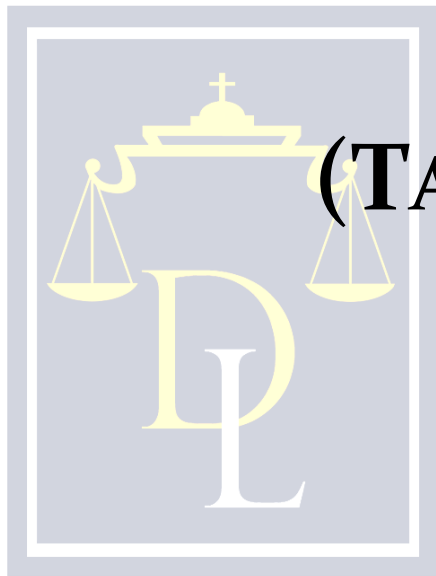


**A CONSOLIDATED AND COMPARATIVE ANALYSIS
OF REPUBLIC ACT 10963**

**(TAX REFORM FOR ACCELERATION AND
INCLUSION LAW)**




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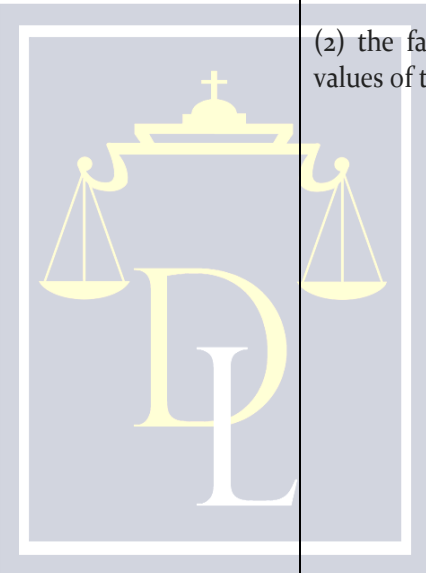


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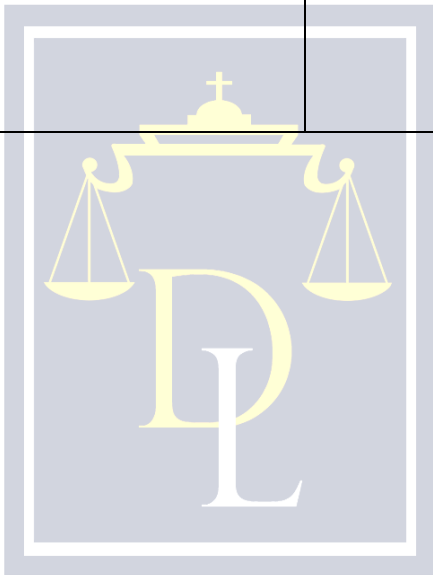
TITLE I: ORGANIZATION AND FUNCTION OF BUREAU OF INTERNAL REVENUE

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SECTION 5.</p> <p>Power of the Commissioner to Obtain Information and to Summon, Examine, and Take Testimony of Persons</p> 	<p>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) To obtain on a regular basis from any person other than the person whose internal revenue tax liability is subject to audit or investigation, or from any office or officer of the national and local governments, government agencies and instrumentalities, including the <i>Bangko Sentral ng Pilipinas</i> and government-owned or -controlled corporations, any information such as, but not limited to, costs and volume of production, receipts or sales and gross incomes of taxpayers, and the names, addresses, and financial statements of corporations, mutual fund companies, insurance companies, regional operating headquarters of multinational companies, joint accounts, associations, joint ventures or consortia and registered partnerships, and their members;</p> <p>xxx</p>	<p>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) To obtain on a regular basis from any person other than the person whose internal revenue tax liability is subject to audit or investigation, or from any office or officer of the national and local governments, government agencies and instrumentalities, including the <i>Bangko Sentral ng Pilipinas</i> and government-owned or -controlled corporations, any information such as, but not limited to, costs and volume of production, receipts or sales and gross incomes of taxpayers, and the names, addresses, and financial statements of corporations, mutual fund companies, insurance companies, regional operating headquarters of multinational companies, joint accounts, associations, joint ventures or consortia and registered partnerships, and their members: <u>Provided, That the Cooperative Development Authority shall submit to the Bureau a tax incentive report, which shall include information on the income tax, value-added tax, and other tax incentives availed of by cooperatives registered and enjoying incentives under Republic Act No. 6938, as amended: Provided, further, That the information submitted by the Cooperative Development Authority to the Bureau shall be submitted to the Department of Finance and shall be</u></p>	<p style="text-align: center; font-size: 2em; opacity: 0.5;">AW</p> <p style="text-align: center; font-size: 1.5em; opacity: 0.5;">Lawyering</p> <ul style="list-style-type: none"> • Tax Incentive Report. - The Cooperative Development Authority (“CDA”) has to submit to the Bureau of Internal Revenue (“BIR”) and the Department of Finance a tax incentive report, which shall be included in the database created under the Tax

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		<p><u>included in the database created under Republic Act No. 10708, otherwise known as the 'Tax Incentives Management and Transparency Act (TIMTA)'. xxx</u></p>	<p>Incentives Management and Transparency Act ("TIMTA").</p>
<p>SECTION 6. Power of the Commissioner to make assessments and prescribe additional requirements for tax administration and enforcement.</p>	<p>(A) <i>Examination of Return and Determination of Tax Due.</i> - After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative may authorize the examination of any taxpayer and the assessment of the correct amount of tax: <i>Provided, however,</i> That failure to file a return shall not prevent the Commissioner from authorizing the examination of any taxpayer. xxx xxx (B) xxx (C) xxx (D) xxx (E) <i>Authority of the Commissioner to Prescribe Real Property Values.</i> - The Commissioner is hereby authorized to divide the Philippines into different zones or areas and shall, upon consultation with competent appraisers both from the private and public sectors,</p>	<p>(A) <i>Examination of Returns and Determination of Tax Due.</i> - After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative may authorize the examination of any taxpayer and the assessment of the correct amount of tax, <u>notwithstanding any law requiring the prior authorization of any government agency or instrumentality:</u> <i>Provided, however,</i> That failure to file a return shall not prevent the Commissioner from authorizing the examination of any taxpayer. xxx xxx (B) xxx (C) xxx (D) xxx (E) <i>Authority of the Commissioner to Prescribe Real Property Values.</i> - The Commissioner is hereby authorized to divide the Philippines into different zones or areas and shall, upon <u>mandatory</u> consultation with competent appraisers both from the private and public</p>	<p>• Additional Requirements in Prescribing Real Property Values. 1. Mandatory Consultation. -</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>determine the fair market value of real properties located in each zone or area. For purposes of computing any internal revenue tax, the value of the property shall be, whichever is the higher of:</p> <p>(1) the fair market value as determined by the Commissioner; or</p> <p>(2) the fair market value as shown in the schedule of values of the Provincial and City Assessors.</p>	<p>sectors, <u>and with prior notice to affected taxpayers</u>, determine the fair market value of real properties located in each zone or area, <u>subject to automatic adjustment once every three (3) years through rules and regulations issued by the Secretary of Finance based on the current Philippine valuation standards: <i>Provided, That no adjustment in zonal valuation shall be valid unless published in a newspaper of general circulation in the province, city or municipality concerned, or in the absence thereof, shall be posted in the provincial capitol, city or municipal hall and in two (2) other conspicuous public places therein: <i>Provided, further, That the basis of any valuation, including the records of consultations done, shall be public records open to the inquiry of any taxpayer.</i></i></u> For purposes of computing any internal revenue tax, the value of the property shall be, whichever is the higher of:</p> <p>(1) the fair market value as determined by the Commissioner; or</p> <p>(2) the fair market value as shown in the schedule of values of the Provincial and City Assessors.</p>	<p>Consultation with competent appraisers both from the private and public sectors in determining fair market value (“FMV”) of real properties is expressly made mandatory.</p> <p>2. Prior Notice to Affected Taxpayers. – Adjustment of FMV of real properties must be made upon prior notice to affected taxpayers.</p> <p>3. Automatic Adjustment. FMV of real properties is subject to <u>automatic</u> adjustment once every 3 years through rules and regulations issued by the Secretary of Finance.</p> <p>4. Publication Requirement. – Requires publication in a newspaper of general circulation in the province, city or municipality concerned, or in the absence thereof, posting in the provincial capitol, city or municipal hall and in 2 other</p>

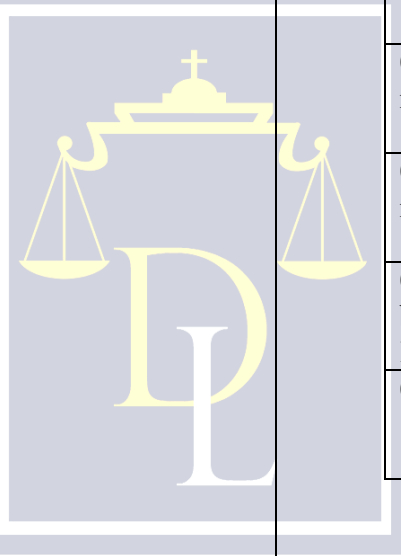
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
			<p>conspicuous public places therein, before adjustment in zonal valuation can be valid.</p> <p>5. Public Records. - Basis of any valuation, including the records of consultations done, shall be public records open to the inquiry of any taxpayer.</p>



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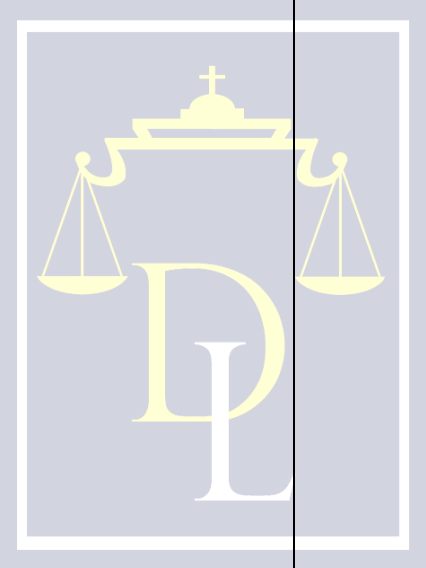
TITLE II: TAX ON INCOME

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SECTION 24.</p> <p>Income Tax Rates</p>	<p>(A) <i>Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines.</i> -</p> <p>(1) An income tax is hereby imposed:</p> <p>(a) On the taxable income defined in Section 31 of this Code, other than income subject to tax under Subsections (B), (C) and (D) of this Section, derived for each taxable year from all sources within and without the Philippines by every individual citizen of the Philippines residing therein;</p> <p>(b) On the taxable income defined in Section 31 of this Code, other than income subject to tax under Subsections (B), (C) and (D) of this Section, derived for each taxable year from all sources within the Philippines by an individual citizen of the Philippines who is residing outside of the Philippines including overseas contract workers referred to in Subsection(C) of Section 23 hereof; and</p> <p>(c) On the taxable income defined in Section 31 of this Code, other than income subject to tax under Subsections (B), (C) and (D) of this Section, derived for each taxable year from all sources within the Philippines by an individual alien who is a resident of the Philippines.</p> <p>(2) <i>Rates of Tax on Taxable Income of Individuals.</i> - The tax shall be computed in accordance with and at the rates established in the following schedule:</p>	<p>(A) <i>Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines.</i> -</p> <p>(1) An income tax is hereby imposed:</p> <p>(a) On the taxable income defined in Section 31 of this Code, other than income subject to tax under Subsections (B), (C) and (D) of this Section, derived for each taxable year from all sources within and without the Philippines by every individual citizen of the Philippines residing therein;</p> <p>(b) On the taxable income defined in Section 31 of this Code, other than income subject to tax under Subsections (B), (C) and (D) of this Section, derived for each taxable year from all sources within the Philippines by an individual citizen of the Philippines who is residing outside of the Philippines including overseas contract workers referred to in Subsection(C) of Section 23 hereof; and</p> <p>(c) On the taxable income defined in Section 31 of this Code, other than income subject to tax under Subsections (B), (C) and (D) of this Section, derived for each taxable year from all sources within the Philippines by an individual alien who is a resident of the Philippines.</p> <p>(2) <i>Rates of Tax on Taxable Income of Individuals.</i> - The tax shall be computed in accordance with and at the rates established in the following schedule:</p>	

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY																																
	<table border="1"> <tr> <td>Not over P10,000</td> <td>5%</td> </tr> <tr> <td>Over P10,000 but not over P30,000</td> <td>P500+10% of the excess over P10,000</td> </tr> <tr> <td>Over P30,000 but not over P70,000</td> <td>P2,500+15% of the excess over P30,000</td> </tr> <tr> <td>Over P70,000 but not over P140,000</td> <td>P8,500+20% of the excess over P70,000</td> </tr> <tr> <td>Over P140,000 but not over P250,00</td> <td>P22,500+25% of the excess over P140,000</td> </tr> <tr> <td>Over P250,000 but not over P500,000</td> <td>P50,000+30% of the excess over P250,000</td> </tr> <tr> <td>Over P500,000</td> <td>P125,000+32% of the excess over P500,000.</td> </tr> </table>	Not over P10,000	5%	Over P10,000 but not over P30,000	P500+10% of the excess over P10,000	Over P30,000 but not over P70,000	P2,500+15% of the excess over P30,000	Over P70,000 but not over P140,000	P8,500+20% of the excess over P70,000	Over P140,000 but not over P250,00	P22,500+25% of the excess over P140,000	Over P250,000 but not over P500,000	P50,000+30% of the excess over P250,000	Over P500,000	P125,000+32% of the excess over P500,000.	<p>(a) <u>Tax Schedule Effective January 1, 2018 until December 31, 2022:</u></p> <table border="1"> <tr> <td>NOT OVER P250,000</td> <td>0%</td> </tr> <tr> <td>OVER P250,000 BUT NOT OVER P400,000</td> <td>20% OF THE EXCESS OVER P250,000</td> </tr> <tr> <td>OVER P400,000 BUT NOT OVER P800,000</td> <td>P30,000 + 25% OF THE EXCESS OVER P400,000</td> </tr> <tr> <td>OVER P800,000 BUT NOT OVER P2,000,000</td> <td>P130,000 + 30% OF THE EXCESS OVER P800,000</td> </tr> <tr> <td>OVER P2,000,000 BUT NOT OVER P8,000,000</td> <td>P490,000 + 32% OF THE EXCESS OVER P2,000,000</td> </tr> <tr> <td>OVER P8,000,000</td> <td>P2,410,000 + 35% OF THE EXCESS OVER P8,000,000</td> </tr> </table> <p><u>Tax Schedule Effective January 1, 2023 and onwards:</u></p> <table border="1"> <tr> <td>NOT OVER P250,000</td> <td>0%</td> </tr> <tr> <td>OVER P250,000 BUT NOT OVER P400,000</td> <td>15% OF THE EXCESS OVER P250,000</td> </tr> <tr> <td>OVER P400,000 BUT NOT OVER P800,000</td> <td>P22,500 + 20% OF THE EXCESS OVER P400,000</td> </tr> </table>	NOT OVER P250,000	0%	OVER P250,000 BUT NOT OVER P400,000	20% OF THE EXCESS OVER P250,000	OVER P400,000 BUT NOT OVER P800,000	P30,000 + 25% OF THE EXCESS OVER P400,000	OVER P800,000 BUT NOT OVER P2,000,000	P130,000 + 30% OF THE EXCESS OVER P800,000	OVER P2,000,000 BUT NOT OVER P8,000,000	P490,000 + 32% OF THE EXCESS OVER P2,000,000	OVER P8,000,000	P2,410,000 + 35% OF THE EXCESS OVER P8,000,000	NOT OVER P250,000	0%	OVER P250,000 BUT NOT OVER P400,000	15% OF THE EXCESS OVER P250,000	OVER P400,000 BUT NOT OVER P800,000	P22,500 + 20% OF THE EXCESS OVER P400,000	<ul style="list-style-type: none"> • Revised Graduated Income Tax Schedule.¹ – Two revised income tax schedules shall be implemented for the periods (1) January 1, 2018 – December 31, 2022 (“1st Tax Period”) and (2) January 1, 2023 and onwards (“2nd Tax Period”). New tax schedules exempt individuals whose taxable income per year does not exceed P250,000.00 from income tax, and increased the tax range. Tax rates in the 2nd Tax Period are reduced for each tax range.
	Not over P10,000	5%																																	
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¹ The graduated income tax rates are imposed on the “taxable income,” which is defined as gross income less the allowable deductions under Section 31 of the National Internal Revenue Code (NIRC).

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	<p>For married individuals, the husband and wife, subject to the provision of Section 51 (D) hereof, shall compute separately their individual income tax based on their respective total taxable income: <i>Provided</i>, That if any income cannot be definitely attributed to or identified as income exclusively earned or realized by either of the spouses, the same shall be divided equally between the spouses for the purpose of determining their respective taxable income.</p> <p><i>Provided</i>, That minimum wage earners as defined in Section 22(HH) of this Code shall be exempt from the payment of income tax on their taxable income: <i>Provided, further</i>, That the holiday pay, overtime pay, night shift differential pay and hazard pay received by such minimum wage earners shall likewise be exempt from income tax.</p>	<table border="1" data-bbox="1231 266 1784 591"> <tr> <td data-bbox="1231 266 1510 375">OVER P800,000 BUT NOT OVER P2,000,000</td> <td data-bbox="1510 266 1784 375">P102,500 + 25% OF THE EXCESS OVER P800,000</td> </tr> <tr> <td data-bbox="1231 375 1510 483">OVER P2,000,000 BUT NOT OVER P8,000,000</td> <td data-bbox="1510 375 1784 483">P402,500 + 30% OF THE EXCESS OVER P2,000,000</td> </tr> <tr> <td data-bbox="1231 483 1510 591">OVER P8,000,000</td> <td data-bbox="1510 483 1784 591">P2,202,500 + 35% OF THE EXCESS OVER P8,000,000</td> </tr> </table> <p>For married individuals, the husband and wife, subject to the provision of Section 51 (D) hereof, shall compute separately their individual income tax based on their respective total taxable income: <i>Provided</i>, That if any income cannot be definitely attributed to or identified as income exclusively earned or realized by either of the spouses, the same shall be divided equally between the spouses for the purpose of determining their respective taxable income.</p> <p><i>Provided</i>, That minimum wage earners as defined in Section 22(HH) of this Code shall be exempt from the payment of income tax on their taxable income: <i>Provided, further</i>, That the holiday pay, overtime pay, night shift differential pay and hazard pay received by such minimum wage earners shall likewise be exempt from income tax.</p> <p><u>(b) Rate of Tax on Income of Purely Self-Employed Individuals and/or Professionals Whose Gross Sales</u></p>	OVER P800,000 BUT NOT OVER P2,000,000	P102,500 + 25% OF THE EXCESS OVER P800,000	OVER P2,000,000 BUT NOT OVER P8,000,000	P402,500 + 30% OF THE EXCESS OVER P2,000,000	OVER P8,000,000	P2,202,500 + 35% OF THE EXCESS OVER P8,000,000	<p>• Option to Avail of 8% Income Tax. – Grants the</p>
OVER P800,000 BUT NOT OVER P2,000,000	P102,500 + 25% OF THE EXCESS OVER P800,000								
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		<p><u>or Gross Receipts and Other Non-Operating Income Does not Exceed the Value-Added Tax (VAT) Threshold as Provided in Section 109 (BB). – Self-employed individuals and/or professionals shall have the option to avail of an eight percent (8%) tax on gross sales or gross receipts and other non-operating income in excess of Two hundred fifty thousand pesos (P250,000) in lieu of the graduated income tax rates under subsection (A)(2)(a) of this Section and the percentage tax under Section 116 of this Code.</u></p> <p><u>(c) Rate of Tax for Mixed Income Earners. – Taxpayers earning both compensation income and income from business or practice of profession shall be subject to the following taxes:</u></p> <p>(1) <u>All Income from Compensation - The rates prescribed under Subsection (A)(2)(a) of this Section.</u></p> <p>(2) <u>All Income from Business or Practice of Profession –</u></p> <p><u>(a) If Total Gross Sales and/or Gross Receipts and Other Non-Operating Income Do Not Exceed The Value-Added Tax (VAT) Threshold as Provided in Section 109(BB) of this Code. - The rates prescribed</u></p>	<p>option to be taxed at 8% on gross sales/ receipts/ other income in excess of P250,000.00 in favor of self-employed individuals and/or professionals whose gross sales/ receipts/ other income does not exceed P3,000,000 which is the VAT threshold under Section 109(BB). This 8% income tax shall be in lieu of the graduated income tax rates [Section 24(A)(2)(a), NIRC] and the 3% percentage tax [Section 116, NIRC].</p> <ul style="list-style-type: none"> • Income Taxation of Mixed Income Earners. – Individuals earning both compensation income and income from business or practice of profession: <ol style="list-style-type: none"> 1. Compensation income is subject to graduated income tax rate. 2. If income from business or practice of profession do not exceed P3,000,000 VAT threshold, tax shall be the graduated rate or 8% on gross sales/ receipts/ other income in

