certain Provisions of Executive Order No. 226, Otherwise Known as the Omnibus Investment Code of 1987’;</p>	<p>amended by Republic Act No. 10083, entitled “An Act Amending Republic Act No. 9490, Otherwise Known as the “Aurora Special Economic Zone Act of 2007”;</p> <p>(6) Section 6(c) of Republic Act No. 7922, entitled “An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands of Cagayan, Providing Funds Therefor, and for Other Purposes”;</p> <p>(7) Section 4(a) of Presidential Decree No. 538, entitled “Creating and Establishing the PHIVIDEC Industrial Authority and Making it a Subsidiary Agency of the Philippines Veterans Investment Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes”;</p> <p>(8) Sections 13(a) and 15 of RA 7916, “An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority and for Other Purposes, as amended by RA 8748 entitled; and</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(7) Executive Order No. 22, series of 2017, amending Executive Order No. 70, series of 2012, and Executive Order No. 528, series of 2006 and Executive Order No. 313, series of 2004, entitled 'Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by Board of Investments Registered New and Expanding Enterprises';</p> <p>(8) Section 12 of Republic Act No. 8047, entitled 'An Act Providing for the Development of the Book Publishing Industry Through the Formulation and Implementation of a National Policy and a National Book Development Plan';</p> <p>(9) Section 17(1) to (8) insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, and Section 18(a), (b), (c), and (f) of Presidential Decree No. 66, entitled 'Creating the Export Processing Zone Authority and Revising Republic Act No. 5490';</p> <p>(10) Section 4(e) and (f), insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, of Republic Act No. 7903, entitled "An Act Creating Special Economic Zone and Freeport in the City of Zamboanga and Establishing for this Purpose the Zamboanga City Special Economic Zone Authority, Appropriating Funds Therefor, and for Other Purposes";</p>	<p>(B) The provisions of the following laws, including the tax incentives, that are inconsistent with this Act are hereby amended:</p> <p>(1) Section 24 of Republic Act No. 7916, entitled "An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for the Purpose the Philippine Economic Zone Authority (PEZA), and for Other Purposes" as amended by Republic Act No. 8748";</p> <p>(2) Sections 12(c), 15, 15-A, 15-B, 15-C of Republic Act No. 7227, entitled "An Act Accelerating the Conversion of Military Reservations into other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds therefor and for other Purposes" as amended by Republic Act No. 9400, and further amended by Executive Order No. 619, series of 2007";</p> <p>(3) Section 6 of Republic Act No. 9728, entitled "An Act Converting the Bataan Economic Zone Located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan (FAB), Creating for this Purpose the Authority of the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes";</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(11) Section 4(b)(c), insofar as tax exemption and/or VAT zero-rating on domestic merchandise is concerned, of Republic Act No. 7922, entitled 'An Act Establishing a Special Economic Zone and Freeport in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan Providing Funds Therefor, and for Other Purposes';</p> <p>(12) Section 4 of Republic Act No. 8748, entitled 'An Act Amending Republic Act No. 7916, Otherwise Known as the "Special Economic Zone Act of 1995" ';</p> <p>(13) Sections 23 and 24 of Republic Act No. 7916, entitled 'An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration, and Coordination of Special Economic Zones in the Philippines, Creating for the Purpose the Philippine Economic Zone Authority (PEZA), and for Other Purposes';</p> <p>(14) Section 1 of Republic Act No. 9400, amending Section 12(b) of Republic Act No. 7227, insofar as tax exemption and VAT zero-rating of domestic merchandise and capital equipment are concerned, Section 12(c), Section 2 amending Section 15, second, third and last paragraph of Republic Act No. 7227, Section 3, first and second paragraph; Sections 4 and 5 entitled 'An Act Amending Republic Act</p>	<p>(4) Sections 86(b) of Republic Act No. 9593, entitled "An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement That Policy, and Appropriating Funds Therefor";</p> <p>(5) Section 8 of Presidential Decree No. 538, entitled "Creating and Establishing the PHIVIDEDEC Industrial Authority and Making it a Subsidiary Agency of the Philippine Veterans Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes" as amended by Presidential Decree No. 1491;</p> <p>(6) Section 1(1.1) of Executive Order No. 97-A, series of 1993, entitled "Further Clarifying the Tax and Duty-Free Privilege Within the Subic Special Economic and Free Port Zone";</p> <p>(C) The provisions of the following laws that are inconsistent with the provisions on the Strategic Investment Priority Plan are hereby amended:</p> <p>(1) Section 13(j) of Republic Act No. 9728, entitled "An Act Converting the Bataan Economic Zone located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan, Creating for this Purpose the Authority of</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>No. 7227, as Amended, Otherwise Known as the Bases Conversion and Development Act of 1982, and for Other Purposes’;</p> <p>(15) Section 1 of Executive Order No. 619, entitled ‘Creating and Designating Special Economic Zones Pursuant to Republic Act No. 7916, as Amended by Republic Act No. 8784, in Relation to Republic Act No. 7227, as Amended by Republic Act No. 9400, Inside the Clark Freeport Zone’;</p> <p>(16) Section 4(f), 5, 6, 7, 8, and 9 of Republic Act No. 9490, entitled ‘An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes’;</p> <p>(17) Sections 3(e)(f)(h) and 4 of Republic Act No. 10083, entitled ‘An Act Amending Republic Act No. 9490’;</p> <p>(18) Section 4(f), insofar as tax exemption and/or value-added tax or VAT zero-rating on domestic merchandise and capital equipment are concerned, and Sections 5, 6, and 10 of Republic Act No. 9728, entitled ‘An Act Converting the Bataan Economic Zone Located in the Municipality of Mariveles, Province of Bataan, into the Freeport Area of Bataan (FAB), Creating for this Purpose the Authority of the Freeport Area of Bataan</p>	<p>the Freeport Area of Bataan (AFAB), Appropriating Funds Therefor and for Other Purposes”, as amended by Republic Act No. 11453;</p> <p>(2) Section 12(f) of Republic Act No. 9490, as amended, entitled “An Act Establishing the Aurora Special Economic Zone in the Province of Aurora, Creating for the Purpose the Aurora Special Economic Zone Authority, Appropriating Funds Therefor and for Other Purposes”;</p> <p>(3) Section 6(f) of Republic Act No. 7922 entitled, “An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands of Cagayan, Providing Funds Therefor, and for Other Purposes”;</p> <p>(4) Section 21 of Republic Act No. 7916, as amended, entitled “An Act Providing for the Legal Framework and Mechanisms for the Creation, Operation, Administration and Coordination of Special Economic Zones in the Philippines, Creating for this Purpose, the Philippine Economic Zone Authority and for Other Purposes;</p> <p>(5) Article 32, Chapter III, Title I, Book I of EO 226, series of 1987, as amended, entitled “the Omnibus Investments Code of 1987”;</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	(AFAB), Appropriating Funds Therefor and for Other Purposes’;	(6) Section 5 of Executive Order No. 80, series of 1993 entitled, “Authorizing the Establishment of the Clark Development Corporation as the Implementing Arm of the Bases Conversion and Development Authority for the Clark Special Economic Zone, and Directing all Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of Government to Support the Program”;
	(19) Section 36(e) and (f) of Presidential Decree No. 705, entitled ‘Revising Presidential Decree No. 389, Otherwise Known as the Forestry Reform Code of the Philippines’;	(7) Sections 4(b), 13(b)(7) of Republic Act No. 7227 entitled, “An Act Accelerating the Conversion of Military Reservations into Other Productive Uses, Creating the Bases Conversion and Development Authority for this Purpose, Providing Funds Therefor and for Other Purposes”; and
	(20) Section (b)(1)(c) of Republic Act No. 9003, entitled ‘An Act Providing for an Ecological Solid Waste Management Program, Creating the Necessary Institutional Mechanisms and Incentives, Declaring Certain Acts Prohibited and Providing Penalties, Appropriating Funds Therefor, and for Other Purposes’;	(8) Sections 85 and 88(c)(1) of Republic Act No. 9593, as amended by Republic Act No. 11262, entitled “An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement That Policy, and Appropriating Funds Therefor”.
	(21) Section 26(a)(1)(3) of Republic Act No. 9275, entitled ‘An Act Providing for Comprehensive Water Quality Management and for Other Purposes’;	All other laws, decrees, executive orders, rules and regulations, or parts thereof which are contrary to or inconsistent with this Code are hereby amended or modified accordingly.