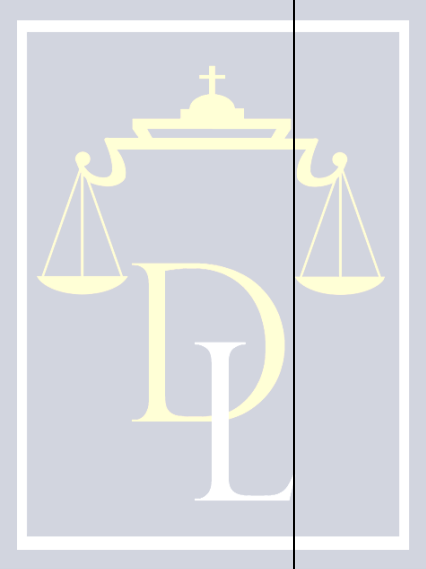
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(B) <i>Rate of Tax on Certain Passive Income:</i> -</p> <p>(1) <i>Interests, Royalties, Prizes, and Other Winnings.</i> - A final tax at the rate of twenty percent (20%) is hereby imposed upon the amount of interest from any currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements; royalties, except on books, as well as other literary works and musical compositions, which shall be imposed a final tax of ten percent (10%); prizes (except prizes amounting to Ten thousand pesos (P10,000) or less which shall be subject to tax under Subsection (A) of Section 24); and other winnings (except Philippine Charity Sweepstakes and Lotto winnings), derived from sources within the Philippines: <i>Provided, however,</i> That interest income received by an individual taxpayer (except a nonresident individual) from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of seven and one-</p>	<p><u>under Subsection (A)(2)(a) of this Section on taxable income, or eight percent (8%) income tax based on gross sales or gross receipts and other non-operating income in lieu of the graduated income tax rates under Subsection (A)(2)(a) of this Section and the percentage tax under Section 116 of this Code.</u></p> <p><u>(b) If Total Gross Sales and/or Gross Receipts and Other Non-Operating Income Exceeds the Value-Added Tax (VAT) Threshold as Provided in Section 109 (BB) of this Code. - The rates prescribed under Subsection (A)(2)(a) of this Section.</u></p> <p>(B)<i>Rate of Tax on Certain Passive Income:</i> -</p> <p>(1) <i>Interests, Royalties, Prizes, and Other Winnings.</i> - A final tax at the rate of twenty percent (20%) is hereby imposed upon the amount of interest from any currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements; royalties, except on books, as well as other literary works and musical compositions, which shall be imposed a final tax of ten percent (10%); prizes (except prizes amounting to Ten thousand pesos (P10,000) or less which shall be subject to tax under Subsection (A) of Section 24); and other winnings (except <u>winnings amounting Ten thousand pesos (P10,000) or less from</u> Philippine Charity Sweepstakes and Lotto <u>which shall be exempt</u>), derived from sources within the Philippines: <i>Provided, however,</i> That interest income received by an individual taxpayer (except a nonresident individual) from a depository bank under the expanded</p>	<p>lieu of the graduated income tax rate and percentage tax.</p> <p>3. If income from business or practice of profession exceeds the VAT threshold of P3,000,000.00, income will be subject to the graduated income tax rate.</p> <ul style="list-style-type: none"> • Philippine Charity Sweepstakes and Lotto Winnings (“PCSO”). - Limits the income tax exemption granted on winnings from PCSO and Lotto to only those winnings amounting to P10,000 or less. Prior to RA 10963, all winnings from PCSO and Lotto were exempt from tax. • Interest income in a depository bank under the expanded foreign currency

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	<p>half percent (7 1/2%) of such interest income: <i>Provided, further,</i> That interest income from long-term deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments evidenced by certificates in such form prescribed by the Bangko Sentral ng Pilipinas (BSP) shall be exempt from the tax imposed under this Subsection: <i>Provided, finally,</i> That should the holder of the certificate pre-terminate the deposit or investment before the fifth (5th) year, a final tax shall be imposed on the entire income and shall be deducted and withheld by the depository bank from the proceeds of the long-term deposit or investment certificate based on the remaining maturity thereof:</p> <p>xxx</p> <p>(2) <i>Cash and/or Property Dividends.</i> - A final tax at the following rates shall be imposed upon the cash and/or property dividends actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance or mutual fund companies and regional operating headquarters of multinational companies, or on the share of an individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or a joint venture or consortium taxable as a corporation of which he is a member or co-venturer:</p>	<p>foreign currency deposit system shall be subject to a final income tax at the rate of fifteen percent (15%) of such interest income: <i>Provided, further,</i> That interest income from long-term deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments evidenced by certificates in such form prescribed by the Bangko Sentral ng Pilipinas (BSP) shall be exempt from the tax imposed under this Subsection: <i>Provided, finally,</i> That should the holder of the certificate pre-terminate the deposit or investment before the fifth (5th) year, a final tax shall be imposed on the entire income and shall be deducted and withheld by the depository bank from the proceeds of the long-term deposit or investment certificate based on the remaining maturity thereof:</p> <p>xxx</p> <p>(2) <i>Cash and/or Property Dividends.</i> - A final tax at the rate of Ten percent (10%) shall be imposed upon the cash and/or property dividends actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance or mutual fund companies and regional operating headquarters of multinational companies, or on the share of an individual in the distributable net income after tax of a partnership (except a general professional partnership) of which he is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or a joint venture or consortium taxable as a corporation of which he is a member or co-venturer.</p>	<p>deposit system – Increases the final income tax rate from 7.5% to 15% on interest income received by an individual taxpayer (except non-resident individual) from a depository bank under the foreign currency deposit system.</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY				
	<p>Six percent (6%) beginning January 1, 1998; Eight percent (8%) beginning January 1, 1999; Ten percent (10%) beginning January 1, 2000.</p> <p><i>Provided, however,</i> That the tax on dividends shall apply only on income earned on or after January 1, 1998. Income forming part of retained earnings as of December 31, 1997 shall not, even if declared or distributed on or after January 1, 1998, be subject to this tax.</p> <p>(C) <i>Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange.</i> - The provisions of Section 39(B) notwithstanding, a final tax at the rates prescribed below is hereby imposed upon the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the stock exchange.</p> <table border="1" data-bbox="568 979 994 1097"> <tr> <td>Not over P 100,000</td> <td>5%</td> </tr> <tr> <td>On any amount in excess of P 100,000</td> <td>10%</td> </tr> </table> <p>xxx</p>	Not over P 100,000	5%	On any amount in excess of P 100,000	10%	<p>(C) <i>Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange.</i> - The provisions of Section 39(B) notwithstanding, a final tax at the rate 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> <p>xxx</p>	<ul style="list-style-type: none"> • Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. - Increases the capital gains tax to 15% final tax on net capital gains from the graduated rates of 5% and 10%.
Not over P 100,000	5%						
On any amount in excess of P 100,000	10%						
<p>SECTION 25.</p> <p>Tax on Nonresident Alien Individual</p>	<p>(A) <i>Nonresident Alien Engaged in trade or Business Within the Philippines.</i> -</p> <p>xxx</p> <p>(B) <i>Nonresident Alien Individual Not Engaged in Trade or Business Within the Philippines.</i></p>	<p>(A) <i>Nonresident Alien Engaged in trade or Business Within the Philippines.</i> -</p> <p>xxx</p> <p>(B) <i>Nonresident Alien Individual Not Engaged in Trade or Business Within the Philippines.</i></p>					

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>Presidential Veto (1 of 6):</p> <p>Reduced income tax rate of employees RHQs, ROHQs, OBUs, and Petroleum Service Contractors and Subcontractors</p>	<p>xxx</p> <p>(C) <i>Alien Individual Employed by Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies.</i> - There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by regional or area headquarters and regional operating headquarters established in the Philippines by multinational companies as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such regional or area headquarters and regional operating headquarters, a tax equal to fifteen percent (15%) of such gross income: <i>Provided, however,</i> That the same tax treatment shall apply to Filipinos employed and occupying the same position as those of aliens employed by these multinational companies. For purposes of this Chapter, the term '<i>multinational company</i>' means a foreign firm or entity engaged in international trade with affiliates or subsidiaries or branch offices in the Asia-Pacific Region and other foreign markets.</p> <p>(D) <i>Alien Individual Employed by Offshore Banking Units.</i> - There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by offshore banking units established in the Philippines as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such off-shore banking units, a tax equal to fifteen percent (15%) of such gross income: <i>Provided, however,</i> That the same tax</p>	<p>xxx</p> <p>(C) <i>Alien Individual Employed by Regional or Area Headquarters and Regional Operating Headquarters of Multinational Companies.</i> - There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by regional or area headquarters and regional operating headquarters established in the Philippines by multinational companies as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such regional or area headquarters and regional operating headquarters, a tax equal to fifteen percent (15%) of such gross income: <i>Provided, however,</i> That the same tax treatment shall apply to Filipinos employed and occupying the same position as those of aliens employed by these multinational companies. For purposes of this Chapter, the term '<i>multinational company</i>' means a foreign firm or entity engaged in international trade with affiliates or subsidiaries or branch offices in the Asia-Pacific Region and other foreign markets.</p> <p>(D) <i>Alien Individual Employed by Offshore Banking Units.</i> - There shall be levied, collected and paid for each taxable year upon the gross income received by every alien individual employed by offshore banking units established in the Philippines as salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, from such off-shore banking units, a tax equal to fifteen percent (15%) of such gross income: <i>Provided, however,</i> That the same tax</p>	<p>AW wyering</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>treatment shall apply to Filipinos employed and occupying the same positions as those of aliens employed by these offshore banking units.</p> <p>(E) <i>Alien Individual Employed by Petroleum Service Contractor and Subcontractor.</i> - An Alien individual who is a permanent resident of a foreign country but who is employed and assigned in the Philippines by a foreign service contractor or by a foreign service subcontractor engaged in petroleum operations in the Philippines shall be liable to a tax of fifteen percent (15%) of the salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, received from such contractor or subcontractor: <i>Provided, however,</i> That the same tax treatment shall apply to a Filipino employed and occupying the same position as an alien employed by petroleum service contractor and subcontractor.</p> <p>Any income earned from all other sources within the Philippines by the alien employees referred to under Subsections (C), (D) and (E) hereof shall be subject to the pertinent income tax, as the case may be, imposed under this Code.</p>	<p>treatment shall apply to Filipinos employed and occupying the same positions as those of aliens employed by these offshore banking units.</p> <p>(E) <i>Alien Individual Employed by Petroleum Service Contractor and Subcontractor.</i> - An Alien individual who is a permanent resident of a foreign country but who is employed and assigned in the Philippines by a foreign service contractor or by a foreign service subcontractor engaged in petroleum operations in the Philippines shall be liable to a tax of fifteen percent (15%) of the salaries, wages, annuities, compensation, remuneration and other emoluments, such as honoraria and allowances, received from such contractor or subcontractor: <i>Provided, however,</i> That the same tax treatment shall apply to a Filipino employed and occupying the same position as an alien employed by petroleum service contractor and subcontractor.</p> <p>Any income earned from all other sources within the Philippines by the alien employees referred to under Subsections (C), (D) and (E) hereof shall be subject to the pertinent income tax, as the case may be, imposed under this Code.</p> <p><u>(F) The preferential tax treatment provided in Subsections (C), (D), and (E) of this Section shall not be applicable to Regional Headquarters (RHQs), Regional Operating Headquarters (ROHQs), Offshore Banking Units (OBUs) or Petroleum Service Contractors and Subcontractors registering with the Securities and Exchange Commission (SEC) after</u></p>	<p style="text-align: center; font-size: 2em; opacity: 0.5;">AW</p> <p style="text-align: center; font-size: 1.5em; opacity: 0.5;">Dynamic Lawyering</p> <ul style="list-style-type: none"> • Withdrawal of the 15% Preferential Tax Treatment for Employees of Regional Operating Headquarters (“ROHQs”) and Regional Area Headquarters (“RHQs”) which shall be

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>January 1, 2018: Provided, however, that existing RHQs/ROHQs, OBUs or Petroleum Service Contractors and Subcontractors presently availing of preferential tax rates for qualified employees shall continue to be entitled to avail of the preferential tax rate for present and future qualified employees.</u></p>	<p>registered in the Securities and Exchange Commission (“SEC”) after 01 January 2018. – Withdraws the 15% preferential tax in favor of employees of RHQs, ROHQs, Offshore Banking Units (“OBUs”) or Petroleum Service Contractors and Subcontractors registering with the SEC after 1 January 2018. RA 10963, however, maintained the 15% preferential tax treatment to qualified employees of existing ROHQs and RHQs.</p> <p>Presidential Veto (1 of 6): <i>“Provided, however, that existing RHQs/ROHQs, OBUs or Petroleum Service Contractors and Subcontractors presently availing of preferential tax rates for qualified employees shall continue to be entitled to avail of the preferential tax rate for present and future qualified employees.”</i></p> <p>The President vetoed the amendment on the ground that</p>

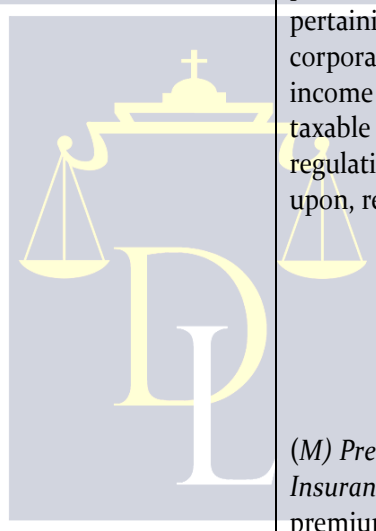
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
			the different tax treatment imposed on qualified employees of existing RHQs/ROHQs and of those registered after 1 January 2018 is violative of the Equal Protection Clause under Section 1, Article III of the 1987 Constitution. The intention of the veto is to subject said previously qualified employees to the graduated rates.
<p>SECTION 27.</p> <p>Rates of Income tax on Domestic Corporations.</p>	<p>(A) <i>In General.</i> - xxx</p> <p>xxx</p> <p>(C) <i>Government-owned or -Controlled Corporations, Agencies or Instrumentalities.</i> - The provisions of existing special or general laws to the contrary notwithstanding, all corporations, agencies, or instrumentalities owned or controlled by the Government, except the Government Service Insurance System (GSIS), the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), the local water districts (LWDs), and the Philippine Charity Sweepstakes Office (PCSO), shall pay such rate of tax upon their taxable income as are imposed by this Section upon corporations or associations engaged in a similar business, industry, or activity.</p> <p>(D) <i>Rates of Tax on Certain Passive Incomes.</i> -</p> <p>(1) <i>Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes and from Trust Funds and</i></p>	<p>(A) <i>In General.</i> - xxx</p> <p>xxx</p> <p>(C) <i>Government-owned or -Controlled Corporations, Agencies or Instrumentalities.</i> - The provisions of existing special or general laws to the contrary notwithstanding, all corporations, agencies, or instrumentalities owned or controlled by the Government, except the Government Service Insurance System (GSIS), the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), 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.</p> <p>(D) <i>Rates of Tax on Certain Passive Incomes.</i> -</p> <p>(1) <i>Interest from Deposits and Yield or any other Monetary Benefit from Deposit Substitutes and from Trust Funds and</i></p>	<ul style="list-style-type: none"> • Exempt GOCCs – Removes PCSO from list of GOCCs exempt from income tax. • Interest income in a depository bank under the

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY				
	<p><i>Similar Arrangements, and Royalties.</i> - A final tax at the rate of twenty percent (20%) is hereby imposed upon the amount of interest on currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements received by domestic corporations, and royalties, derived from sources within the Philippines: <i>Provided, however,</i> That interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of seven and one-half percent (7 1/2%) of such interest income.</p> <p>(2) <i>Capital Gains from the Sale of Shares of Stock Not Traded in the Stock Exchange.</i> - A final tax at the rates prescribed below shall be imposed on net capital gains realized during the taxable year from the sale, exchange or other disposition of shares of stock in a domestic corporation except shares sold or disposed of through the stock exchange:</p> <table border="1" data-bbox="637 1013 1024 1135"> <tr> <td>Not over P 100,000</td> <td>5%</td> </tr> <tr> <td>On any amount in excess of P 100,000</td> <td>10%</td> </tr> </table>	Not over P 100,000	5%	On any amount in excess of P 100,000	10%	<p><i>Similar Arrangements, and Royalties.</i> - A final tax at the rate of twenty percent (20%) is hereby imposed upon the amount of interest on currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements received by domestic corporations, and royalties, derived from sources within the Philippines: <i>Provided, however,</i> That interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system shall be subject to a final income tax at the rate of fifteen percent (15%) of such interest income.</p> <p>(2) <i>Capital Gains from the Sale of Shares of Stock Not Traded in the Stock Exchange.</i> - A final tax at the rate of fifteen percent (15%) shall be imposed on net capital gains realized during the taxable year from the sale, exchange or other disposition of shares of stock in a domestic corporation except shares sold or disposed of through the stock exchange.</p> <p>xxx</p>	<p>expanded foreign currency deposit system – Increases the final income tax rate on interest income received by domestic corporation from a depository bank under the expanded foreign currency deposit system from 7.5% to 15%.</p> <ul style="list-style-type: none"> • Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange. – Increases the capital gains tax to 15% final tax on net capital gains from the graduated rates of 5% and 10%.
Not over P 100,000	5%						
On any amount in excess of P 100,000	10%						
<p>SECTION 31.</p> <p>Taxable Income Defined</p>	<p>The term taxable income means the pertinent items of gross income specified in this Code, less the deductions and/or personal and additional exemptions, if any, authorized for such types of income by this Code or other special laws.</p>	<p>The term taxable income means the pertinent items of gross income specified in this Code, less deductions, if any, authorized for such types of income by this Code or other special laws.</p>	<ul style="list-style-type: none"> • Personal and Additional Exemption. – Removes personal and additional exemption from among the allowable deductions to determine taxable income. 				


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SECTION 32.</p> <p>Gross Income</p>	<p>(A) <i>General Definition.</i> - xxx</p> <p>(B) <i>Exclusions from Gross Income.</i> - xxx</p> <p>(1) xxx</p> <p>(7) <i>Miscellaneous Items.</i> -</p> <p>(a) xxx</p> <p>(e) <i>13th Month Pay and Other Benefits.</i> - Gross benefits received by officials and employees of public and private entities: Provided, however, That the total exclusion under this subparagraph shall not exceed eighty-two thousand pesos (P82,000) which shall cover:</p> <p>(i) Benefits received by officials and employees of the national and local government pursuant to Republic Act No. 6686;</p> <p>(ii) Benefits received by employees pursuant to Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986;</p> <p>(iii) Benefits received by officials and employees not covered by Presidential decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986; and</p> <p>(iv) Other benefits such as productivity incentives and Christmas bonus: Provided, That every three (3) years after the effectivity of this Act, the President of the</p>	<p>(A) <i>General Definition.</i> - xxx</p> <p>(B) <i>Exclusions from Gross Income.</i> - xxx</p> <p>(1) xxx</p> <p>(7) <i>Miscellaneous Items.</i> -</p> <p>(a) xxx</p> <p>(e) <i>13th Month Pay and Other Benefits.</i> - Gross benefits received by officials and employees of public and private entities: <i>Provided, however,</i> That the total exclusion under this subparagraph shall not exceed <u>Ninety thousand pesos (P90,000)</u> which shall cover:</p> <p>(i) Benefits received by officials and employees of the national and local government pursuant to Republic Act No. 6686;</p> <p>(ii) Benefits received by employees pursuant to Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986;</p> <p>(iii) Benefits received by officials and employees not covered by Presidential Decree No. 851, as amended by Memorandum Order No. 28, dated August 13, 1986; and</p> <p>(iv) Other benefits such as productivity incentives and Christmas bonus.</p>	<ul style="list-style-type: none"> • Exclusion from Gross Income of 13th Month Pay and Other Benefits. - Increases the amount of 13th month pay and other benefits from gross income which may be excluded from gross income P82,000.00 to P90,000.00.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	Philippines shall adjust the amount herein stated to its present value using the Consumer Price Index (CPI), as published by the National Statistics Office.		
SECTION 33. Special Treatment of Fringe Benefit	<p>(A) <i>Imposition of Tax.</i> - A final tax of thirty-four percent (34%) effective January 1, 1998; thirty-three percent (33%) effective January 1, 1999; and thirty-two percent (32%) effective January 1, 2000 and thereafter, is hereby imposed on the grossed-up monetary value of fringe benefit furnished or granted to the employee (except rank and file employees as defined herein) by the employer, whether an individual or a corporation (unless the fringe benefit is required by the nature of, or necessary to the trade, business or profession of the employer, or when the fringe benefit is for the convenience or advantage of the employer). The tax herein imposed is payable by the employer which tax shall be paid in the same manner as provided for under Section 57 (A) of this Code. The grossed-up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by sixty-six percent (66%) effective January 1, 1998; sixty-seven percent (67%) effective January 1, 1999; and sixty-eight percent (68%) effective January 1, 2000 and thereafter: <i>Provided, however,</i> That fringe benefit furnished to employees and taxable under Subsections (B), (C), (D) and (E) of Section 25 shall be taxed at the applicable rates imposed thereat: <i>Provided, further,</i> That the grossed -up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by the difference between one hundred percent (100%) and the applicable rates of income tax under Subsections (B), (C), (D), and (E) of Section 25.</p>	<p>(A) <i>Imposition of Tax.</i> - <u>Effective January 1, 2018 and onwards,</u> a final tax of <u>thirty five percent (35%)</u> is hereby imposed on the grossed-up monetary value of fringe benefit furnished or granted to the employee (except rank and file employees as defined herein) by the employer, whether an individual or a corporation (unless the fringe benefit is required by the nature of, or necessary to the trade, business or profession of the employer, or when the fringe benefit is for the convenience or advantage of the employer). The tax herein imposed is payable by the employer which tax shall be paid in the same manner as provided for under Section 57 (A) of this Code. The grossed-up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by <u>sixty-five percent (65%)</u> <u>effective January 1, 2018 and onwards:</u> <i>Provided, however,</i> That fringe benefit furnished to employees and taxable under Subsections (B), (C), (D) and (E) of Section 25 shall be taxed at the applicable rates imposed thereat: <i>Provided, further,</i> That the grossed -up monetary value of the fringe benefit shall be determined by dividing the actual monetary value of the fringe benefit by the difference between one hundred percent (100%) and the applicable rates of income tax under Subsections (B), (C), (D), and (E) of Section 25.</p> <p>xxx</p>	<ul style="list-style-type: none"> • Fringe Benefit Tax (“FBT”) Rate. – Increases the FBT rate from 32% to 35%.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SECTION 34.</p> <p>Deductions From Gross Income</p>	<p>xxx</p> <p>Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section other than under subsection (M) hereof, in computing taxable income subject to income tax under Sections 24(A); 25(A); 26; 27(A), (B) and (C); and 28(A)(1), there shall be allowed the following deductions from gross income:</p> <p>(A) <i>Expenses.</i> -</p> <p>(1) <i>Ordinary and Necessary Trade, Business or Professional Expenses.</i> -</p> <p>(a) <i>In General.</i> - xxx</p> <p>xxx</p> <p>(L) <i>Optional Standard Deduction (OSD).</i> - 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 elect the optional standard deduction, he shall be considered as having availed himself of the deductions allowed in the preceding</p>	<p>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:</p> <p>(A) <i>Expenses.</i> -</p> <p>(1) <i>Ordinary and Necessary Trade, Business or Professional Expenses.</i> -</p> <p>(a) <i>In General.</i> - xxx</p> <p>xxx</p> <p>(L) <i>Optional Standard Deduction (OSD).</i> - 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 elect the optional standard deduction, he shall be considered as having availed himself of the deductions allowed in the preceding</p>	