	(22) Sections 16 and 17 of Republic Act No. 7844, entitled ‘An Act to Develop Exports as a Key Towards the Achievement of the National Goals Towards the Year 2000’;	
	(23) Section 13 of Republic Act No. 10817, entitled ‘An Act Instituting the Philippine Halal Export Development and Promotion Program, Creating for the Purpose the Philippine Halal Export Development and Promotion Board, and for Other Purposes’;	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(24) Section 14 of Republic Act No. 8423, entitled 'An Act Creating the Philippine Institute of Traditional and Alternative Health Care (PITAHC) to Accelerate the Development of Traditional and Alternative Health Care in the Philippines, Providing for a Traditional and Alternative Health Care Development Fund and for Other Purposes';</p> <p>(25) Republic Act No. 7718, entitled 'An Act Amending Certain Sections of Republic Act No. 6957, Entitled "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes"';</p> <p>(26) Section 6(c)(d)(f) and Sections 7 and 8 of Republic Act No. 7103, entitled 'An Act to Strengthen the Iron and Steel Industry and Promote Philippine Industrialization and for Other Purposes';</p> <p>(27) Section 3(a) to (d) and (h) of Republic Act No. 8502, entitled "An Act to Promote the Development of the Jewelry Manufacturing Industry, Providing Incentives Therefor and for Other Purposes";</p> <p>(28) Section 5(a)(b) of Republic Act No. 10771, entitled 'An Act Promoting the Creation of Green Jobs, Granting Incentives and Appropriating Funds Therefor';</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(29) Sections 9(h), (10) of Republic Act No. 9501, entitled 'An Act to Promote Entrepreneurship by Strengthening Development and Assistance Programs to Micro, Small and Medium Scale Enterprises, Amending for the Purpose Republic Act No. 6977, as Amended, Otherwise Known as the "Magna Carta For Small Enterprises and for Other Purposes"';</p> <p>(30) Section 7 of Republic Act No. 9178, entitled 'An Act to Promote the Establishment of Barangay Micro Business Enterprises (BMBEs), Providing Incentives and Benefits Therefor, and for Other Purposes';</p> <p>(31) Chapter XV, Section 83; Chapter XVI, Sections 90, 91, 92, and 93 of Republic Act No. 7942, entitled 'An Act Instituting a New System of Mineral Resources Exploration, Development, Utilization and Conservation';</p> <p>(32) Chapter II, Section 4 and Chapter VIII, Section 19 of Republic Act No. 9295, entitled 'An Act Promoting the Development of Philippine Domestic Shipping, Shipbuilding, Ship Repair and Ship Breaking, Ordaining Reforms in Government Policies Towards Shipping in the Philippines and for Other Purposes';</p> <p>(33) Section 6 of Republic Act No. 7471, as amended, entitled 'An Act to Promote the</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>Development of Philippine Overseas Shipping’;</p> <p>(34) Sections 86, 88, and 95(a) and (b) of Republic Act No. 9593, entitled ‘An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement That Policy, and Appropriating Funds Therefor’;</p> <p>(35) Section 8, insofar as investment incentives are concerned, of Republic Act No. 10816, entitled ‘An Act Providing for the Development and Promotion of Farm Tourism in the Philippines’;</p> <p>(36) Section 8 of Presidential Decree No. 1491, Amending Section 8 of Presidential Decree No. 538 (Philippine Veterans Investment Development Corporation);</p> <p>(37) Section 8, insofar as tax exemption and VAT zero-rating of domestic merchandise are concerned, and Section 9 of Presidential Decree No. 538, entitled ‘Creating and Establishing the PHIVIDECA Industrial Authority and Making it a Subsidiary Agency of the Philippine Veterans Development Corporation, Defining its Powers, Functions and Responsibilities, and for Other Purposes’;</p>	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	(38) Section 1(1.1) of Executive Order No. 97-A, series of 1993, entitled 'Further Clarifying the Tax and Duty-Free Privilege Within the Subic Special Economic and Free Port Zone';	
	(39) Section 5(5.1) and (5.2) of Executive Order No. 290, series of 2004, entitled 'Implementing the Natural Gas Vehicle Program for Public Transport';	
	(40) Sections 18 and 20 of Republic Act No. 6847, entitled 'An Act Creating and Establishing the Philippine Sports Commission, Defining its Powers, Functions, and Responsibilities, Appropriating Funds Therefor, and for Other Purposes';	
	(41) Sections 1(6) and 2 of Presidential Decree No. 776, entitled 'Modifying All Laws, Acts, Decrees, Orders and Ordinances Granting Subsidies, Exemptions from Taxes, Duties, Fees, Imposts and Other Charges Under Certain Exceptions and Creating a Fiscal Incentives Board';	
	(42) Section 2 of Presidential Decree No. 1931, series of 1984, entitled 'Directing the Rationalization of Duty and Tax Exemption Privileges Granted to Government-Owned or -Controlled Corporations and All Other Units of Government';	

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>(43) Section 1(c) and (d) of Executive Order No. 93, series of 1986, entitled 'Withdrawing All Tax and Duty Incentives, Subject to Certain Exceptions, Expanding the Powers of the Fiscal Incentives Review Board and for Other Purposes'; and</p> <p>(44) Section 1(a) and (b) of Presidential Decree No. 1955, entitled 'Withdrawing, Subject to Certain Conditions, the Duty and Tax Privileges Granted to Private Business Enterprises and/or Persons Engaged in Any Economic Activity and for Other Purposes'.</p> <p>(F) Memorandum Order No. 23, series of 1986, entitled 'Expanding the Membership of the Fiscal Incentives Review Board', is hereby repealed."</p> <p>SEC. 32. Title XIV of the National Internal Revenue Code of 1997, as amended, is hereby renumbered as Title XV, to read as follows:</p> <p style="text-align: center;">TITLE [XIV] XV FINAL PROVISIONS</p> <p>SEC. [292] 316. <i>Separability Clause.</i> – If any clause, sentence, paragraph, or part of this Code shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of said Code, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy.</p>	<p>SEC. 11. <i>Separability Clause.</i> – If any provision or part of this Act is declared invalid or unconstitutional, such declaration shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the case, whereas the parts or provisions not affected thereby shall remain in full force and effect.</p>

NIRC OF 1997, AS AMENDED BY RA 11467	HOUSE BILL NO. 4157	SENATE BILL NO. 1357
	<p>SEC. 33. <i>Implementing Rules and Regulations.</i> – Within ninety (90) days from the effectivity of this Act, the Secretary of Finance and the Secretary of Trade and Industry shall, upon consultations with the Commissioner of Internal Revenue, the Board of Investments, and other investment promotion agencies, promulgate the necessary rules and regulations for its effective implementation.</p> <p>SEC. 34. <i>Effectivity.</i> – This Act shall take effect on January 1, 2020 following its complete publication in the <i>Official Gazette</i> or in a newspaper of general circulation.</p> <p style="text-align: center;"><i>Approved,</i></p>	<p>SEC. 12. <i>Appropriation.</i> – The National Tax Research Center, as the secretariat of the Fiscal Incentives Review Board, shall be provided with an initial appropriation of One Hundred Million Pesos (P100,000,000.00) to be drawn from the available funds from the National Treasury not otherwise appropriated. Appropriations for the succeeding years shall be included in the annual General Appropriations Act.</p> <p>SEC. 13. <i>Implementing Rules and Regulations.</i> – Within ninety (90) days from the effectivity of this Act, the Secretary of Finance upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for its effective implementation; <i>Provided, that</i> for the provisions under Title XIII, the Secretary of Finance and the Secretary of Trade and Industry shall jointly promulgate the necessary rules and regulations thereof within the same period, after due consultations with the Commissioner of Internal Revenue, the Board of Investments, and other Investment Promotion Agencies, for its effective implementation.</p> <p>SEC. 14. <i>Effectivity.</i> – This Act shall take effect fifteen (15) days after its complete publication in the <i>Official Gazette</i> or in a newspaper of general circulation; <i>Provided, that</i> the effectivity of the provisions under Sections 5, 6 and 7 shall retroact to January 1, 2020.</p> <p style="text-align: center;"><i>Approved,</i></p>