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>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 except when the Commissioner otherwise permits, the said individual shall keep such records pertaining to his gross sales or gross receipts, or the said corporation shall keep such records pertaining to his gross income as defined in Section 32 of this Code during the taxable year, as may be required by the rules and regulations promulgated by the Secretary of Finance, upon, recommendation of the Commissioner.</p> <p>(M) <i>Premium Payments on Health and/or Hospitalization Insurance of an Individual Taxpayer.</i> - The amount of premiums not to exceed Two thousand four hundred pesos (P2,400) per family or Two hundred pesos (P200) a month paid during the taxable year for health and/or hospitalization insurance taken by the taxpayer for himself, including his family, shall be allowed as a deduction from his gross income: <i>Provided</i>, That said family has a gross income of not more than Two hundred fifty thousand pesos (P250,000) for the taxable year: <i>Provided, finally</i>, That in the case of married taxpayers,</p>	<p>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: <u><i>Provided, further, That a general professional partnership and the partners comprising such partnership may avail of the optional standard deduction only once, either by the general professional partnership or the partners comprising the partnership:</i></u> <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, or the said corporation shall keep such records pertaining to his gross income as defined in Section 32 of this Code during the taxable year, as may be required by the rules and regulations promulgated by the Secretary of Finance, upon, recommendation of the Commissioner.</p> <p>Notwithstanding the provisions of the preceding Subsections, xxx.</p>	<ul style="list-style-type: none"> • Optional Standard Deduction (“OSD”) for a general professional partnership and its partners. – RA 10963 inserted a provision that OSD may be availed only once, either by the general professional partnership or the partners comprising the partnership. • Non-deductibility of Premium Payments on Health and/or Hospitalization Insurance of an Individual Taxpayer. - Removes premium payments on health and/or hospitalization insurance(P2,400) as an allowable deduction from gross income of individual taxpayers.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>only the spouse claiming the additional exemption for dependents shall be entitled to this deduction.</p> <p>Notwithstanding the provisions of the preceding Subsections, xxx.</p>		
<p>SECTION 35.</p> <p>Allowance of Personal Exemption for Individual Taxpayer.</p>	<p>(A) <i>In General.</i> - For purposes of determining the tax provided in Section 24 (A) of this Title, there shall be allowed a basic personal exemption amounting to Fifty Thousand Pesos (P50,000) for each individual taxpayer.</p> <p>In the case of married individuals where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption.</p> <p>(B) <i>Additional Exemption for Dependents.</i> - There shall be allowed an additional exemption of Twenty-five thousand pesos (P25,000) for each dependent not exceeding four (4).</p> <p>The additional exemption for dependent shall be claimed by only one of the spouses in the case of married individuals.</p> <p>In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children: <i>Provided</i>, That the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.</p>	<p>[Repealed]</p>	<ul style="list-style-type: none"> • Repeal of Provision on Allowance of Personal Exemption for Individual Taxpayer. - Individual taxpayer is no longer allowed to claim basic personal exemption or additional exemption for dependents.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>For purposes of this Subsection, a '<i>dependent</i>' means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer if such dependent is not more than twenty-one (21) years of age, unmarried and not gainfully employed or if such dependent, regardless of age, is incapable of self-support because of mental or physical defect.</p> <p>(C) <i>Change of Status.</i> - If the taxpayer marries or should have additional dependent(s) as defined above during the taxable year, the taxpayer may claim the corresponding additional exemption, as the case may be, in full for such year. If the taxpayer dies during the taxable year, his estate may still claim the personal and additional exemptions for himself and his dependent(s) as if he died at the close of such year.</p> <p>If the spouse or any of the dependents dies or if any of such dependents marries, becomes twenty-one (21) years old or becomes gainfully employed during the taxable year, the taxpayer may still claim the same exemptions as if the spouse or any of the dependents died, or as if such dependents married, became twenty-one (21) years old or became gainfully employed at the close of such year.</p> <p>(D) <i>Personal Exemption Allowable to Nonresident Alien Individual.</i> - A nonresident alien individual engaged in trade, business or in the exercise of a profession in the Philippines shall be entitled to a personal exemption in the amount equal to the exemptions allowed in the income tax law in the country of which he is a subject - or</p>	<p style="text-align: center; opacity: 0.5;"> ORIGINAL LAW Dynamic Lawyering </p>	

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>citizen, to citizens of the Philippines not residing in such country, not to exceed the amount fixed in this Section as exemption for citizens or resident of the Philippines: <i>Provided</i>, That said nonresident alien should file a true and accurate return of the total income received by him from all sources in the Philippines, as required by this Title.</p>		
<p>SECTION 51. Individual Return.</p>	<p>(A) xxx (1) xxx xxx (2) The following individuals shall not be required to file an income tax return: (a) An individual whose gross income does not exceed his total personal and additional exemptions for dependents under Section 35: <i>Provided</i>, That a citizen of the Philippines and any alien individual engaged in business or practice of profession within the Philippine shall file an income tax return, regardless of the amount of gross income; xxx</p>	<p>(A) xxx (1) xxx xxx (2) The following individuals shall not be required to file an income tax return: (a) An individual whose <u>taxable income does not exceed two hundred fifty thousand pesos (P250,000) under Section 24(A)(2)(a)</u>: <i>Provided</i>, That a citizen of the Philippines and any alien individual engaged in business or practice of profession within the Philippine shall file an income tax return, regardless of the amount of gross income; xxx <u>(5) The income tax return (ITR) shall consist of a maximum of four (4) pages in paper form or electronic form, and shall only contain the following information:</u></p>	<ul style="list-style-type: none"> • Exemption from Filing of Income Tax Return (“ITR”) – An individual whose taxable income does not exceed P250,000.00, except those who are engaged in business or practice of profession, is not required to file an ITR. • Individual ITR. – Limits the information required in ITR for individuals, which shall not exceed 4 pages in paper form or electronic form, to wit:

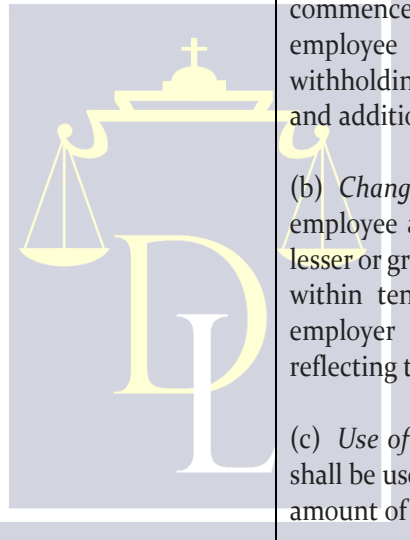
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>(A) Personal profile and information;</u></p> <p><u>(B) Total gross sales, receipts or income from compensation for services rendered, conduct of trade or business or the exercise of a profession, except income subject to final tax as provided under this Code;</u></p> <p><u>(C) Allowable deductions under this Code;</u></p> <p><u>(D) Taxable income as defined in Section 31 of this Code; and</u></p> <p><u>(E) Income tax due and payable.</u></p> <p>xxx</p>	<ol style="list-style-type: none"> 1. Personal profile and information; 2. Total gross sales, receipts or income, except those subject to final tax; 3. Allowable deductions; 4. Taxable income; and 5. Income tax due and payable.
<p>SECTION 51-A.</p> <p>Substituted Filing of Income Tax Returns by Employees Receiving Purely Compensation Income (New Provision)</p>	<p>[Not Applicable]</p>	<p>Individual taxpayers receiving purely compensation income, regardless of amount, from only one employer in the Philippines for the calendar year, the income tax of which has been withheld correctly by the said employer (tax due equals tax withheld) shall not be required to file an annual income tax return. The certificate of withholding filed by the respective employers, duly stamped 'received' by the BIR, shall be tantamount to the substituted filing of income tax returns by said employees.</p>	<ul style="list-style-type: none"> • Substituted Filing of ITR – No ITR is required to be filed from an employee if: <ol style="list-style-type: none"> 1. Employee is receiving purely compensation income; 2. Has only one employer in the Philippines for the calendar year; and 3. Employee's income tax has been withheld correctly by the said employer (tax due equals tax withheld).

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
			The certificate of withholding filed by the employer shall be tantamount to the substituted filing of ITR by said taxpayer.
SECTION 52. Corporation Returns.	<p>(A) <i>Requirements.</i> - Every corporation subject to the tax herein imposed, except foreign corporations not engaged in trade or business in the Philippines, shall render, in duplicate, a true and accurate quarterly income tax return and final or adjustment return in accordance with the provisions of Chapter XII of this Title. The return shall be filed by the president, vice-president or other principal officer, and shall be sworn to by such officer and by the treasurer or assistant treasurer.</p>	<p>(A) <i>Requirements.</i> - Every corporation subject to the tax herein imposed, except foreign corporations not engaged in trade or business in the Philippines, shall render, in duplicate, a true and accurate quarterly income tax return and final or adjustment return in accordance with the provisions of Chapter XII of this Title. The income tax return shall consist a maximum of four (4) pages in paper form or electronic form, be filed by the president, vice-president or other principal officer, shall be sworn to by such officer and by the treasurer or assistant treasurer, and shall only contain the following information:</p> <p><u>(1) Corporate profile and information;</u></p> <p><u>(2) Gross sales, receipts or income from services rendered, or conduct of trade or business, except income subject to final tax as provided under this Code;</u></p> <p><u>(3) Allowable deductions under this Code;</u></p> <p><u>(4) Taxable income as defined in Section 31 of this Code; and</u></p> <p><u>(5) Income tax due and payable.</u></p>	<ul style="list-style-type: none"> • Corporate taxpayers' ITR. – Limits the information required to be contained in the ITRs of corporate taxpayers, which shall not exceed 4 pages in paper form or electronic form, to wit: <ol style="list-style-type: none"> 1. Corporate profile and information; 2. Gross sales, receipts or income, except income subject to final tax; 3. Allowable deductions; 4. Taxable income; and 5. Income tax due and payable.

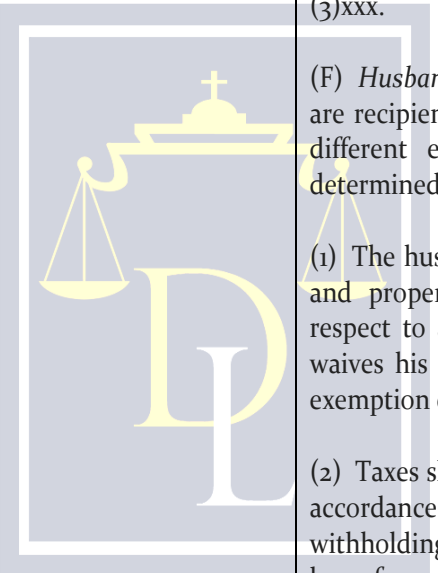
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>Provided, That the foregoing provisions shall not affect the implementation of Republic Act No. 10708 or TIMTA.</u></p> <p>xxx</p>	
<p>SECTION 56.</p> <p>Payment and Assessment of Income Tax for Individuals and Corporations.</p>	<p>(A) <i>Payment of Tax.</i> -</p> <p>(1) xxx</p> <p>(2) <i>Installment of Payment.</i> - When the tax due is in excess of Two thousand pesos (P2,000), the taxpayer other than a corporation may elect to pay the tax in two (2) equal installments in which case, the first installment shall be paid at the time the return is filed and the second installment, on or before July 15 following the close of the calendar year. If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid becomes due and payable, together with the delinquency penalties.</p>	<p>(A) <i>Payment of Tax.</i> -</p> <p>(1) xxx</p> <p>(2) <i>Installment of Payment.</i> - When the tax due is in excess of Two thousand pesos (P2,000), the taxpayer other than a corporation may elect to pay the tax in two (2) equal installments in which case, the first installment shall be paid at the time the return is filed and the second installment, on or before October 15 following the close of the calendar year, if any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid becomes due and payable, together with the delinquency penalties.</p>	<ul style="list-style-type: none"> • Installment Payment – Extends the deadline of the second installment from 15 July to 15 October following the close of the calendar year in case a taxpayer, except a corporation, elects to pay in 2 equal installment payments.
<p>SECTION 57.</p> <p>Withholding of Tax at Source.</p>	<p>(A) xxx</p> <p>(B) <i>Withholding of Creditable Tax at Source.</i> - The Secretary of Finance may, upon the recommendation of the Commissioner, require the withholding of a tax on the items of income payable to natural or juridical persons, residing in the Philippines, by payor-corporation/persons as provided for by law, at the rate of not less than one percent (1%) but not more than thirty-two percent (32%) thereof, which shall be credited against the income tax liability of the taxpayer for the taxable year.</p>	<p>(A) xxx</p> <p>(B) <i>Withholding of Creditable Tax at Source.</i> - The Secretary of Finance may, upon the recommendation of the Commissioner, require the withholding of a tax on the items of income payable to natural or juridical persons, residing in the Philippines, by payor-corporation/persons as provided for by law, at the rate of not less than one percent (1%) but not more than thirty-two percent (32%) thereof, which shall be credited against the income tax liability of the taxpayer for the taxable year: Provided,</p>	<ul style="list-style-type: none"> • Withholding Tax Rate. – Limits the range of withholding tax rates from 1%-32% to 1%-15% of the income payment beginning 1 January 2019.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	(C) xxx	<p><u>That, beginning January 1, 2019, the rate of withholding shall not be less than one percent (1%) but not more than fifteen percent (15%) of the income payment.</u></p> <p>(C) xxx</p>	
<p>SECTION 58.</p> <p>Returns and Payment of Taxes Withheld at Source.</p>	<p>(A) xxx</p> <p>xxx</p> <p>The return for final withholding tax shall be filed and the payment made within twenty-five (25) days from the close of each calendar quarter, while the return for creditable withholding taxes shall be filed and the payment made not later than the last day of the month following the close of the quarter during which withholding was made: <i>Provided</i>, That the Commissioner, with the approval of the Secretary of Finance, may require these withholding agents to pay or deposit the taxes deducted or withheld at more frequent intervals when necessary to protect the interest of the government.</p>	<p>(A) xxx</p> <p>xxx</p> <p>The return for final <u>and creditable</u> withholding taxes shall be filed and the payment made not later than the last day of the month following the close of the quarter during which withholding was made.</p>	<ul style="list-style-type: none"> • Quarterly Returns and Payments of Taxes Withheld. - Fixes the deadline for filing of return for and payment of both final and creditable withholding taxes which shall not be later than the last day of the month following the close of the quarter during which withholding was made. RA 10963 amendment also removes the authority of the BIR and DOF to require remittance of taxes and filing of withholding tax returns at more frequent intervals.
<p>SECTION 62.</p> <p>Exemption Allowed to Estates and Trusts.</p>	<p>For the purpose of the tax provided for in this Title, there shall be allowed an exemption of Twenty thousand pesos (P20,000) from the income of the estate or trust.</p>	<p>[Repealed]</p>	<ul style="list-style-type: none"> • Repeal of Provision on Exemption Allowed to Estates and Trusts. - Removes the exemption of P20,000.00 from the income of the estate or trust.
<p>SECTION 74.</p>	<p>(A) <i>In General.</i> - Except as otherwise provided in this Section, every individual subject to income tax under</p>	<p>(A) <i>In General.</i> - Except as otherwise provided in this Section, every individual subject to income tax under</p>	<ul style="list-style-type: none"> • Filing of Declaration of Estimated Income- Extends

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>Declaration of Income Tax for Individuals.</p>	<p>Sections 24 and 25(A) of this Title, who is receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, shall make and file a declaration of his estimated income for the current taxable year on or before April 15 of the same taxable year. xxx</p> <p>(B) <i>Return and Payment of Estimated Income Tax by Individuals.</i> - The amount of estimated income as defined in Subsection (C) with respect to which a declaration is required under Subsection (A) shall be paid in four (4) installments. The first installment shall be paid at the time of the declaration and the second and third shall be paid on August 15 and November 15 of the current year, respectively. The fourth installment shall be paid on or before April 15 of the following calendar year when the final adjusted income tax return is due to be filed.</p> <p>(C) xxx</p>	<p>Sections 24 and 25(A) of this Title, who is receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, shall make and file a declaration of his estimated income for the current taxable year on or before <u>May</u> 15 of the same taxable year. xxx</p> <p>(B) <i>Return and Payment of Estimated Income Tax by Individuals.</i> - The amount of estimated income as defined in Subsection (C) with respect to which a declaration is required under Subsection (A) shall be paid in four (4) installments. The first installment shall be paid at the time of the declaration and the second and third shall be paid on August 15 and November 15 of the current year, respectively. The fourth installment shall be paid on or before <u>May</u> 15 of the following calendar year when the final adjusted income tax return is due to be filed.</p> <p>(C) xxx</p>	<p>the time of filing of declaration of estimated income for individual taxpayers receiving self-employment income from 15 April to 15 May of the same taxable year.</p> <ul style="list-style-type: none"> • Payment of Estimated Income Tax by Individuals - Extends the deadline for payment of the fourth installment of the Estimated Income Tax from 15 April to 15 May of the following calendar year when the final adjusted income tax return is due to be filed.
<p>SECTION 79.</p> <p>Income Tax Collected at Source.</p>	<p>xxx</p> <p>(C) <i>Refunds or Credits.</i> -</p> <p>(1) <i>Employer.</i> - xxx</p> <p>(2) <i>Employees.</i> - xxx</p> <p>(D) <i>Personal Exemptions.</i> -</p>	<p>xxx</p> <p>(C) <i>Refunds or Credits.</i> -</p> <p>(1) <i>Employer.</i> - xxx</p> <p>(2) <i>Employees.</i> - xxx</p> <p><u>(D)</u> <i>Withholding on Basis of Average Wages.</i> - xxx</p> <p>(1) xxx;</p>	<ul style="list-style-type: none"> • Personal Exemptions. - Removes the allowable personal exemptions under the former Section 79[D], and additional deductions of spouses under the former Section 79(F) of the NIRC.


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(1) <i>In General.</i> - Unless otherwise provided by this Chapter, the personal and additional exemptions applicable under this Chapter shall be determined in accordance with the main provisions of this Title.</p> <p>(2) <i>Exemption Certificate.</i> -</p> <p>(a) <i>When to File.</i> - On or before the date of commencement of employment with an employer, the employee shall furnish the employer with a signed withholding exemption certificate relating to the personal and additional exemptions to which he is entitled.</p> <p>(b) <i>Change of Status.</i> - In case of change of status of an employee as a result of which he would be entitled to a lesser or greater amount of exemption, the employee shall, within ten (10) days from such change, file with the employer a new withholding exemption certificate reflecting the change.</p> <p>(c) <i>Use of Certificates.</i> - The certificates filed hereunder shall be used by the employer in the determination of the amount of taxes to be withheld.</p> <p>(d) <i>Failure to Furnish Certificate.</i> - Where an employee, in violation of this Chapter, either fails or refuses to file a withholding exemption certificate, the employer shall withhold the taxes prescribed under the schedule for zero exemption of the withholding tax table determined pursuant to Subsection (A) hereof.</p> <p>xxx</p>	<p>(2) xxx; and</p> <p>(3)xxx.</p> <p><u>(E)</u> <i>Nonresident Aliens.</i> - xxx</p> <p><u>(F)</u> <i>Year-end Adjustment.</i> - xxx</p>	


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SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p><u>(E)</u> <i>Withholding on Basis of Average Wages.</i> - xxx</p> <p>(1) xxx;</p> <p>(2) xxx; and</p> <p>(3)xxx.</p> <p><u>(F)</u> <i>Husband and Wife.</i> - When a husband and wife each are recipients of wages, whether from the same or from different employers, taxes to be withheld shall be determined on the following bases:</p> <p>(1) The husband shall be deemed the head of the family and proper claimant of the additional exemption in respect to any dependent children, unless he explicitly waives his right in favor of his wife in the withholding exemption certificate.</p> <p>(2) Taxes shall be withheld from the wages of the wife in accordance with the schedule for zero exemption of the withholding tax table prescribed in Subsection (D)(2)(d) hereof.</p> <p>xxx</p> <p><u>(G)</u> <i>Nonresident Aliens.</i> - xxx</p> <p><u>(H)</u> <i>Year-end Adjustment.</i> - xxx</p>	<p style="text-align: center; font-size: 2em; opacity: 0.5;">DYNAMIC LAWYERING</p> <p style="text-align: center; font-size: 1.5em; opacity: 0.5;"><i>Dynamic Lawyering</i></p>	


TITLE III: ESTATE AND DONOR'S TAXES


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY																																			
<p>SECTION 84.</p> <p>Rate of Estate Tax.</p>	<p>There shall be levied, assessed, collected and paid upon the transfer of the net estate as determined in accordance with Sections 85 and 86 of every decedent, whether resident or nonresident of the Philippines, a tax based on the value of such net estate, as computed in accordance with the following schedule:</p> <p>If the net estate is:</p> <table border="1" data-bbox="518 654 1148 1003"> <thead> <tr> <th>Over</th> <th>But Not Over</th> <th>The Tax Shall Be</th> <th>Plus</th> <th>Of the Excess Over</th> </tr> </thead> <tbody> <tr> <td></td> <td>P 200,000</td> <td>Exempt</td> <td></td> <td></td> </tr> <tr> <td>P 200,000</td> <td>500,000</td> <td>0</td> <td>5%</td> <td>P 200,000</td> </tr> <tr> <td>500,000</td> <td>2,000,000</td> <td>P15,000</td> <td>8%</td> <td>500,000</td> </tr> <tr> <td>2,000,000</td> <td>5,000,000</td> <td>135,000</td> <td>11%</td> <td>2,000,000</td> </tr> <tr> <td>5,000,000</td> <td>10,000,000</td> <td>456,000</td> <td>15%</td> <td>5,000,000</td> </tr> <tr> <td>10,000,000</td> <td>And Over</td> <td>1,215,000</td> <td>20%</td> <td>10,000,000</td> </tr> </tbody> </table>	Over	But Not Over	The Tax Shall Be	Plus	Of the Excess Over		P 200,000	Exempt			P 200,000	500,000	0	5%	P 200,000	500,000	2,000,000	P15,000	8%	500,000	2,000,000	5,000,000	135,000	11%	2,000,000	5,000,000	10,000,000	456,000	15%	5,000,000	10,000,000	And Over	1,215,000	20%	10,000,000	<p>There shall be levied, assessed, collected and paid upon the transfer of the net estate as determined in accordance with Sections 85 and 86 of every decedent, whether resident or nonresident of the Philippines, a tax at the rate of six percent (6%) based on the value of such net estate.</p>	<ul style="list-style-type: none"> Rate of Estate Tax – Fixes the rate of estate tax to 6% of the value of the net estate. Likewise removes the estate tax in cases wherein the net estate value is P200,000 or less.
Over	But Not Over	The Tax Shall Be	Plus	Of the Excess Over																																		
	P 200,000	Exempt																																				
P 200,000	500,000	0	5%	P 200,000																																		
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10,000,000	And Over	1,215,000	20%	10,000,000																																		
<p>SECTION 86.</p> <p>Computation of Net Estate.</p>	<p>For the purpose of the tax imposed in this Chapter, the value of the net estate shall be determined:</p> <p>(A) <i>Deductions Allowed to the Estate of Citizen or a Resident.</i> - In the case of a citizen or resident of the Philippines, by deducting from the value of the gross estate -</p> <p>(1) <i>Expenses, Losses, Indebtedness, and Taxes.</i> - Such amounts -</p>	<p>For the purpose of the tax imposed in this Chapter, the value of the net estate shall be determined:</p> <p>(A) <i>Deductions Allowed to the Estate of Citizen or a Resident.</i> - In the case of a citizen or resident of the Philippines, by deducting from the value of the gross estate -</p> <p>(1) Standard Deduction. - An amount equivalent to Five million pesos (P5,000,000).</p>	<ul style="list-style-type: none"> 1. Deductions allowed to the estate of a citizen or a resident Funeral Expenses and Judicial Expenses. - Removes the provision 																																			


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(a) For actual funeral expenses or in an amount equal to five percent (5%) of the gross estate, whichever is lower, but in no case to exceed Two hundred thousand pesos (P200,000);</p> <p>(b) For judicial expenses of the testamentary or intestate proceedings;</p> <p>(c) For claims against the estate: <i>Provided</i>, That at the time the indebtedness was incurred the debt instrument was duly notarized and, if the loan was contracted within three (3) years before the death of the decedent, the administrator or executor shall submit a statement showing the disposition of the proceeds of the loan;</p> <p>(d) For claims of the deceased against insolvent persons where the value of decedent's interest therein is included in the value of the gross estate; and</p> <p>(e) For unpaid mortgages upon, or any indebtedness in respect to, property where the value of decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate, but not including any income tax upon income received after the death of the decedent, or property taxes not accrued before his death, or any estate tax. The deduction herein allowed in the case of claims against the estate, unpaid mortgages or any indebtedness shall, when founded upon a promise or agreement, be limited to the extent that they were contracted <i>bona fide</i> and for an adequate and full consideration in money or money's worth. There shall also be deducted losses incurred during the settlement of the</p>	<p>(2) For claims against the estate: <i>Provided</i>, That at the time the indebtedness was incurred the debt instrument was duly notarized and, if the loan was contracted within three (3) years before the death of the decedent, the administrator or executor shall submit a statement showing the disposition of the proceeds of the loan.</p> <p>(3) For claims of the deceased against insolvent persons where the value of decedent's interest therein is included in the value of the gross estate.</p> <p>(4) For unpaid mortgages upon, or any indebtedness in respect to, property where the value of decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate, but not including any income tax upon income received after the death of the decedent, or property taxes not accrued before his death, or any estate tax. The deduction herein allowed in the case of claims against the estate, unpaid mortgages or any indebtedness shall, when founded upon a promise or agreement, be limited to the extent that they were contracted <i>bona fide</i> and for an adequate and full consideration in money or money's worth. There shall also be deducted losses incurred during the settlement of the estate arising from fires, storms, shipwreck, or other casualties, or from robbery, theft or embezzlement, when such losses are not compensated for by insurance or otherwise, and if at the time of the filing of the return such losses have not been claimed as a deduction for the income tax purposes in an income tax return, and provided that such losses were incurred not later than the</p>	<p>allowing deduction of funeral expenses and judicial expenses.</p> <ul style="list-style-type: none"> • Standard Deduction. – Increases the amount of standard deduction from P1,000,000 to P5,000,000. • Family Home. – Increases the limit of the value of the family home that is allowed as deduction from P1,000,000 to P10,000,000. Furthermore, the amendment removes the certification of the barangay captain of the locality that the family home is decedent's family home as sine qua non condition for exemption or deduction. • Medical Expenses. – Removes the provision allowing deduction of medical expenses from the gross estate.



SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>estate arising from fires, storms, shipwreck, or other casualties, or from robbery, theft or embezzlement, when such losses are not compensated for by insurance or otherwise, and if at the time of the filing of the return such losses have not been claimed as a deduction for the income tax purposes in an income tax return, and provided that such losses were incurred not later than the last day for the payment of the estate tax as prescribed in Subsection (A) of Section 91.</p> <p>(2) <i>Property Previously Taxed.</i> - An amount equal to the value specified below of any property forming a part of the gross estate situated in the Philippines of any person who died within five (5) years prior to the death of the decedent, or transferred to the decedent by gift within five (5) years prior to his death, where such property can be identified as having been received by the decedent from the donor by gift, or from such prior decedent by gift, bequest, devise or inheritance, or which can be identified as having been acquired in exchange for property so received:</p> <p>One hundred percent (100%) of the value, if the prior decedent died within one (1) year prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Eighty percent (80%) of the value, if the prior decedent died more than one (1) year but not more than two (2) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p>	<p>last day for the payment of the estate tax as prescribed in Subsection (A) of Section 91.</p> <p>(5) <i>Property Previously Taxed.</i> - An amount equal to the value specified below of any property forming a part of the gross estate situated in the Philippines of any person who died within five (5) years prior to the death of the decedent, or transferred to the decedent by gift within five (5) years prior to his death, where such property can be identified as having been received by the decedent from the donor by gift, or from such prior decedent by gift, bequest, devise or inheritance, or which can be identified as having been acquired in exchange for property so received:</p> <p>One hundred percent (100%) of the value, if the prior decedent died within one (1) year prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Eighty percent (80%) of the value, if the prior decedent died more than one (1) year but not more than two (2) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Sixty percent (60%) of the value, if the prior decedent died more than two (2) years but not more than three (3) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p>	


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	<p>Sixty percent (60%) of the value, if the prior decedent died more than two (2) years but not more than three (3) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Forty percent (40%) of the value, if the prior decedent died more than three (3) years but not more than four (4) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Twenty percent (20%) of the value, if the prior decedent died more than four (4) years but not more than five (5) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>These deductions shall be allowed only where a donor's tax or estate tax imposed under this Title was finally determined and paid by or on behalf of such donor, or the estate of such prior decedent, as the case may be, and only in the amount finally determined as the value of such property in determining the value of the gift, or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate, and only if in determining the value of the estate of the prior decedent, no deduction was allowable under paragraph (2) in respect of the property or properties given in exchange therefor. Where a deduction was allowed of any mortgage or other lien in determining</p>	<p>Forty percent (40%) of the value, if the prior decedent died more than three (3) years but not more than four (4) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Twenty percent (20%) of the value, if the prior decedent died more than four (4) years but not more than five (5) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>These deductions shall be allowed only where a donor's tax or estate tax imposed under this Title was finally determined and paid by or on behalf of such donor, or the estate of such prior decedent, as the case may be, and only in the amount finally determined as the value of such property in determining the value of the gift, or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate, and only if in determining the value of the estate of the prior decedent, no deduction was allowable under paragraph (5) in respect of the property or properties given in exchange therefor. Where a deduction was allowed of any mortgage or other lien in determining the donor's tax, or the estate tax of the prior decedent, which was paid in whole or in part prior to the decedent's death, then the deduction allowable under said Subsection shall be reduced by the amount so paid. Such deduction allowable shall be reduced by an amount which bears the same ratio to the amounts allowed as deductions under paragraphs (2), (3), (4), and (6) of this Subsection</p>	<p>AW Lawyer</p>

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	<p>the donor's tax, or the estate tax of the prior decedent, which was paid in whole or in part prior to the decedent's death, then the deduction allowable under said Subsection shall be reduced by the amount so paid. Such deduction allowable shall be reduced by an amount which bears the same ratio to the amounts allowed as deductions under paragraphs (1) and (3) of this Subsection as the amount otherwise deductible under said paragraph (2) bears to the value of the decedent's estate. Where the property referred to consists of two or more items, the aggregate value of such items shall be used for the purpose of computing the deduction.</p> <p>(3) <i>Transfers for Public Use.</i> - The amount of all the bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.</p> <p>(4) <i>The Family Home.</i> - An amount equivalent to the current fair market value of the decedent's family home: <i>Provided, however,</i> That if the said current fair market value exceeds One million pesos (P1, 000,000), the excess shall be subject to estate tax. As a sine qua non condition for the exemption or deduction, said family home must have been the decedent's family home as certified by the barangay captain of the locality.</p> <p>(5) <i>Standard Deduction.</i> - An amount equivalent to One million pesos (P1, 000,000).</p>	<p>as the amount otherwise deductible under said paragraph (5) bears to the value of the decedent's estate. Where the property referred to consists of two or more items, the aggregate value of such items shall be used for the purpose of computing the deduction.</p> <p>(6) <i>Transfers for Public Use.</i> - The amount of all the bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.</p> <p>(7) <i>The Family Home.</i> - An amount equivalent to the current fair market value of the decedent's family home: <i>Provided, however,</i> That if the said current fair market value exceeds Ten million pesos (P10,000,000), the excess shall be subject to estate tax.</p> <p>(8) <i>Amount Received by Heirs Under Republic Act No. 4917.</i> - Any amount received by the heirs from the decedent's employee as a consequence of the death of the decedent-employee in accordance with Republic Act No. 4917: <i>Provided,</i> That such amount is included in the gross estate of the decedent.</p> <p>(B) <i>Deductions Allowed to Nonresident Estates.</i> - In the case of a nonresident not a citizen of the Philippines, by deducting from the value of that part of his gross estate which at the time of his death is situated in the Philippines:</p>	<p>2. <u>Deductions allowed to Nonresident Estates.</u></p> <ul style="list-style-type: none"> • Standard Deduction. - Allows nonresident estates to claim standard deduction equivalent to P500,000.

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	<p>(6) <i>Medical Expenses.</i> - Medical Expenses incurred by the decedent within one (1) year prior to his death which shall be duly substantiated with receipts: <i>Provided</i>, That in no case shall the deductible medical expenses exceed Five Hundred Thousand Pesos (P500, 000).</p> <p>(7) <i>Amount Received by Heirs Under Republic Act No. 4917.</i> - Any amount received by the heirs from the decedent - employee as a consequence of the death of the decedent-employee in accordance with Republic Act No. 4917: <i>Provided</i>, That such amount is included in the gross estate of the decedent.</p> <p>(B) <i>Deductions Allowed to Nonresident Estates.</i> - In the case of a nonresident not a citizen of the Philippines, by deducting from the value of that part of his gross estate which at the time of his death is situated in the Philippines:</p> <p>(1) <i>Expenses, Losses, Indebtedness and Taxes.</i> - That proportion of the deductions specified in paragraph (1) of Subsection (A) of this Section which the value of such part bears to the value of his entire gross estate wherever situated;</p> <p>(2) <i>Property Previously Taxed.</i> - An amount equal to the value specified below of any property forming part of the gross estate situated in the Philippines of any person who died within five (5) years prior to the death of the decedent, or transferred to the decedent by gift within five (5) years prior to his death, where such property can be identified as having been received by the decedent from</p>	<p><u>(1) Standard Deduction.</u> - <u>An amount equivalent to five hundred thousand pesos (P500,000).</u></p> <p><u>(2) That proportion of the deductions specified in paragraphs (2), (3), and (4) of Subsection (A) of this Section which the value of such part bears to the value of his entire gross estate wherever situated;</u></p> <p><u>(3) Property Previously Taxed.</u> - xxx</p> <p><u>(4) Transfers for Public Use.</u> - The amount of all bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines or any political subdivision thereof, for exclusively public purposes.</p> <p>(C) <i>Share in the Conjugal Property.</i> - The net share of the surviving spouse in the conjugal partnership property as diminished by the obligations properly chargeable to such property shall, for the purpose of this Section, be deducted from the net estate of the decedent.</p> <p><u>(D) Tax Credit for Estate Taxes paid to a Foreign Country.</u> -</p> <p>(1) <i>In General.</i> - The tax imposed by this Title shall be credited with the amounts of any estate tax imposed by the authority of a foreign country.</p> <p>(2) <i>Limitations on Credit.</i> - The amount of the credit taken under this Section shall be subject to each of the following limitations:</p>	<ul style="list-style-type: none"> • Funeral Expenses and Judicial Expenses. - Removes deduction of funeral expenses and judicial expenses from the gross estate. • Value of the Estate Not Situated in the Philippines - Removes the requirement for the executor, administrator, or anyone of the heirs of a decedent, who is a nonresident alien, to include in the estate tax return the value at the time of death of that part of the gross estate which is not situated in the Philippines in order to claim deductions from gross estate.

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	<p>the donor by gift, or from such prior decedent by gift, bequest, devise or inheritance, or which can be identified as having been acquired in exchange for property so received:</p> <p>One hundred percent (100%) of the value if the prior decedent died within one (1) year prior to the death of the decedent, or if the property was transferred to him by gift, within the same period prior to his death;</p> <p>Eighty percent (80%) of the value, if the prior decedent died more than one (1) year but not more than two (2) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Sixty percent (60%) of the value, if the prior decedent died more than two (2) years but not more than three (3) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death;</p> <p>Forty percent (40%) of the value, if the prior decedent died more than three (3) years but not more than four (4) years prior to the death of the decedent, or if the property was transferred to him by gift within the same period prior to his death; and</p> <p>Twenty percent (20%) of the value, if the prior decedent died more than four (4) years but not more than five (5) years prior to the death of the decedent, or if the property</p>	<p>(a) The amount of the credit in respect to the tax paid to any country shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated within such country taxable under this Title bears to his entire net estate; and</p> <p>(b) The total amount of the credit shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated outside the Philippines taxable under this Title bears to his entire net estate.</p>	

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	<p>was transferred to him by gift within the same period prior to his death.</p> <p>These deductions shall be allowed only where a donor's tax, or estate tax imposed under this Title is finally determined and paid by or on behalf of such donor, or the estate of such prior decedent, as the case may be, and only in the amount finally determined as the value of such property in determining the value of the gift, or the gross estate of such prior decedent, and only to the extent that the value of such property is included in that part of the decedent's gross estate which at the time of his death is situated in the Philippines; and only if, in determining the value of the net estate of the prior decedent, no deduction is allowable under paragraph (2) of Subsection (B) of this Section, in respect of the property or properties given in exchange therefore. Where a deduction was allowed of any mortgage or other lien in determining the donor's tax, or the estate tax of the prior decedent, which was paid in whole or in part prior to the decedent's death, then the deduction allowable under said paragraph shall be reduced by the amount so paid. Such deduction allowable shall be reduced by an amount which bears the same ratio to the amounts allowed as deductions under paragraphs (1) and (3) of this Subsection as the amount otherwise deductible under paragraph (2) bears to the value of that part of the decedent's gross estate which at the time of his death is situated in the Philippines. Where the property referred to consists of two (2) or more items, the aggregate value of such items shall be used for the purpose of computing the deduction.</p>		

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	<p>(3) <i>Transfers for Public Use.</i> - The amount of all bequests, legacies, devises or transfers to or for the use of the Government of the Republic of the Philippines or any political subdivision thereof, for exclusively public purposes.</p> <p>(C) <i>Share in the Conjugal Property.</i> - The net share of the surviving spouse in the conjugal partnership property as diminished by the obligations properly chargeable to such property shall, for the purpose of this Section, be deducted from the net estate of the decedent.</p> <p>(D) <i>Miscellaneous Provisions.</i> - No deduction shall be allowed in the case of a nonresident not a citizen of the Philippines, unless the executor, administrator, or anyone of the heirs, as the case may be, includes in the return required to be filed under Section 90 the value at the time of his death of that part of the gross estate of the nonresident not situated in the Philippines.</p> <p>(E) <i>Tax Credit for Estate Taxes paid to a Foreign Country.</i> -</p> <p>(1) <i>In General.</i> - The tax imposed by this Title shall be credited with the amounts of any estate tax imposed by the authority of a foreign country.</p> <p>(2) <i>Limitations on Credit.</i> - The amount of the credit taken under this Section shall be subject to each of the following limitations:</p> <p>(a) The amount of the credit in respect to the tax paid to any country shall not exceed the same proportion of the</p>	<p style="text-align: center; opacity: 0.5;"> DYNAMIC INALAW <i>Dynamic Lawyering</i> </p>	



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	<p>tax against which such credit is taken, which the decedent's net estate situated within such country taxable under this Title bears to his entire net estate; and</p> <p>(b) The total amount of the credit shall not exceed the same proportion of the tax against which such credit is taken, which the decedent's net estate situated outside the Philippines taxable under this Title bears to his entire net estate.</p>		
<p>SECTION 89. Notice of Death to be Filed.</p>	<p>In all cases of transfers subject to tax, or where, though exempt from tax, the gross value of the estate exceeds Twenty thousand pesos (P20,000), the executor, administrator or any of the legal heirs, as the case may be, within two (2) months after the decedent's death, or within a like period after qualifying as such executor or administrator, shall give a written notice thereof to the Commissioner.</p>	<p>[Repealed]</p>	<ul style="list-style-type: none"> • Notice of Death – Removes the requirement to file Notice of Death by the executor, administrator or legal heir.
<p>SECTION 90. Estate Tax Returns.</p>	<p>(A) <i>Requirements.</i> - In all cases of transfers subject to the tax imposed herein, or where, though exempt from tax, the gross value of the estate exceeds Two hundred thousand pesos (P200,000), or regardless of the gross value of the estate, where the said estate consists of registered or registrable property such as real property, motor vehicle, shares of stock or other similar property for which a clearance from the Bureau of Internal Revenue is required as a condition precedent for the transfer of ownership thereof in the name of the transferee, the executor, or the administrator, or any of the legal heirs, as the case may be, shall file a return under oath in duplicate, setting forth:</p>	<p>(A) <i>Requirements.</i> - In all cases of transfers subject to the tax imposed herein, or regardless of the gross value of the estate, where the said estate consists of registered or registrable property such as real property, motor vehicle, shares of stock or other similar property for which a clearance from the Bureau of Internal Revenue is required as a condition precedent for the transfer of ownership thereof in the name of the transferee, the executor, or the administrator, or any of the legal heirs, as the case may be, shall file a return under oath in duplicate, setting forth:</p>	

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	<p>(1) xxx;</p> <p>(2) xxx; and</p> <p>(3) Such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct taxes.</p> <p><i>Provided, however, That estate tax returns showing a gross value exceeding Two million pesos (P2, 000,000) shall be supported with a statement duly certified to by a Certified Public Accountant containing the following:</i></p> <p>xxx</p> <p>(B) <i>Time for Filing.</i> - For the purpose of determining the estate tax provided for in Section 84 of this Code, the estate tax return required under the preceding Subsection (A) shall be filed within six (6) months from the decedent's death.</p> <p>xxx</p>	<p>(1) xxx;</p> <p>(2) xxx; and</p> <p>(3) Such part of such information as may at the time be ascertainable and such supplemental data as may be necessary to establish the correct taxes.</p> <p><i>Provided, however, That estate tax returns showing a gross value exceeding Five million pesos (P5,000,000) shall be supported with a statement duly certified to by a Certified Public Accountant containing the following:</i></p> <p>xxx</p> <p>(B) <i>Time for Filing.</i> - For the purpose of determining the estate tax provided for in Section 84 of this Code, the estate tax return required under the preceding Subsection (A) shall be filed within one (1) year from the decedent's death.</p> <p>xxx</p>	<ul style="list-style-type: none"> • Requirement for a Statement Certified by a Certified Public Accountant (“CPA”). – Increases the threshold amount for requiring a statement certified by a CPA on the itemized assets comprising the gross estate, itemized deduction and tax due on the estate from P2,000,000 to P5,000,000 based on the gross value of the estate. • Time for Filing of Estate Tax Return – Extends the deadline for the filing of the return from 6 months to 1 year from the decedent’s death.
<p>SECTION 91.</p> <p>Payment of Tax.</p>	<p>(A) <i>Time of Payment.</i> - xxx</p> <p>(B) <i>Extension of Time.</i> - xxx</p> <p>xxx</p>	<p>(A) <i>Time of Payment.</i> - xxx</p> <p>(B) <i>Extension of Time.</i> - xxx</p> <p>xxx</p>	

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	<p>(C) <i>Liability for Payment.</i> - The estate tax imposed by Section 84 shall be paid by the executor or administrator before delivery to any beneficiary of his distributive share of the estate. Such beneficiary shall to the extent of his distributive share of the estate, be subsidiarily liable for the payment of such portion of the estate tax as his distributive share bears to the value of the total net estate.</p> <p>For the purpose of this Chapter, the term 'executor' or 'administrator' means the executor or administrator of the decedent, or if there is no executor or administrator appointed, qualified, and acting within the Philippines, then any person in actual or constructive possession of any property of the decedent.</p>	<p><u>(C) <i>Payment By Installment.</i> - In case the available cash of the estate is insufficient to pay the total estate tax due, payment by installment shall be allowed within two (2) years from the statutory date for its payment without civil penalty and interest.</u></p> <p><u>(D) <i>Liability for Payment.</i> - xxx</u></p>	<ul style="list-style-type: none"> • Payment by Installment. - If the estate has insufficient cash to pay estate tax, payment may be made: <ol style="list-style-type: none"> 1. By installment; 2. Within a period of 2 years from the statutory date for payment; and 3. No civil penalty and interest shall be imposed on the basic estate tax.
<p>SECTION 97.</p> <p>Payment of Tax Antecedent to the Transfer of Shares, Bonds or Rights.</p>	<p>xxx</p> <p>If a bank has knowledge of the death of a person, who maintained a bank deposit account alone, or jointly with another, it shall not allow any withdrawal from the said deposit account, unless the Commissioner has certified that the taxes imposed thereon by this Title have been paid: <i>Provided, however,</i> That the administrator of the estate or any one (1) of the heirs of the decedent may, upon authorization by the Commissioner, withdraw an amount not exceeding Twenty thousand pesos (P20,000) without the said certification. For this purpose, all withdrawal slips shall contain a statement to the effect that all of the joint depositors are still living at the time of withdrawal by any one of the joint depositors and such statement shall be under oath by the said depositors.</p>	<p>xxx</p> <p>If a bank has knowledge of the death of a person, who maintained a bank deposit account alone, or jointly with another, it shall allow any withdrawal from the said deposit account, subject to a final withholding tax of six percent (6%). For this purpose, all withdrawal slips shall contain a statement to the effect that all of the joint depositors are still living at the time of withdrawal by any one of the joint depositors and such statement shall be under oath by the said depositors.</p>	<ul style="list-style-type: none"> • Final Withholding Tax on Withdrawal from the Bank Deposit of the Decedent. - Imposes a final withholding tax of 6% on drawings from bank deposit account of a decedent, and allows the withdrawal on the bank account of such decedent upon such withholding. Further requires statement under oath on all withdrawal slips that all joint depositors are still living at the time of the withdrawal.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY																																													
<p>SECTION 99.</p> <p>RATE OF TAX PAYABLE BY DONOR.</p>	<p>(A) <i>In General.</i> - The tax for each calendar year shall be computed on the basis of the total net gifts made during the calendar year in accordance with the following schedule:</p> <p>If the net gift is:</p> <table border="1" data-bbox="510 552 1158 950"> <thead> <tr> <th>Over</th> <th>But Not Over</th> <th>The Tax Shall be</th> <th>Plus</th> <th>Of the Excess Over</th> </tr> </thead> <tbody> <tr> <td></td> <td>P 100,000</td> <td>Exempt</td> <td></td> <td></td> </tr> <tr> <td>P 100,000</td> <td>200,000</td> <td>0</td> <td>2%</td> <td>P100,000</td> </tr> <tr> <td>200,000</td> <td>500,000</td> <td>2,000</td> <td>4%</td> <td>200,000</td> </tr> <tr> <td>500,000</td> <td>1,000,000</td> <td>14,000</td> <td>6%</td> <td>500,000</td> </tr> <tr> <td>1,000,000</td> <td>3,000,000</td> <td>44,000</td> <td>8%</td> <td>1,000,000</td> </tr> <tr> <td>3,000,000</td> <td>5,000,000</td> <td>204,000</td> <td>10%</td> <td>3,000,000</td> </tr> <tr> <td>5,000,000</td> <td>10,000,000</td> <td>404,000</td> <td>12%</td> <td>5,000,000</td> </tr> <tr> <td>10,000,000</td> <td></td> <td>1,004,000</td> <td>15%</td> <td>10,000,000</td> </tr> </tbody> </table> <p>(B) <i>Tax Payable by Donor if Donee is a Stranger.</i> - When the donee or beneficiary is stranger, the tax payable by the donor shall be thirty percent (30%) of the net gifts. For the purpose of this tax, a 'stranger', is a person who is not a:</p> <p>(1) Brother, sister (whether by whole or half-blood), spouse, ancestor and lineal descendant; or</p> <p>(2) Relative by consanguinity in the collateral line within the fourth degree of relationship.</p>	Over	But Not Over	The Tax Shall be	Plus	Of the Excess Over		P 100,000	Exempt			P 100,000	200,000	0	2%	P100,000	200,000	500,000	2,000	4%	200,000	500,000	1,000,000	14,000	6%	500,000	1,000,000	3,000,000	44,000	8%	1,000,000	3,000,000	5,000,000	204,000	10%	3,000,000	5,000,000	10,000,000	404,000	12%	5,000,000	10,000,000		1,004,000	15%	10,000,000	<p>(A) <i>In General.</i> - The tax for each calendar year shall be <u>six percent (6%)</u> computed on the basis of the <u>total gifts in excess of Two hundred fifty thousand pesos (P250,000) exempt gift</u> made during the calendar year.</p> <p>(B) Any contribution in cash or in kind to any candidate, political party or coalition of parties for campaign purposes shall be governed by the Election Code, as amended.</p>	<ul style="list-style-type: none"> • Donor's Tax Rate. – Fixes the rate of donor's tax to 6% on the total gifts in excess of P250,000 during the calendar year. • Uniform Computation of Donor's Tax whether Donation to a Relative or a Stranger. – Removes distinction of computation of donor's tax between a donation made to a relative and one made to a stranger. Regardless of the donee, donor's tax shall be 6% of the total gifts in excess of P250,000 exempt gift made during the calendar year.
Over	But Not Over	The Tax Shall be	Plus	Of the Excess Over																																												
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SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	(C) Any contribution in cash or in kind to any candidate, political party or coalition of parties for campaign purposes shall be governed by the Election Code, as amended.		
SECTION 100. Transfer for Less Than Adequate and Full Consideration.	Where property, other than real property referred to in Section 24(D), is transferred for less than an adequate and full consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the value of the consideration shall, for the purpose of the tax imposed by this Chapter, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year.	Where property, other than real property referred to in Section 24(D), is transferred for less than an adequate and full consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the value of the consideration shall, for the purpose of the tax imposed by this Chapter, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year: <u><i>Provided, however, That a sale, exchange, or other transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.</i></u>	<ul style="list-style-type: none"> • Sale, Exchange, or Other Transfer of Property Made in the Ordinary Course of Business. – No donor's tax shall be imposed on sale, exchange, or other transfer of property made in the ordinary course of business, i.e. transactions which are (i) <i>bona fide</i>, (ii) made at arm's length, and (iii) free from any donative intent.
SECTION 101. Exemption of Certain Gifts.	The following gifts or donations shall be exempt from the tax provided for in this Chapter: (A) <i>In the Case of Gifts Made by a Resident.</i> - (1) Dowries or gifts made on account of marriage and before its celebration or within one year thereafter by parents to each of their legitimate, recognized natural, or adopted children to the extent of the first Ten thousand pesos (P10,000):	The following gifts or donations shall be exempt from the tax provided for in this Chapter: (A) <i>In the Case of Gifts Made by a Resident.</i> - (1) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government; and (2) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation,	<ul style="list-style-type: none"> • Dowry. – Removes dowry from the gifts exempt from donor's tax.

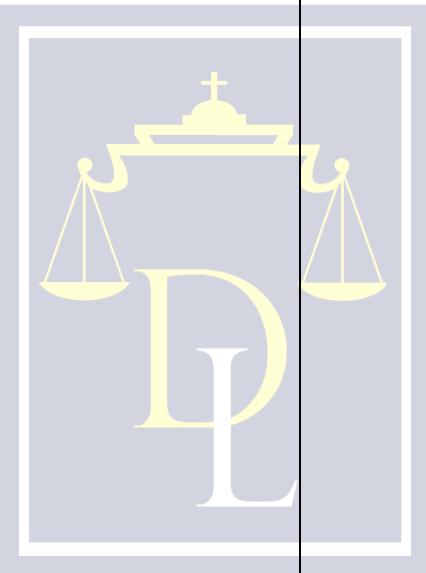
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(2) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government; and</p> <p>(3) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited nongovernment organization, trust or philanthropic organization or research institution or organization: Provided, however, That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a '<i>non-profit educational and/or charitable corporation, institution, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization</i>' is a school, college or university and/or charitable corporation, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation.</p> <p>xxx</p>	<p>institution, accredited nongovernment organization, trust or philanthropic organization or research institution or organization: <i>Provided, however,</i> That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a '<i>non-profit educational and/or charitable corporation, institution, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization</i>' is a school, college or university and/or charitable corporation, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation.</p> <p>xxx</p>	

TITLE IV: VALUE-ADDED TAX

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 106. VALUE-ADDED TAX ON SALE OF GOODS OR PROPERTIES.</p> <p>Presidential Veto (2 of 6):</p> <p>Zero-rating of sales of goods and services to separate customs territory and tourism enterprise zones.</p>	<p>(A) Rate and Base of Tax. - There shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, value-added tax equivalent to ten percent (10%) of the gross selling price or gross value in money of the goods or properties sold, bartered or exchanged, such tax to be paid by the seller or transferor: Provided, That the President, upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the rate of value-added tax to twelve percent (12%), after any of the following conditions has been satisfied:</p> <p>(i) Value-added tax collection as a percentage of Gross Domestic Product (GDP) of the previous year exceeds two and four-fifth percent (2 4/5%); or</p> <p>(ii) National Government deficit as a percentage of GDP of the previous year exceeds one and one-half percent (1 1/2%).</p> <p>(1) x x x</p> <p>(2) The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:</p> <p>(a) Export Sales. - The term "export sales" means:</p> <p>(1) The sale and actual shipment of goods from the Philippines to a foreign country, irrespective of any shipping arrangement that may be agreed upon which may influence or determine the transfer of ownership of the goods so exported and paid for in acceptable foreign</p>	<p>(A) Rate and Base of Tax. - There shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, value-added tax equivalent to twelve percent (12%) of the gross selling price or gross value in money of the goods or properties sold, bartered or exchanged, such tax to be paid by the seller or transferor.</p> <p>(1) x x x</p> <p>(2) The following sales by VAT-registered persons shall be subject to zero percent (0%) rate:</p> <p>(a) Export Sales. - The term "export sales" means:</p> <p>(1) The sale and actual shipment of goods from the Philippines to a foreign country, irrespective of any shipping arrangement that may be agreed upon which may influence or determine the transfer of ownership of the goods so exported and paid for in acceptable foreign</p>	

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>currency or its equivalent in goods or services, and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);</p>	<p>currency or its equivalent in goods or services, and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP)</p> <p><u>(2) Sale and delivery of goods to:</u></p> <p><u>(i) Registered enterprises within a separate customs territory as provided under special laws; and</u></p> <p><u>(ii) Registered enterprises within tourism enterprise zones as declared by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) subject to the provisions under Republic Act No. 9593 or the Tourism Act of 2009.</u></p>	<p>• Additional Transactions Deemed as Export Sales. – Includes sales and delivery of goods to the following as export sales subject to 0% VAT rate:</p> <p>(i) Registered enterprises within a separate customs territory; and</p> <p>(ii) Registered enterprises within tourism enterprise zones as declared by TIEZA.</p> <p>This was, however, vetoed by the President on the ground that it goes against the principle of limiting VAT zero-rating to direct exporters.</p> <p>Presidential Veto (2 of 6):</p> <p><i>“(2) Sale and delivery of goods to:</i></p> <p><i>(i) Registered enterprises within a separate customs territory as provided under special laws; and</i></p> <p><i>(ii) Registered enterprises within tourism enterprise zones as</i></p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(2) Sale of raw materials or packaging materials to a nonresident buyer for delivery to a resident local export-oriented enterprise to be used in manufacturing, processing, packing or repacking in the Philippines of the said buyer's goods and paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);</p> <p>(3) Sale of raw materials or packaging materials to export-oriented enterprise whose export sales exceed seventy percent (70%) of total annual production;</p> <p>(4) Sale of gold to the Bangko Sentral ng Pilipinas (BSP); and</p> <p>(5) Those considered export sales under Executive Order No. 226, otherwise known as the "Omnibus Investment Code of 1987", and other special laws; and</p> <p>(6) The sale of goods, supplies, equipment and fuel to persons engaged in international shipping or international air transport operations.</p>	<p>(3) Sale of raw materials or packaging materials to a nonresident buyer for delivery to a resident local export-oriented enterprise to be used in manufacturing, processing, packing or repacking in the Philippines of the said buyer's goods and paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP);</p> <p>(4) Sale of raw materials or packaging materials to export-oriented enterprise whose export sales exceed seventy percent (70%) of total annual production; and</p> <p>(5) Those considered export sales under Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, and other special laws; and</p> <p>(6) The sale of goods, supplies, equipment and fuel to persons engaged in international shipping or international air transport operations: <u>Provided, that the goods, supplies, equipment and fuel shall be used for international shipping or air transport operations.</u></p> <p><u>Provided, that subparagraphs (3), (4), and (5) hereof shall be subject to the twelve percent (12%) value-</u></p>	<p><i>declared by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) subject to the provisions under Republic Act No. 9593 or the Tourism Act of 2009."</i></p> <ul style="list-style-type: none"> • Sale of Gold to BSP. – Removes the sale of gold to BSP from the list of transactions deemed as export sales subject to 0% VAT rate; which has been considered exempt from VAT under Section 109(Z), NIRC. • International Shipping or International Air Transport Operations. – Includes an additional requirement that the sale of goods, supplies, equipment and fuel to persons engaged in international shipping or international air transport operations must be used for international shipping or air transport operations to qualify for 0% VAT rate. • Enhanced VAT Refund System. – Provides for the

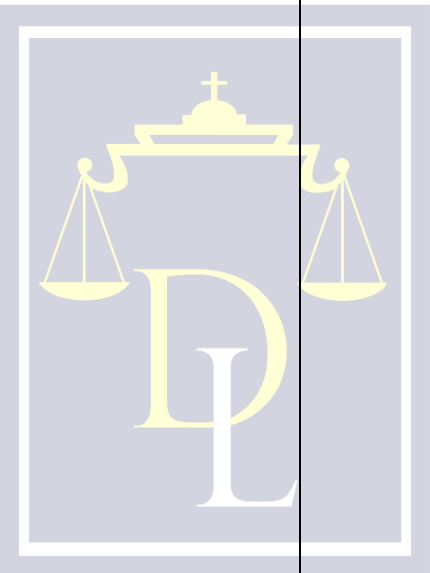
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>added tax and no longer be considered export sales subject to zero percent (0%) VAT rate upon satisfaction of the following conditions:</u></p> <p><u>1. The successful establishment and implementation of an enhanced VAT refund system that grants refunds of creditable input tax within ninety (90) days from the filing of the VAT refund application with the Bureau: <i>Provided, That, to determine the effectivity of item no. 1, all applications filed from January 1, 2018 shall be processed and must be decided within ninety (90) days from the filing of the VAT refund application; and</i></u></p> <p><u>2. All pending VAT refund claims as of December 31, 2017 shall be fully paid in cash by December 31, 2019.</u></p> <p><u><i>Provided, That the Department of Finance shall establish a VAT refund center in the Bureau of Internal Revenue (BIR) and in the Bureau of Customs (BOC) that will handle the processing and granting of cash refunds of creditable input tax.</i></u></p> <p><u><i>An amount equivalent to five percent (5%) of the total VAT collection of the BIR and the BOC from the immediately preceding year shall be automatically appropriated annually and shall be treated as a special account in the General Fund or as trust receipts for the purpose of funding claims for VAT refund: <i>Provided, that any unused fund, at the end of the year shall revert to the General Fund.</i></i></u></p>	<p>establishment and implementation of an enhanced VAT refund system to process refunds of creditable input tax. Upon successful implementation, certain transactions shall no longer be deemed export sales.</p>

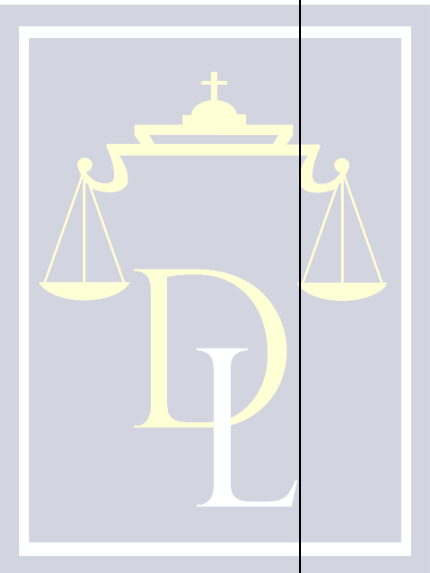
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(b) Foreign Currency Denominated Sale. - The phrase "foreign currency denominated sale" means sale to a nonresident of goods, except those mentioned in Sections 149 and 150, assembled or manufactured in the Philippines for delivery to a resident in the Philippines, paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP).</p> <p>(c) Sales to persons or entities whose exemption under special laws or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate.</p> <p>x x x</p>	<p><u>Provided, further, That the BIR and the BOC shall be required to submit to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTRP) a quarterly report of all pending claims for refund and any unused fund.</u></p> <p>(b) Sales to persons or entities whose exemption under special laws or international agreements to which the Philippines is a signatory effectively subjects such sales to zero rate.</p> <p>x x x</p>	<p>• Foreign Currency Denominated Sale. - Imposes 12% VAT rate on foreign currency denominated sales.</p>
<p>SEC. 107. VALUE-ADDED TAX ON IMPORTATION OF GOODS.</p>	<p>(A) In General. - There shall be levied, assessed and collected on every importation of goods a value-added tax equivalent to ten percent (10%) based on the total value used by the Bureau of Customs in determining tariff and customs duties plus customs duties, excise taxes, if any, and other charges, such tax to be paid by the importer prior to the release of such goods from customs custody: <i>Provided, That where the customs duties are determined on the basis of the quantity or volume of the goods, the value-added tax shall be based on the landed cost plus excise taxes, if any: Provided, further, That the President,</i></p>	<p>(A) In General. - There shall be levied, assessed and collected on every importation of goods a value-added tax equivalent to twelve percent (12%) based on the total value used by the Bureau of Customs in determining tariff and customs duties, plus customs duties, excise taxes, if any, and other charges, such tax to be paid by the importer prior to the release of such goods from customs custody: <i>Provided, That where the customs duties are determined on the basis of the quantity or volume of the goods, the value-added tax shall be based on the landed cost plus excise taxes, if any.</i> x x x</p>	<p>• VAT Rate. Retains the 12% VAT rate on importation of goods.</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the rate of the value-added tax to twelve percent (12%), after any of the following conditions has been satisfied:</p> <p>(i) Value-added tax collection as a percentage of Gross Domestic Product (GDP) of the previous year exceeds two and four-fifth percent (2 4/5%); or</p> <p>(ii) National government deficit as a percentage of GDP of the previous year exceeds one and one-half percent (1 ½ %).</p> <p>x x x</p>		
<p>SEC. 108. VALUE-ADDED TAX ON SALE OF SERVICES AND USE OR LEASE OF PROPERTIES.</p> <p>Presidential Veto (3 of 6):</p> <p>Zero-rating of sales of goods and services to separate customs territory and tourism enterprise zones.</p>	<p>(A) Rate and Base of Tax. - There shall be levied, assessed and collected, a value-added tax equivalent to ten percent (10%)¹⁰ of gross receipts derived from the sale or exchange of services, including the use or lease of properties; Provided, That the President, upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the value-added tax to twelve percent (12%), after any of the following conditions has been satisfied:</p> <p>(i) Value-added tax collection as a percentage of Gross Domestic Product (GDP) of the previous year exceeds two and four-fifth percent (2 4/5%); or</p> <p>(ii) National government deficit as a percentage of GDP of the previous year exceeds one and one-half percent (1 ½%).</p>	<p>(A) Rate and Base of Tax. - There shall be levied, assessed and collected, a value-added tax equivalent to twelve percent (12%) of gross receipts derived from the sale or exchange of services, including the use or lease of properties.</p>	

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>The phrase "<i>sale or exchange of services</i>" means the performance of all kinds of services in the Philippines for others for a fee, remuneration or consideration, including those performed or rendered by construction and service contractors; stock, real estate, commercial, customs and immigration brokers; lessors of property, whether personal or real; warehousing services; lessors or distributors of cinematographic films; persons engaged in milling processing, manufacturing or repacking goods for others; proprietors, operators or keepers of hotels, motels, rest houses, pension houses, inns, resorts; proprietors or operators of restaurants, refreshment parlors, cafes and other eating places, including clubs and caterers; dealers in securities; lending investors; transportation contractors on their transport of goods or cargoes, including persons who transport goods or cargoes for hire and other domestic common carriers by land relative to their transport of goods or cargoes; common carriers by air and sea relative to their transport of passengers, goods or cargoes from one place in the Philippines to another place in the Philippines; sales of electricity by generation companies, transmission, and distribution companies; services of franchise grantees of electric utilities, telephone and telegraph, radio and television broadcasting and all other franchise grantees except those under section 119 of this Code, and non-life insurance companies (except their crop insurances), including surety, fidelity, indemnity, and bonding companies; and similar services regardless of whether or not the performance thereof calls for the exercise or use of the physical or mental faculties. The phrase "<i>sale or exchange of services</i>" shall likewise include:</p>	<p>The phrase "sale or exchange of services" means the performance of all kinds of services in the Philippines for others for a fee, remuneration or consideration, including those performed or rendered by construction and service contractors; stock, real estate, commercial, customs and immigration brokers; lessors of property, whether personal or real; warehousing services; lessors or distributors of cinematographic films; persons engaged in milling processing, manufacturing or repacking goods for others; proprietors, operators or keepers of hotels, motels, rest houses, pension houses, inns, resorts; proprietors or operators of restaurants, refreshment parlors, cafes and other eating places, including clubs and caterers; dealers in securities; lending investors; transportation contractors on their transport of goods or cargoes, including persons who transport goods or cargoes for hire and other domestic common carriers by land relative to their transport of goods or cargoes; common carriers by air and sea relative to their transport of passengers, goods or cargoes from one place in the Philippines to another place in the Philippines; sales of electricity by generation companies, transmission by any entity, and distribution companies, including electric cooperatives; services of franchise grantees of electric utilities, telephone and telegraph, radio and television broadcasting and all other franchise grantees except those under section 119 of this Code, and non-life insurance companies (except their crop insurances), including surety, fidelity, indemnity, and bonding companies; and similar services regardless of whether or not the performance thereof calls for the exercise or use of the physical or mental faculties. The phrase "<i>sale or exchange of services</i>" shall likewise include:</p>	<ul style="list-style-type: none"> • Definition of "Sale or Exchange of Services." – Provides that the sale or exchange of services shall include transmission of electricity by any entity, and sales of electricity by electric cooperatives. <p>DL Comment: Repeals VAT exemptions previously provided on companies engaged in power transmission business, e.g. National Grid Corporation of the Philippines. (Section 82 of TRAIN, which amends Section 288 of the NIRC)</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>x x x</p> <p>(B) Transactions Subject to Zero Percent (0%) Rate - The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate.</p> <p>x x x</p> <p>(4) Services rendered to persons engaged in international shipping or international air transport operations, including leases of property for use thereof.</p> <p>x x x</p> <p>(6) Transport of passengers and cargo by air or sea vessels from the Philippines to a foreign country; and</p> <p>(7) Sale of power or fuel generated through renewable sources of energy such as, but not limited to, biomass, solar, wind, hydropower, geothermal, ocean energy, and other emerging energy sources using technologies such as fuel cells and hydrogen fuels.</p>	<p>x x x</p> <p>(B) Transactions Subject to Zero Percent (0%) Rate - The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:</p> <p>x x x</p> <p>(4) Services rendered to persons engaged in international shipping or international air transport operations, including leases of property for use thereof: <u>Provided, that these services shall be exclusively for international shipping or air transport operations;</u></p> <p>x x x</p> <p>(6) Transport of passengers and cargo by domestic air or sea vessels from the Philippines to a foreign country; and</p> <p>(7) Sale of power or fuel generated through renewable sources of energy such as, but not limited to, biomass, solar, wind, hydropower, geothermal, ocean energy, and other emerging energy sources using technologies such as fuel cells and hydrogen fuels.</p> <p>(8) Services rendered to:</p> <p>(i) Registered enterprises within a separate customs territory as provided under special laws; and</p>	<p>• Air Transport Subject to 0% VAT. – Limits the applicability of the 0% VAT only on the transport of passengers and cargo from Philippines to a foreign country to domestic air and sea vessels.</p> <p>• Additional Transactions Subject to 0% VAT. – Includes services rendered to the following subject to 0% VAT rate:</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p>(ii) Registered enterprises within tourism enterprise zones as declared by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) subject to the provisions under Republic Act No. 9593 or the Tourism Act of 2009.</p> <p><u>Provided, that subparagraphs (B)(1) and (B)(5) hereof shall be subject to the twelve percent (12%) value-</u></p>	<p>(i) Registered enterprises within a separate customs territory; and (ii) Registered enterprises within tourism enterprise zones as declared by TIEZA.</p> <p>Presidential Veto (3 of 6):</p> <p>“(8) Services rendered to:</p> <p>(i) Registered enterprises within a separate customs territory as provided under special laws; and (ii) Registered enterprises within tourism enterprise zones as declared by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) subject to the provisions under Republic Act No. 9593 or the Tourism Act of 2009.”</p> <p>Vetoed by the President on the ground that it contravenes the principle of limiting VAT zero-rating to direct exporters.</p> <p>• Enhanced VAT Refund System. – Provides for the</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>added tax and no longer be subject to zero percent (0%) VAT rate upon satisfaction of the following conditions:</u></p> <p><u>1. the successful establishment and implementation of an Enhanced VAT Refund System that grants refunds of creditable input tax within ninety (90) days from the filing of the VAT refund application with the Bureau: <i>Provided</i>, that, to determine the effectivity of item no. 1, all applications filed from January 1, 2018 shall be processed and must be decided within ninety (90) days from the filing of the VAT refund application;</u></p> <p><u>2. all pending VAT refund claims as of December 31, 2017 shall be fully paid in cash by December 31, 2019.</u></p> <p><u><i>Provided</i>, that the Department of Finance shall establish a VAT Refund Center in the Bureau of Internal Revenue (BIR) and in the Bureau of Customs (BOC) that will handle the processing and granting of cash refunds of creditable input tax.</u></p> <p><u>An amount equivalent to five percent (5%) of the total value-added tax collection of the BIR and the BOC from the immediately preceding year shall be automatically appropriated annually and shall be treated as a special account in the general fund or as trust receipts for the purpose of funding claims for VAT refund: <i>Provided</i>, that any unused fund, at the end of the year shall revert to the general fund.</u></p>	<p>establishment and implementation of an enhanced VAT refund system to process refunds of creditable input tax. Upon successful implementation, certain transactions shall no longer be subject to 0% VAT rate.</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>Provided, further, that the BIR and BOC shall be required to submit to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTRP) a quarterly report of all pending claims for refund and any unused fund.</u></p>	
<p>SEC. 109. EXEMPT TRANSACTIONS.</p>	<p>(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax.</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) x x x</p> <p>(D) Importation of professional instruments and implements, wearing apparel, domestic animals, and personal household effects (except any vehicle, vessel, aircraft, machinery other goods for use in the manufacture and merchandise of any kind in commercial quantity) belonging to persons coming to settle in the Philippines, for their own use and not for sale, barter or exchange, accompanying such persons, or arriving within ninety (90) days before or after their arrival, upon the production of evidence satisfactory to the Commissioner, that such persons are actually coming to settle in the Philippines and that the change of residence is bona fide;</p>	<p>(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax. x x x</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) x x x</p> <p>(D) Importation of professional instruments and implements, <u>tools of trade, occupation or employment</u>, wearing apparel, domestic animals, and personal and household effects belonging to persons coming to settle in the Philippines <u>or Filipinos or their families and descendants who are now residents or citizens of other countries, such parties hereinafter referred to as overseas Filipinos, in quantities and of the class suitable to the profession, rank or position of the persons importing said items</u>, for their own use <u>and not for barter or sale</u>, accompanying such persons, <u>or arriving within a reasonable time: Provided, that</u></p>	<ul style="list-style-type: none"> • Overseas Filipinos. - Expands VAT exemption in favor of the importation by overseas Filipinos. • Excise Tax and Duties Exemption. - Provides the Bureau of Customs the authority to exempt importation of goods, except aircraft, vehicles, vessels, machineries and similar goods,

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p style="text-align: center;">x x x</p> <p>(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992, and other related laws, residential lot valued at One million pesos (P1,500,000) [increased to One million nine hundred nineteen thousand five hundred pesos (P1,919,500) by RR 16-2011] and below, house and lot, and other residential dwellings valued at Two million five hundred thousand pesos (P2,500,000) [increased to Three million one hundred ninety-nine thousand two hundred pesos (P3,199,200) by RR 16-2011] and below: Provided, That not later than January 31, 2009 and every three (3) years thereafter, the amount herein stated shall be adjusted to their present values using the Consumer Price Index, as published by the National Statistics Office (NSO);</p>	<p><u>the Bureau of Customs may, upon the production of satisfactory evidence that such persons are actually coming to settle in the Philippines and that the goods are brought from their former place of abode, exempt such goods from payment of duties and taxes: Provided, further, that vehicles, vessels, aircrafts, machineries and other similar goods for use in manufacture, shall not fall within this classification and shall therefore be subject to duties, taxes and other charges;</u></p> <p style="text-align: center;">x x x</p> <p>(P) Sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business or real property utilized for low-cost and socialized housing as defined by Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992, and other related laws, residential lot valued at One million pesos (P1,500,000) and below, house and lot, and other residential dwellings valued at Two million five hundred thousand pesos (P2,500,000) and below: <u>Provided, That beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business, sale of real property utilized for socialized housing as defined by Republic Act No. 7279, sale of house and lot, and other residential dwellings with selling price of not more than Two million pesos (P2,000,000): Provided, further, that</u> every three (3) years thereafter, the amount herein stated shall be adjusted to <u>its</u> present</p>	<p>by persons coming to settle in the Philippines and overseas Filipinos from excise tax and duties upon proof that such persons are actually coming to settle in the Philippines and such goods are brought from their former place of abode.</p> <ul style="list-style-type: none"> • Sale of Low-Cost and Socialized Housing. – Limits VAT exemption on low-cost and socialized housing only to those with selling price of not more than P2,000,000.00 beginning 1 January 2021. <p>DL Comment: Rev. Regs. No. 16-2011 already increased the threshold amount of residential lots to P1,919,500 and other residential dwellings to P3,199,200. It appears that this increase was not properly reflected in the TRAIN. This might be adjusted by a new BIR regulation.</p>

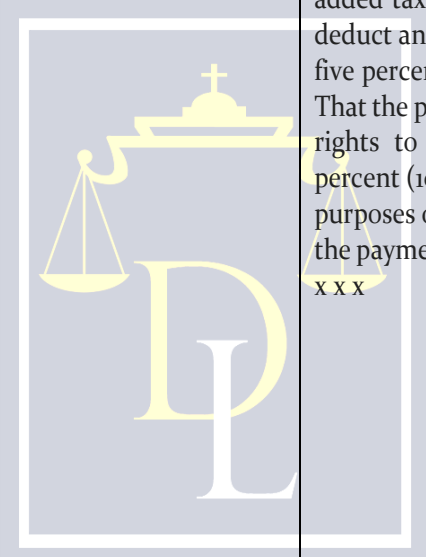
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(Q) Lease of a residential unit with a monthly rental not exceeding Ten thousand pesos (P10,000) [increased to Twelve thousand eight hundred pesos (P12,800) by RR 16-2011]; Provided, That not later than January 31, 2009 and every three (3) years thereafter, the amount herein stated shall be adjusted to its present value using the Consumer Price Index as published by the National Statistics Office (NSO);</p> <p>x x x</p> <p>(S) Sale, importation or lease of passenger or cargo vessels and aircraft, including engine, equipment and spare parts thereof for domestic or international transport operations;</p> <p>(T) Importation of fuel, goods and supplies by persons engaged in international shipping or air transport operations;</p> <p>(U) Services of banks, non-bank financial intermediaries performing quasi-banking functions, and other non-bank financial intermediaries; and</p> <p>(V) Sale or lease of goods or properties or the performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of One million five</p>	<p>value[s] using the Consumer Price Index, as published by the <u>Philippine Statistics Authority (PSA)</u>;</p> <p>(Q) Lease of a residential unit with a monthly rental not exceeding <u>Fifteen thousand pesos(P15,000)</u>;</p> <p>x x x</p> <p>(S) <u>Transport of passengers by international carriers</u>;</p> <p>(T) Sale, importation or lease of passenger or cargo vessels and aircraft, including engine, equipment and spare parts thereof for domestic or international transport operations;</p> <p>(U) Importation of fuel, goods and supplies by persons engaged in international shipping or air transport operations; <u>Provided, that the fuel, goods, and supplies shall be used for international shipping or air transport operations</u>;</p> <p>(V) Services of banks, non-bank financial intermediaries performing quasi-banking functions, and other non-bank financial intermediaries;</p>	<p>• Lease of Residential Units. – Expands the VAT exemption of lease of residential units to include those with monthly rentals not exceeding P15,000, and removes the provision on adjustment of the amount based on Consumer Price Index as published by the National Statistics Office (“NSO”).</p> <p>• Importation by Persons engaged in International Shipping or Air Transport Operations. – Requires that the fuel, goods and supplies imported must be used for international shipping or air transport operations in order to be entitled to VAT exemption.</p>

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>hundred thousand pesos (P1,500,000) [increased to One million nine hundred nineteen thousand five hundred pesos (P1,919,500) by RR 16-2011]: Provided, That not later than January 31, 2009 and every three (3) years thereafter, the amount herein stated shall be adjusted to its present With footnote in the book value using the Consumer Price Index, as published by. the National Statistics-Office (NSO); x x x</p>	<p>(W) Sale or lease of goods and services to senior citizens and persons with disabilities, as provided under Republic Act Nos. 9994 (Expanded Senior Citizens Act of 2010) and 10754 (An act expanding the benefits and privileges of persons with disability), respectively;</p> <p>(X) Transfer of property pursuant to Section 40(C)(2) of the NIRC, as amended;</p> <p>(Y) Association dues, membership fees, and other assessments and charges collected by homeowners associations and condominium corporations;</p> <p>(Z) Sale of gold to the Bangko Sentral ng Pilipinas;</p> <p>(AA) Sale of drugs and medicines prescribed for diabetes, high cholesterol, and hypertension beginning January 1, 2019; and</p> <p>(BB) Sale or lease of goods or properties or the performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of Three million pesos (P3,000,000).</p>	<p>• Additional Transactions Exempted from VAT. – Includes the following in the list of transactions exempted from VAT:</p> <ul style="list-style-type: none"> (i) Transport of passengers by international carriers; (ii) The sale or lease of goods and services to senior citizens and persons with disabilities; (iii) Tax-free exchange transactions; (iv) Association dues, membership fees, and other assessments and charges collected by homeowners associations and condominium corporations; (v) Sale of gold to BSP; and (vi) Sale of drugs and medicines prescribed for diabetes, high cholesterol and


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
			<p>hypertension beginning 01 January 2019.</p> <ul style="list-style-type: none"> • Other Transactions. - Increased the threshold amount of other transactions, which will be exempt from VAT, from those whose gross annual receipts and/or sales do not exceed P1,919,500 to P3,000,000.
<p>SEC. 110. TAX CREDITS.</p>	<p>A. Creditable Input Tax. -</p> <p>(1) x x x</p> <p>(2) x x x</p> <p>(a) x x x</p> <p>(b) To the importer upon payment of the value-added tax prior to the release of the goods from the custody of the Bureau of Customs.</p> <p><i>Provided, that the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code shall be spread evenly over the a month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (P1,000,000): Provided, however, That if the estimated useful life of the capital good is less than five (5) years, as</i></p>	<p>A. Creditable Input Tax. -</p> <p>(1) x x x</p> <p>(2) x x x</p> <p>(a) x x x</p> <p>(b) To the importer upon payment of the value-added tax prior to the release of the goods from the custody of the Bureau of Customs.</p> <p><i>Provided, that the input tax on goods purchased or imported in a calendar month for use in trade or business for which deduction for depreciation is allowed under this Code shall be spread evenly over the a month of acquisition and the fifty-nine (59) succeeding months if the aggregate acquisition cost for such goods, excluding the VAT component thereof, exceeds One million pesos (P1,000,000): Provided, however, That if the estimated useful life of the capital good is less than five (5) years, as</i></p>	


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	used for depreciation purposes, then the input VAT shall be spread over such a shorter period: <i>Provided, finally</i> , that in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or license upon payment of the compensation, rental, royalty or fee. x x x	used for depreciation purposes, then the input VAT shall be spread over such a shorter period: <u><i>Provided, further, that the amortization of the input VAT shall only be allowed until December 31, 2021 after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized:</i></u> <i>Provided, finally</i> , that in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or license upon payment of the compensation, rental, royalty or fee. x x x	<ul style="list-style-type: none"> • Amortization of Input VAT. – Limits the period wherein amortization of input VAT is allowed until 31 December 2021. After said period, the taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized.
SEC. 112. REFUNDS OR TAX CREDITS OF INPUT TAX.	<p>(A) x x x</p> <p>(B) x x x</p> <p>(C) Period within which Refund or Tax Credit of Input Taxes shall be Made. - In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsections (A) hereof.</p>	<p>(A) x x x</p> <p>(B) x x x</p> <p>(C) Period within which Refund of Input Taxes shall be Made. - In proper cases, the Commissioner shall grant a refund for creditable input taxes within <u>ninety (90)</u> days from the date of submission of <u>the official receipts or invoices and other documents</u> in support of the application filed in accordance with Subsections (A) <u>and (B)</u> hereof: <u><i>Provided, that should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial.</i></u></p>	<ul style="list-style-type: none"> • Refund of Input Taxes. – Changed the period provided to the CIR to grant a refund in proper cases from 120 days from the date of submission of complete documents to 90 days from submission of official receipts or invoices and other documents, and further requires the CIR to state in writing the legal and factual basis for the denial. Failure to act on the refund within the 90-day period is punishable under Section 269 of the Tax Code.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals. x x x</p>	<p>In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals: <u>Provided, however, that failure on the part of any official, agent, or employee of the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.</u> x x x</p>	<ul style="list-style-type: none"> • Tax Credit. – Removes references to issuance of tax credit certificate. • Appeal to Court of Tax Appeals (“CTA”). – In case of full or partial denial, the taxpayer, within 30 days from receipt of decision may appeal to the CTA. RA 10963 removed the remedy of the taxpayer to appeal to CTA in case CIR fails to act on the request for refund.
<p>SEC. 114. RETURN AND PAYMENT OF VALUE-ADDED TAX.</p>	<p>(A) In General. - Every person liable to pay the value-added tax imposed under this Title shall file a quarterly return of the amount of his gross sales or receipts within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer: <i>Provided, however,</i> That VAT-registered persons shall pay the value-added tax on a monthly basis.</p> <p>Any person, whose registration has been cancelled in accordance with Section 236, shall file a return and pay the tax due thereon within twenty-five (25) days from the date of cancellation of registration: <i>Provided,</i> That only one consolidated return shall be filed by the taxpayer for his principal place of business or head office and all branches.</p> <p>(B) x x x</p>	<p>(A) In General. - Every person liable to pay the value-added tax imposed under this Title shall file a quarterly return of the amount of his gross sales or receipts within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer: <i>Provided, however,</i> That VAT-registered persons shall pay the value-added tax on a monthly basis: <u>Provided, finally, that beginning January 1, 2023, the filing and payment required under this subsection shall be done within twenty-five (25) days following the close of each taxable quarter.</u> x x x</p> <p>(B) x x x</p>	<ul style="list-style-type: none"> • Filing and Payment of VAT. – Provides that filing and payment of VAT shall be done within 25 days following the close of each taxable quarter, beginning 1 January 2023.

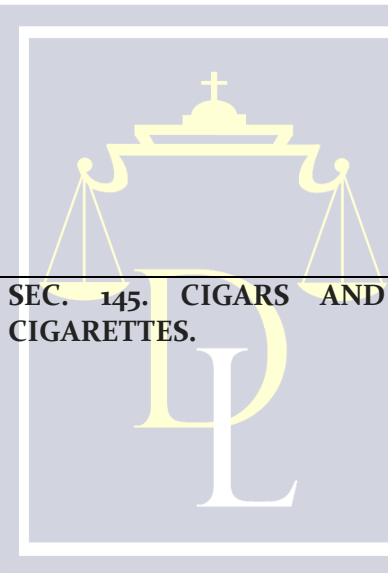
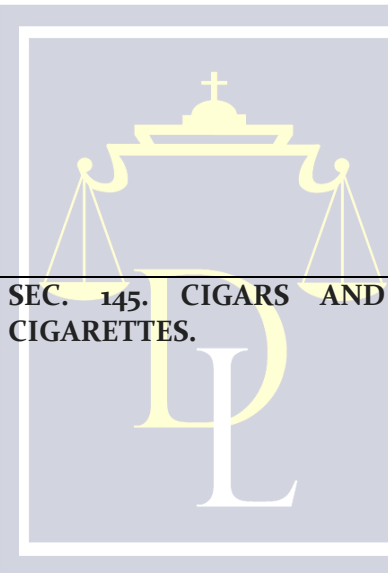
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(C) Withholding of Value-added Tax. - The Government or any of its political subdivisions, instrumentalities or agencies, including government-owned or -controlled corporations (GOCCs) shall, before making payment on account of each purchase of goods and services which are subject to the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold a final value-added tax at the rate of five percent (5%) of the gross payment thereof: Provided, That the payment for lease or use of properties or property rights to nonresident owners shall be subject to ten percent (10%) withholding tax at the time of payment. For purposes of this Section, the payor or person in control of the payment shall be considered as the withholding agent. x x x</p>	<p>(C) Withholding of Value-added Tax. - The Government or any of its political subdivisions, instrumentalities or agencies, including government-owned or -controlled corporations (GOCCs) shall, before making payment on account of each purchase of goods and services which are subject to the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold the value-added tax imposed in Sections 106 and 108 of this Code, deduct and withhold a final value-added tax at the rate of five percent (5%) of the gross payment thereof: <i>Provided</i>, That <u>beginning January 1, 2021, the VAT withholding (sic) system under this subsection shall shift from final to a creditable system: <i>Provided, further</i>, That</u> the payment for lease or use of properties or property rights to nonresident owners shall be subject to <u>twelve</u> percent (<u>12%</u>) withholding tax at the time of payment: <u><i>Provided, finally</i></u>, That <u>payments for purchases of goods and services arising from projects funded by Official Development Assistance (ODA) as defined under Republic Act No. 8182, otherwise known as the “Official Development Assistance Act of 1996”, as amended, shall not be subject to the final withholding tax system as imposed in this Subsection.</u> For purposes of this Section, the payor or person in control of the payment shall be considered as the withholding agent. x x x</p>	<ul style="list-style-type: none"> • Withholding of VAT on Transactions with Government. – (1) Changes nature of withholding from final to creditable withholding tax beginning 1 January 2021; (2) further increases the withholding VAT on lease or use of properties or property rights to nonresident owners to 12%; and (3) exempts payments for purchases of goods and services arising from projects funded by Official Development Assistance (“ODA”) from final withholding VAT.


TITLE V: OTHER PERCENTAGE TAXES


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 116. TAX ON PERSONS EXEMPT FROM VALUE-ADDED TAX (VAT).</p> <p>Presidential Veto (4 of 6):</p> <p>Percentage Tax Exemption of Self-Employed and Professionals.</p> 	<p>Any person whose sales or receipts are exempt under Section 109(V) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%) of his gross quarterly sales or receipts: <i>Provided</i>, That cooperatives shall be exempt from the three percent (3%) gross receipts tax herein imposed.</p>	<p>Any person whose sales or receipts are exempt under Section 109(BB) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay a tax equivalent to three percent (3%) of his gross quarterly sales or receipts: <i>Provided</i>, That cooperatives and beginning January 1, 2019, self-employed and professionals with total annual gross sales and/or gross receipts not exceeding Five hundred thousand pesos (P500,000) shall be exempt from the three percent (3%) gross receipts tax herein imposed.</p>	<p>Presidential Veto (4 of 6):</p> <p><i>“and beginning January 1, 2019, self-employed and professionals with total annual gross sales and/or gross receipts not exceeding Five hundred thousand pesos (P500,000)”</i></p> <p>The provision exempts self-employed individuals and professionals with total annual gross sales and/or gross receipts not exceeding P500,000.00. However, this was vetoed by Pres. Duterte on the basis that it will result in unnecessary erosion of revenues and would lead to abuse and leakages.</p>
<p>SEC. 127. TAX ON SALE, BARTER OR EXCHANGE OF SHARES OF STOCK LISTED AND TRADED THROUGH THE LOCAL STOCK EXCHANGE OR THROUGH INITIAL PUBLIC OFFERING.</p>	<p><i>(A) Tax on Sale, Barter or Exchange of Shares of Stock Listed and Traded through the Local Stock Exchange.</i> - There shall be levied, assessed and collected on every sale, barter, exchange, or other disposition of shares of stock listed and traded through the local stock exchange other than the sale by a dealer in securities, a tax at the rate of one-half of one percent (1/2 of 1%) of the gross selling price or gross value in money of the shares of stock sold, bartered,</p>	<p><i>(A) Tax on Sale, Barter or Exchange of Shares of Stock Listed and Traded through the Local Stock Exchange.</i> - There shall be levied, assessed and collected on every sale, barter, exchange, or other disposition of shares of stock listed and traded through the local stock exchange other than the sale by a dealer in securities, a tax at the rate of six-tenths of one percent (6/10 of 1%) of the gross selling price or gross value in money of the shares of stock sold, bartered, exchanged or otherwise</p>	<ul style="list-style-type: none"> • Percentage Tax on Listed Shares. - Increased the percentage tax on listed shares from 0.50% to 0.60% of the gross selling price.


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 128. RETURNS AND PAYMENT OF PERCENTAGE TAXES.</p> 	<p>exchanged or otherwise disposed which shall be paid by the seller or transferor. x x x</p> <p>(A) x x x</p> <p>(1) x x x</p> <p>(2) <i>Person Retiring from Business.</i> - Any person retiring from a business subject to percentage tax shall notify the nearest internal revenue officer, file his return and pay the tax due thereon within twenty (20) days after closing his business.</p> <p>(3) <i>Exceptions.</i> - The Commissioner may, by rules and regulations, prescribe:</p> <p>(a) The time for filing the return at intervals other than the time prescribed in the preceding paragraphs for a particular class or classes of taxpayers after considering such factors as volume of sales, financial condition, adequate measures of security, and such other relevant information required to be submitted under the pertinent provisions of this Code; and</p> <p>(b) The manner and time of payment of percentage taxes other than as hereinabove prescribed, including a scheme of tax prepayment.</p> <p>(4) <i>Determination of Correct Sales or Receipts.</i> - x x x</p>	<p>disposed which shall be paid by the seller or transferor. x x x</p> <p>(A) x x x</p> <p>(1) x x x</p> <p>(2) <u>Persons</u> Retiring from Business. - x x x</p> <p>(3) <u>Determination of Correct Sales or Receipts.</u> - x x x</p> <p>x x x.</p>	<ul style="list-style-type: none"> • Return and Payment of Percentage Taxes. - Removed the authority granted to the CIR to prescribe time and manner of payment and filing of percentage tax other than that provided in the NIRC.


TITLE VI: EXCISE TAXES ON CERTAIN GOODS


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 129. GOODS AND SERVICES SUBJECT TO EXCISE TAXES.</p> 	<p>Excise taxes apply to goods manufactured or produced in the Philippines for domestic sales or consumption or for any other disposition and to things imported. The excise tax imposed herein shall be in addition to the value-added tax imposed under Title IV.</p> <p>For purposes of this Title, excise taxes herein imposed and based on weight or volume capacity or any other physical unit of measurement shall be referred to as 'specific tax' and an excise tax herein imposed and based on selling price or other specified value of the good shall be referred to as 'ad valorem tax.'</p>	<p>Excise taxes apply to goods manufactured or produced in the Philippines for domestic sales or consumption or for any other disposition and to things imported <u>as well as services performed in the Philippines</u>. The excise tax imposed herein shall be in addition to the value-added tax imposed under Title IV.</p> <p>For purposes of this Title, excise taxes herein imposed and based on weight or volume capacity or any other physical unit of measurement shall be referred to as 'specific tax' and an excise tax herein imposed and based on selling price or other specified value of the good <u>or service performed</u> shall be referred to as 'ad valorem tax.'</p>	<ul style="list-style-type: none"> • Excise Taxes on Services. – Expands the application of excise taxes to include services performed in the Philippines.
<p>SEC. 145. CIGARS AND CIGARETTES.</p> 	<p>(A) <i>Cigars.</i> – x x x</p> <p>(B) <i>Cigarettes Packed by Hand.</i> - There shall be levied, assessed and collected on cigarettes packed by hand an excise tax based on the following schedules:</p> <p>Effective on January 1, 2013, Twelve pesos (P12.00) per pack;</p> <p>Effective on January 1, 2014, Fifteen pesos (P15.00) per pack;</p> <p>Effective on January 1, 2015, Eighteen pesos (P18.00) per pack;</p>	<p>(A) <i>Cigars.</i> – x x x</p> <p>(B) <i>Cigarettes Packed by Hand.</i> – There shall be levied, assessed and collected on cigarettes packed by hand an excise tax based on the following schedules:</p> <p><u>Effective on January 1, 2018 until June 30, 2018, Thirty-two Pesos and Fifty Centavos (P32.50) per pack;</u></p> <p><u>Effective on July 1, 2018 until December 31, 2019, Thirty-five pesos (P35.00) per pack;</u></p> <p><u>Effective on January 1, 2020 until December 31, 2021, Thirty-Seven Pesos and Fifty centavos (P37.50) per pack;</u></p>	<ul style="list-style-type: none"> • Excise Taxes on Cigarettes Packed by Hand and Machine. – Increased the excise tax rate on cigarettes packed by hand and machine from P30.00 per pack on January 1, 2017 to P32.50 per pack effective on 01 January 2018 until 30 June 2018. The excise tax will be further increased on the following periods: (1) 01 July 2018 until 31 December 2019, (2) 01 January 2020 until 31 December 2021, (3) 01 January 2022 until 31 December 2023, and (4) 4%


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	<p>Effective on January 1, 2016, Twenty-one pesos (P21.00) per pack; and</p> <p>Effective on January 1, 2017, Thirty pesos (P30.00) per pack.</p> <p>The rates of tax imposed under this subsection shall be increased by four percent (4%) every year effective on January 1, 2018, through revenue regulations issued by the Secretary of Finance.</p> <p>Duly registered cigarettes packed by hand shall only be packed in twenties and other packaging combinations of not more than twenty.</p> <p>'Cigarettes packed by hand' shall refer to the manner of packaging of cigarette sticks using an individual person's hands and not through any other means such as a mechanical device, machine or equipment.</p> <p>(C) <i>Cigarettes Packed by Machine.</i> - There shall be levied, assessed and collected on cigarettes packed by machine a tax at the rates prescribed below:</p> <p>Effective on January 1, 2013</p> <p>(1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Twelve pesos (P12.00) per pack; and</p>	<p><u>Effective on January 1, 2022 until December 31, 2023, Forty pesos (P40.00) per pack;</u></p> <p>The rates of tax imposed under this subsection shall be increased by four percent (4%) every year effective on January 1, <u>2024</u>, through revenue regulations issued by the Secretary of Finance.</p> <p>Duly registered cigarettes packed by hand shall only be packed in twenties and other packaging combinations of not more than twenty.</p> <p>'Cigarettes packed by hand' shall refer to the manner of packaging of cigarette sticks using an individual person's hands and not through any other means such as a mechanical device, machine or equipment.</p> <p>(C) <i>Cigarettes Packed by Machine.</i> - There shall be levied, assessed and collected on cigarettes packed by machine a tax at the rates prescribed below:</p> <p><u>Effective on January 1, 2018 until June 30, 2018, the tax on all cigarettes packed by machine shall be Thirty-Two pesos and fifty centavos (P32.50) per pack;</u></p> <p><u>Effective on July 1, 2018 until December 31, 2019, the tax on all cigarettes packed by machine shall be Thirty-five Pesos (P35.00) per pack;</u></p>	<p>increase every year effective 01 January 2024.</p>


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	<p>(2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-five pesos (P25.00) per pack.</p> <p>Effective on January 1, 2014</p> <p>(1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Seventeen pesos (P17.00) per pack; and</p> <p>(2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-seven pesos (P27.00) per pack.</p> <p>Effective on January 1, 2015</p> <p>(1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Twenty-one pesos (P21.00) per pack; and</p> <p>(2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-eight pesos (P28.00) per pack.</p> <p>Effective on January 1, 2016</p>	<p><u>Effective on January 1, 2020 until December 31, 2021, the tax on all cigarettes packed by machine shall be Thirty-Seven Pesos and fifty centavos (P37.50) per pack;</u></p> <p><u>Effective on January 1, 2022 until December 31, 2023, the tax on all cigarettes packed by machine shall be Forty Pesos (P40.00) per pack;</u></p> <p>The rates of tax imposed under this subsection shall be increased by four percent (4%) every year thereafter effective on January 1, 2024, through revenue regulations issued by the Secretary of Finance.</p>	

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	<p>(1) If the net retail price (excluding the excise tax and the value-added tax) is Eleven pesos and fifty centavos (P11.50) and below per pack, the tax shall be Twenty-five pesos (P25.00) per pack; and</p> <p>(2) If the net retail price (excluding the excise tax and the value-added tax) is more than Eleven pesos and fifty centavos (P11.50) per pack, the tax shall be Twenty-nine pesos (P29.00) per pack.</p> <p>Effective on January 1, 2017, the tax on all cigarettes packed by machine shall be Thirty pesos (P30.00) per pack.</p> <p>The rates of tax imposed under this subsection shall be increased by four percent (4%) every year thereafter effective on January 1, 2018, through revenue regulations issued by the Secretary of Finance.</p> <p>Duly registered cigarettes packed by machine shall only be packed in twenties and other packaging combinations of not more than twenty.</p> <p>Understatement of the suggested net retail price by as much as fifteen percent (15%) of the actual net retail price shall render the manufacturer or importer liable for additional excise tax equivalent to the tax due and difference between the understated suggested net retail price and the actual net retail price.</p>		


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	<p>Cigarettes introduced in the domestic market after the effectivity of this Act shall be initially tax classified according to their suggested net retail prices.</p> <p><i>'Suggested net retail price'</i> shall mean the net retail price at which locally manufactured or imported cigarettes are intended by the manufacturer or importer to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three (3) months from the product launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the newly introduced cigarette against the net retail price as defined herein and initially determine the correct tax bracket under which a newly introduced cigarette shall be classified. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax bracket under which a newly introduced cigarette shall be classified.</p> <p><i>'Net retail price'</i> shall mean the price at which the cigarette is sold on retail in at least five (5) major supermarkets in Metro Manila (for brands of cigarettes marketed nationally), excluding the amount intended to cover the applicable excise tax and the value-added tax. For cigarettes which are marketed only outside Metro Manila, the <i>'net retail price'</i> shall mean the price at which the cigarette is sold in at least five (5)</p>		<ul style="list-style-type: none"> • Net Retail Price. – Removes the definition of the terms “<i>net retail price</i>” and “<i>suggested net retail price</i>” as it will no longer be used as basis to determine the increase in excise tax rate.


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	<p>major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the value-added tax.</p> <p>Major supermarkets, as contemplated under this Act, shall be those with the highest annual gross sales in Metro Manila or the region, as the case may be, as determined by the National Statistics Office, and shall exclude retail outlets or kiosks, convenience or sari-sari stores, and others of a similar nature: Provided, That no two (2) supermarkets in the list to be surveyed are affiliated and/or branches of each other: Provided, finally, That in case a particular cigarette is not sold in major supermarkets, the price survey can be conducted in retail outlets where said cigarette is sold in Metro Manila or the region, as the case may be, upon the determination of the Commissioner of Internal Revenue.</p> <p>The net retail price shall be determined by the Bureau of Internal Revenue through a price survey under oath.</p> <p>The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.</p> <p>The proper tax classification of cigarettes, whether registered before or after the effectivity of this Act,</p>		


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	<p>shall be determined every two (2) years from the date of effectivity of this Act.</p> <p>All cigarettes existing in the market at the time of the effectivity of this Act shall be classified according to the net retail prices and the tax rates provided above based on the latest price survey of cigarettes conducted by the Bureau of Internal Revenue.</p> <p>The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.</p> <p>No tobacco products manufactured in the Philippines and produced for export shall be removed from their place of manufacture or exported without posting of an export bond equivalent to the amount of the excise tax due thereon if sold domestically: <i>Provided, however,</i> That tobacco products for export may be transferred from the place of manufacture to a bonded facility, upon posting of a transfer bond, prior to export.</p> <p>Tobacco products imported into the Philippines and destined for foreign countries shall not be allowed entry without posting a bond equivalent to the amount of customs duty, excise and value-added taxes due thereon if sold domestically.</p>		<ul style="list-style-type: none"> • Export Bond. – Removal of the requirement to post export bond on (1) tobacco products manufactured in the Philippines and produced for export, and (2) tobacco products imported into the Philippines and destined for foreign countries.


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	<p>Of the total volume of cigarettes sold in the country, any manufacturer and/or seller of tobacco products must procure at least fifteen percent (15%) of its tobacco leaf raw material requirements from locally grown sources, subject to adjustments based on international treaty commitments.</p> <p>Manufacturers and importers of cigars and cigarettes shall, within thirty (30) days from the effectivity of this Act and within the first five (5) days of every month thereafter, submit to the Commissioner a sworn statement of the volume of sales for cigars and/or cigarettes sold for the three-month period immediately preceding.</p> <p>Any manufacturer or importer who, in violation of this Section, misdeclares or misrepresents in his or its sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed, be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as manufacturer or importer of cigars or cigarettes.</p> <p>Any corporation, association or partnership liable for any of the acts or omissions in violation of this Section shall be fined treble the aggregate amount of deficiency taxes, surcharges and interest which may be assessed pursuant to this Section.</p> <p>Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable</p>		<ul style="list-style-type: none"> • Sworn Certificate. – Removes the requirement on manufacturers and importers of cigars and cigarettes to submit to the CIR a sworn statement of volume of sales for cigars and cigarettes. • Penalty Provisions. – Removes the penalty provisions which provide, among others, that violation of this section is imposable by a fine treble the aggregate amount of deficiency taxes, surcharges and interest.


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	<p>and penalized under Section 254 of this Code. Any person who willfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.</p> <p>If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceedings for deportation.</p>		
<p>SEC. 148. MANUFACTURED OILS AND OTHER FUELS.</p> <p>Presidential Veto (5 of 6): Exemption of various petroleum products from excise tax when used as input, feedstock, or as raw material in the manufacturing of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plants.</p>	<p>There shall be collected on refined and manufactured mineral oils and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such:</p> <p>(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, Four pesos and fifty centavos (P4.50): <i>Provided, however,</i> That the excise taxes paid on the purchased feedstock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom: <i>Provided, further,</i> That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: <i>Provided, finally,</i> That locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or</p>	<p>There shall be collected on refined and manufactured mineral oils and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such:</p> <p><u>Effective January 1, 2018:</u></p> <p>(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, Eight pesos (P8.00): <i>Provided,</i> That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: <i>Provided, further,</i> That locally produced or imported oils previously taxed as such but are subsequently reprocessed, refined or recycled shall likewise be subject to the tax imposed under this Subsection.</p>	<p>• Excise Taxes on Manufactured Oils and Other Fuels. - The excise taxes to be charged for manufactured oils and other fuels are increased effective 1 January 2018, the amount of the tax rates depend on the nature of the oil/fuel. Tax rates will be further increased on 1 January 2019 and 1 January 2020, respectively. However, the increase for the period covering 2018 to 2020 will be suspended if the average Dubai crude oil price based</p>


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	<p>recycled shall likewise be subject to the tax imposed under this Section.</p> <p>(b) Processed gas, per liter of volume capacity, Five centavos (Po.05);</p> <p>(c) Waxes and petrolatum, per kilogram, Three pesos and fifty centavos (P3.50);</p> <p>(d) On denatured alcohol to be used for motive power, per liter of volume capacity, Five centavos (Po.05): <i>Provided</i>, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;</p> <p>(e) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, Four pesos and thirty five centavos (P4.35): <i>Provided, however</i>, That naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural-gas-fired-combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, Zero (Po.00): <i>Provided</i>,</p>	<p>(b) Processed gas, per liter of volume capacity, <u>Eight pesos (P8.00)</u>;</p> <p>(c) Waxes and petrolatum, per kilogram, <u>Eight pesos (P8.00)</u>;</p> <p>(d) On denatured alcohol to be used for motive power, per liter of volume capacity, <u>Eight pesos (P8.00)</u>: <i>Provided</i>, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;</p> <p>(e) Naphtha, regular gasoline, <u>pyrolis gasoline</u> and other similar products of distillation, per liter of volume capacity, <u>Seven pesos (P7.00)</u>: <i>Provided, however</i>, That naphtha <u>and pyrolis gasoline</u>, when used as a raw material in the production of petrochemical products, <u>or in the refining of petroleum products</u>, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and</p>	<p>on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds 80 USD per barrel.</p> <p>• Additional Petroleum and Gas Subject to Excise Tax. - Includes the following to those subject to excise tax: (1) pyrolis gasoline, and (2) petroleum coke.</p>


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	<p>further, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;</p> <p>(f) Leaded premium gasoline, per liter of volume capacity, Five pesos and thirty-five centavos (P5.35); unleaded premium gasoline, per liter of volume capacity, Four pesos and thirty-five centavos (P4.35);</p> <p>(g) Aviation turbo jet fuel, per liter of volume capacity, Three pesos and sixty-seven centavos (P3.67);</p> <p>(h) Kerosene, per liter of volume capacity, Zero (Po.00): <i>Provided</i>, That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;</p>	<p>regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, Zero (Po.00): <i>Provided, further</i>, That <u>the production of petroleum products, whether or not they are classified as products of distillation and for use solely for the production of gasoline shall be exempt from excise tax: Provided, furthermore, That</u> the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;</p> <p>(f) Unleaded premium gasoline, per liter of volume capacity, <u>Seven pesos (P7.00)</u>;</p> <p>(g) Aviation turbo jet fuel, <u>aviation gas</u>, per liter of volume capacity, <u>Four pesos (P4.00)</u>;</p> <p>(h) Kerosene, per liter of volume capacity, <u>Three pesos (P3.00)</u>: <i>Provided</i>, That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;</p>	<ul style="list-style-type: none"> • Exemption of Petroleum for Production of Gasoline. – Exempts the petroleum products for the production of gasoline from excise tax.


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	<p>(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, One peso and zero (Po.00);</p> <p>(j) Liquefied petroleum gas, per liter, Zero (Po.00): <i>Provided</i>, That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;</p> <p>(k) Asphalts, per kilogram, Fifty-six centavos (Po.56); and</p> <p>(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, zero (Po.00).</p>	<p>(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, <u>Two pesos and fifty centavos (P2.50)</u>;</p> <p>(j) Liquefied petroleum gas, per <u>kilogram, One peso (P1.00)</u>: <i>Provided</i>, <u>That liquefied petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the Secretary of Finance, shall be taxed Zero (Po.00) per kilogram: Provided, finally,</u> That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;</p> <p>(k) Asphalts, per kilogram, <u>Eight pesos (P8.00)</u>;</p> <p>(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, <u>Two pesos and fifty centavos (P2.50): Provided, however, that the excise taxes paid on the purchased basestock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom; and</u></p> <p><u>(m) Petroleum coke, per metric ton, Two pesos and fifty centavos (P2.50): Provided, however, that, petroleum coke, when used as feedstock to any power generating facility, per metric ton, Zero (Po.00).</u></p>	


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	<p style="text-align: center; font-size: 2em; opacity: 0.5;">D I V I N A M L A W</p> <p style="text-align: center; font-size: 1.5em; opacity: 0.5;">Dynamic Lawyering</p>	<p>Effective January 1, 2019</p> <p>(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, <u>Nine pesos (P9.00)</u>: <i>Provided</i>, That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: <i>Provided, further</i>, That locally produced or imported oils previously taxed as such but are subsequently reprocessed, rerefined or recycled shall likewise be subject to the tax imposed under this Subsection.</p> <p>(b) Processed gas, per liter of volume capacity, <u>Nine pesos (P9.00)</u>;</p> <p>(c) Waxes and petrolatum, per kilogram, <u>Nine pesos (P9.00)</u>;</p> <p>(d) On denatured alcohol to be used for motive power, per liter of volume capacity, <u>Nine pesos (P9.00)</u>: <i>Provided</i>, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one</p>	


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		<p>hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;</p> <p>(e) Naphtha, regular gasoline, pyrolis gasoline and other similar products of distillation, per liter of volume capacity, Nine pesos (P9.00): <i>Provided, however,</i> That naphtha and pyrolis gasoline, when used as a raw material in the production of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, Zero (P0.00): <i>Provided, further,</i> That the production of petroleum products, whether or not they are classified as products of distillation and for use solely for the production of gasoline shall be exempt from excise tax: <i>Provided, furthermore,</i> That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into</p>	


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		<p>finished products which are subject to excise tax under this Section;</p> <p>(f) Unleaded premium gasoline, per liter of volume capacity, <u>Nine pesos (P9.00)</u>;</p> <p>(g) Aviation turbo jet fuel, aviation gas, per liter of volume capacity, <u>Four pesos (P4.00)</u>;</p> <p>(h) Kerosene, per liter of volume capacity, <u>Four pesos (P4.00)</u>; <i>Provided</i>, That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;</p> <p>(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, <u>Four pesos and fifty centavos (P4.50)</u>;</p> <p>(j) Liquefied petroleum gas, per kilogram, <u>Two pesos (P2.00)</u>; <i>Provided</i>, That liquefied petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the Secretary of Finance, shall be taxed Zero (P0.00) per kilogram; <i>Provided, finally</i>, That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;</p> <p>(k) Asphalts, per kilogram, <u>Nine pesos (P9.00)</u>;</p>	


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		<p>(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, <u>Four pesos and fifty centavos (P4.50):</u> <i>Provided, however,</i> That the excise taxes paid on the purchased basestock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom; and</p> <p>(m) Petroleum coke, per metric ton, <u>Four pesos and fifty centavos (P4.50):</u> <i>Provided, however,</i> That, petroleum coke, when used as feedstock to any power generating facility, per metric ton, Zero (Po.00).</p> <p>Effective January 1, 2020</p> <p>(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, <u>Ten pesos (P10.00):</u> <i>Provided,</i> That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: <i>Provided, further,</i> That locally produced or imported oils previously taxed as such but are subsequently reprocessed, rerefined or recycled shall likewise be subject to the tax imposed under this Subsection.</p>	


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		<p>(b) Processed gas, per liter of volume capacity, <u>Ten pesos (P10.00)</u>;</p> <p>(c) Waxes and petrolatum, per kilogram, <u>Ten pesos (P10.00)</u>;</p> <p>(d) On denatured alcohol to be used for motive power, per liter of volume capacity, <u>Ten pesos (P10.00)</u>: <i>Provided</i>, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;</p> <p>(e) Naphtha, regular gasoline, pyrolis gasoline and other similar products of distillation, per liter of volume capacity, <u>Ten pesos (P10.00)</u>: <i>Provided, however</i>, That naphtha and pyrolis gasoline, when used as a raw material in the production of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, Zero (Po.00): <i>Provided, further</i>, That the production of petroleum</p>	

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p>products, whether or not they are classified as products of distillation and for use solely for the production of gasoline shall be exempt from excise tax: <i>Provided, furthermore,</i> That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;</p> <p>(f) Unleaded premium gasoline, per liter of volume capacity, Ten pesos (P10.00);</p> <p>(g) Aviation turbo jet fuel, aviation gas, per liter of volume capacity, Four pesos (P4.00);</p> <p>(h) Kerosene, per liter of volume capacity, Five pesos (P5.00); <i>Provided,</i> That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;</p> <p>(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Six pesos (P6.00);</p>	


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p>(j) Liquefied petroleum gas, per kilogram, Three pesos (P3.00): <i>Provided</i>, That liquefied petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the Secretary of Finance, shall be taxed Zero (Po.00) per kilogram: <i>Provided, finally</i>, That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;</p> <p>(k) Asphalts, per kilogram, Ten pesos (P10.00);</p> <p>(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Six pesos (P6.00): <i>Provided, however</i>, That the excise taxes paid on the purchased basestock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom; and</p> <p>(m) Petroleum coke, per metric ton, Six pesos (P6.00): <i>Provided, however</i>, That, petroleum coke, when used as feedstock to any power generating facility, per metric ton, Zero (Po.00).</p> <p><u>Petroleum products, including naphtha, LPG, petroleum coke, refinery fuel and other products of distillation, when used as input, feedstock or as raw material in the manufacturing of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plan in</u></p>	<p>Presidential Veto (5 of 6):</p> <p>President Duterte vetoed the exemption petroleum products used as input, feedstock or as raw material in manufacturing or refining of petrochemical</p>

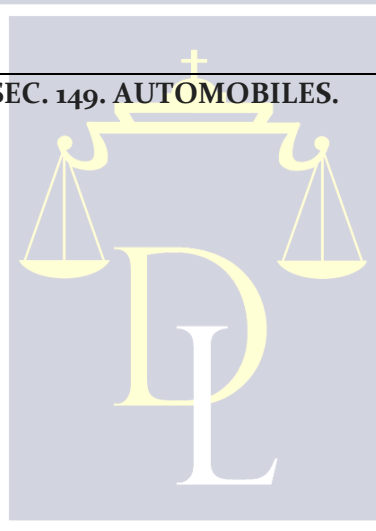
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p style="text-align: center; font-size: 2em; opacity: 0.5;">D I V</p> <p style="text-align: center; font-size: 1.5em; opacity: 0.5;">Dynamic Law</p>	<p><u>lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, Zero (Po.00); furthermore, that the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases, and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section.</u></p> <p><u>For the period covering 2018 to 2020, the scheduled increase in the excise tax on fuel as imposed in this section shall be suspended when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds eighty dollars (USD 80) per barrel.</u></p>	<p>products, particularly the following provision:</p> <p><i>“Petroleum products, including naphtha, LPG, petroleum coke, refinery fuel and other products of distillation, when used as input, feedstock or as raw material in the manufacturing of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plan in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, Zero (Po.00); furthermore, that the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases, and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such</i></p>


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p style="text-align: center; font-size: 48px; opacity: 0.3;">D I V</p>	<p><u>Provided, That the Department of Finance shall perform an annual review of the implementation of the excise tax on fuel and shall, based on projections provided and recommendations of the Development Budget Coordination Committee, as reconciled from the conditions as provided above, recommend the implementation or suspension of the excise tax on fuel: Provided, further, That the recommendation shall be given on a yearly basis: Provided, finally, That any suspension of the increase in excise tax shall not result in any reduction of the excise tax being imposed at the time of the suspension.</u></p>	<p>by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section.”</p> <ul style="list-style-type: none"> • Annual Review. – Mandates the Department of Finance to perform an annual review of the implementation of excise tax on fuel and to recommend the implementation or suspension of the excise tax on fuel.
<p>SEC 148-A. MANDATORY MARKING OF ALL PETROLEUM PRODUCTS.</p>		<p><u>In accordance with rules and regulations to be issued by the Secretary of Finance in consultation with the Commissioner of Internal Revenue and Commissioner of Customs and in coordination with the Secretary of Energy, the Secretary of Finance shall require the use of an official fuel marking or similar technology on petroleum products that are refined, manufactured, or imported into the Philippines, and that are subject to the payment of taxes and duties, such as but not limited to unleaded premium gasoline,</u></p>	<ul style="list-style-type: none"> • Mandatory Marking on Petroleum Products. – Requires the marking of all petroleum products that are subject to the payment of taxes and duties within 5 years from the effectivity of TRAIN. Unmarked petroleum products are presumed to have been withdrawn with the


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		<p><u>kerosene, and diesel fuel oil after the taxes and duties thereon have been paid. the mandatory marking of all petroleum products shall be in accordance with the following:</u></p> <p><u>(a) Official Markers. - There shall be a list of chemical additives and corresponding quantitative ratio as identified by the Secretary of the Department of Finance as official fuel markers. the official fuel markers shall be distinct and, to the greatest degree possible, impossible to imitate or replicate; provided, that the official fuel marker must be unique to the Philippines and that its chemical composition and quantitative ratio must persist for at least three (3) years from their application or administration to the unmarked fuel;</u></p> <p><u>(b) The person, entity, or taxpayer who owns or enters the petroleum products into the country, or the person to whom the petroleum products are consigned shall cause and accommodate the marking of the petroleum products with the official marking agent;</u></p> <p><u>(c) Internal revenue or customs officers shall be on site to administer the declaration of the tax and duties imposed on the petroleum products and to oversee the application of the fuel marking;</u></p> <p><u>(d) Absence of Official or Dilution of the Official Marker; Presumptions. - In the event that the</u></p>	<p>intention to evade the payment of taxes and duties thereon.</p>

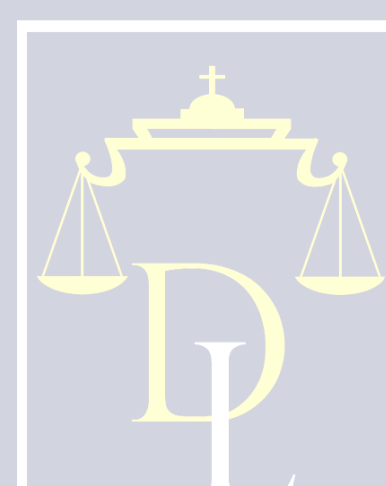
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>petroleum products which do not contain the official marker or which contain the official marker but are diluted beyond the acceptable percentage approved by the Secretary of Finance are found in the domestic market or in the possession of anyone, or under any situation where said petroleum products are subject to duties and taxes, it shall be presumed that the same were withdrawn with the intention to evade the payment of the taxes and duties due thereon;</u></p> <p><u>(e) The use of fraudulent marker on the petroleum products shall be considered prima facie evidence that the same have been withdrawn or imported without the payment of taxes and duties due thereon;</u></p> <p><u>(f) Engagement of Fuel Marking Provider. - The government shall engage only one fuel marking provider who shall, under the supervision and direction of the Commissioners of Internal Revenue and Customs, be responsible for providing, monitoring, and administering the fuel markers, provide equipment and devices, conduct field and confirmatory tests, and perform such other acts incidental or necessary to the proper implementation of the provisions of this act: Provided, That the fuel marking provider shall provide an end-to-end solution to the government, including the establishment and operation of testing facilities that are certified to ISO 17025;</u></p>	


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>(g) All costs pertaining to the procurement of the official fuel markers shall be borne by the refiner, manufacturer or importer, of petroleum products, as the case may be: <i>Provided</i>, That the government may subsidize the cost of official fuel markers in the first year of implementation;</u></p> <p><u>(h) <i>Fuel Marking Program Funds.</i> – In addition to any appropriation to implement this Section and the last paragraph of Section 171 of this Act, fees or charges collected in relation to the fuel marking program may be recorded as trust receipts of the implementing agencies, and shall be exclusively disbursed to defray the cost of services or equipment required to fully implement the said program, subject to rules and regulations to be issued by the DOF-DBM-COA permanent committee;</u></p> <p><u>(i) The marking of petroleum products shall be mandatory within five (5) years from the effectivity of this Act; and</u></p> <p><u>(j) The term ‘<i>random field test</i>’ shall refer to periodic random inspections and tests performed to establish qualitative and quantitative positive result of fuel trafficking, which are conducted on fuels found in the warehouses, storage tanks, gas stations and other retail outlets, and in such other properties or equipment, including mechanisms of transportation, of persons engaged in the sale, delivery, trading, transportation, distribution, or</u></p>	


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		<p><u>importation of fuel intended for domestic market.</u></p> <p><u>The term 'confirmatory tests' shall refer to the accurate and precise analytical test of the tested unmarked, adulterated, or diluted fuel using a device, tool or equipment which will validate and confirm the result of the field test, that is immediately conducted in an accredited testing facility that is certified to ISO 17025.</u></p>																	
 <p>SEC. 149. AUTOMOBILES.</p>	<p>There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule:</p> <table border="0"> <thead> <tr> <th>Net manufacturer's price/ importer's selling price</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Up to P600,000</td> <td>2%</td> </tr> <tr> <td>Over P600,000 to P1.1 Million</td> <td>P12,000 + 20% of value in excess of P600,000</td> </tr> <tr> <td>Over P1.1 Million to P2.1 Million</td> <td>P112,000 + 40% of value in excess of P1.1 Million</td> </tr> <tr> <td>Over P2.1 Million</td> <td>P 512,000 + 60% of value in excess of P2.1 Million</td> </tr> </tbody> </table>	Net manufacturer's price/ importer's selling price	Rate	Up to P600,000	2%	Over P600,000 to P1.1 Million	P12,000 + 20% of value in excess of P600,000	Over P1.1 Million to P2.1 Million	P112,000 + 40% of value in excess of P1.1 Million	Over P2.1 Million	P 512,000 + 60% of value in excess of P2.1 Million	<p>There shall be levied, assessed and collected an ad valorem tax on automobiles based on the manufacturer's or importer's selling price, net of excise and value-added tax, in accordance with the following schedule:</p> <p><u>Effective January 1, 2018</u></p> <table border="0"> <thead> <tr> <th><u>Net manufacturer's price/ importer's selling price</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td><u>Up to Six hundred thousand pesos (P600,000)</u></td> <td><u>Four percent (4%)</u></td> </tr> <tr> <td><u>Over Six hundred thousand pesos (P600,000) to One million pesos (P1,000,000)</u></td> <td><u>Ten percent (10%)</u></td> </tr> </tbody> </table>	<u>Net manufacturer's price/ importer's selling price</u>	<u>Rate</u>	<u>Up to Six hundred thousand pesos (P600,000)</u>	<u>Four percent (4%)</u>	<u>Over Six hundred thousand pesos (P600,000) to One million pesos (P1,000,000)</u>	<u>Ten percent (10%)</u>	<p>• Ad Valorem Taxes on Automobiles. – Increased the ad valorem tax on automobiles. However, based on the revised schedule of ad valorem tax, it would appear that excise tax decreased for automobiles with net manufacturer's or importer's selling price of P1,640,000 to P4,000,000.00, and P4,000,000 to P7,480,000.00.</p>
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	<p><i>Provided</i>, That the brackets reflecting the manufacturer's price or importer's selling price, net of excise and value added-taxes, will be indexed by the Secretary of Finance once every two years if the change in the exchange rate of the Philippine peso against the United States (U.S) dollar is more ten percent (10%) from the date of effectivity of this Act, in the case of initial adjustments and from the last revision date in the case of subsequent adjustments.</p> <p>The manufacturer's price or importer's selling price, net of excise and value added taxes, shall be indexed by the full rate of the peso depreciation or appreciation, as the case may be.</p> <p><i>Provided, further</i>, That in case the change in the exchange rate of the Philippine peso against the U.S dollar is at least twenty percent (20%) at any time within the two (2) year period referred to above, the Secretary of Finance shall index the brackets reflecting the manufacturer's price or importer's selling price, net of excise and value added-taxes, by the full rate of</p>	<p><u>Over One million pesos (P1,000,000) to Four million pesos (P4,000,000)</u> <u>Twenty percent (20%)</u></p> <p><u>Over Four million Pesos (P4,000,000)</u> <u>Fifty percent (50%)</u></p> <p><u><i>Provided</i>, That hybrid vehicles shall be subject to fifty percent (50%) of the applicable excise tax rates on automobiles under this Section: <i>Provided, further</i>, That purely electric vehicles and pick-ups shall be exempt from excise tax on automobiles.</u></p> <p>As used in this Section -</p> <p>(a) Automobile shall mean any four (4) or more wheeled motor vehicle regardless of seating capacity, which is propelled by gasoline, diesel, electricity or any other motive power: <i>Provided</i>, That for purposes of this Act, buses, trucks, cargo vans, jeepneys/jeepney substitutes, single cab chassis, and special-purpose vehicles shall not be considered as automobiles.</p> <p>(b) Truck/cargo van shall mean a motor vehicle of any configuration that is exclusively designed for the carriage of goods and with any number of wheels and axles: <i>Provided</i>, That pick-ups shall be considered as trucks.</p>	<ul style="list-style-type: none"> • Excise Tax on Hybrid Vehicles. - Provides a reduced tax rate for hybrid vehicles, which shall be subject to only 50% of the applicable excise tax rates. • Exemption from Excise Tax - Exempts from excise tax on automobiles the following: (a) purely electric vehicles, and (b) pick-ups


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	<p>the peso depreciation or appreciation, as the case may be.</p> <p>As used in this Section-</p> <p>(a) <i>Automobile</i> shall mean any four (4) or more wheeled motor vehicle regardless of seating capacity, which is propelled by gasoline, diesel, electricity or any other motive power. <i>Provided</i>, That for purposes of this Act, buses, trucks, cargo vans, jeeps/jeepneys/ shall not be considered as automobiles.</p> <p>(b) <i>Trucks/cargo van</i> shall mean a motor vehicle of any configuration that is exclusively designed for the carriage of goods and with any number of wheels and axles: provided, that pick-ups shall not be considered as trucks.</p> <p>(c) <i>Jeep/jeepney/jeepney</i> substitutes shall mean as "Philippine jeep or jeepney" which are of the jitney type locally designed and manufactured generally from surplus parts and components. It shall also include jeepney substitutes that are manufactured from brand-new single cab chassis or cowl chassis and locally customized rear body that has continuous sideway row seats with open rear door and without retractable glass windows.</p> <p>(d) <i>Bus</i> shall mean a motor vehicle of any configuration with gross vehicle weight of 4.0 tons or more with any number of wheels and axles, which is</p>	<p>(c) Jeepney/jeepney substitutes shall mean as 'Philippine jeep or jeepney' which are of the jitney type locally designed and manufactured generally from surplus parts and components. It shall also include jeepney substitutes that are manufactured from brand-new single cab chassis or cowl chassis and locally customized rear body that has continuous sideway row seats with open rear door and without retractable glass windows.</p> <p>(d) Bus shall mean a motor vehicle of any configuration with gross vehicle weight of 4.0 tons or more with any number of wheels and axles, which is generally accepted and specifically designed for mass or public transportation.</p> <p>(e) Single cab chassis shall mean a motor vehicle with complete engine power train and chassis equipped with a cab that has a maximum of two (2) doors and only one (1) row of seats.</p> <p>(f) Special purpose vehicle shall mean a motor vehicle designed for specific applications such as cement mixer, fine truck, boom truck, ambulance and/or medical unit, and off-road vehicles for heavy industries and not for recreational activities.</p> <p>(g) <u>Hybrid electric vehicle shall mean a motor vehicle powered by electric energy, with or without provision for off-vehicle charging, in combination with gasoline, diesel or any other motive power: Provided, That, for purposes of this</u></p>	<p>AW Lawyering</p>


SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>generally accepted and specifically designed for mass or public transportation.</p> <p>(e) <i>Single cab chassis</i> shall mean a motor vehicle with complete engine power train and chassis equipped with a cab that has a maximum of two (2) doors and only one (1) row of seats.</p> <p>(f) <i>Special purpose vehicle</i> shall mean a motor vehicle designed for specific applications such as cement mixer, fine truck, boom truck, ambulance and/or medical unit, and off-road vehicles for heavy industries and not for recreational activities.</p> <p><i>Provided</i>, That in the case of imported automobiles not for sale, the tax imposed herein shall be based on the total landed value, including transaction value, customs duty and all other charges.</p> <p>Automobiles used exclusively within the Freeport zone shall be exempt from excise tax.</p>	<p><u>Act, a hybrid electric vehicle must be able to propel itself from a stationary condition using solely electric motor.</u></p> <p><i>Provided</i>, That in the case of imported automobiles not for sale, the tax imposed herein shall be based on the total landed value, including transaction value, customs duty and all other charges.</p> <p>Automobiles used exclusively within the Freeport zone shall be exempt from excise tax.</p>	
<p>SEC. 150-A. NON-ESSENTIAL SERVICES.</p>	<p>[Not Applicable]</p>	<p><u>There shall be levied, assessed and collected a tax equivalent to five percent (5%) based on the gross receipts derived from the performance of services, net of excise tax and value-added tax, on invasive cosmetic procedures, surgeries, and body enhancements directed solely towards improving, altering, or enhancing the patient's appearance and do not meaningfully promote the proper function of the body or prevent or treat illness or disease: <i>Provided</i>, That this tax shall not apply to procedures necessary to ameliorate a</u></p>	<ul style="list-style-type: none"> • Taxes on Invasive Cosmetic Procedures. - Imposes 5% tax from gross receipts derived from the the performance of services on invasive cosmetic procedures, surgeries, and body enhancements.


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		<p><u>deformity arising from, or directly related to, a congenital or developmental defect or abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease, tumor, virus or infection: <i>Provided, further,</i> That cases or treatments covered by the National Health Insurance Program shall not be subject to this tax.</u></p>	
<p>SEC 150-B. SWEETENED BEVERAGES.</p> 	<p>[Not Applicable]</p>	<p><u>(A) Rate and Base of Tax. – Effective January 1, 2018:</u></p> <p><u>(1) A tax of Six pesos (P6.00) per liter of volume capacity shall be levied, assessed, and collected on sweetened beverages using purely caloric sweeteners, and purely non-caloric sweeteners, or a mix of caloric and non-caloric sweeteners: <i>Provided,</i> That this tax rate shall not apply to sweetened beverages using high fructose corn syrup: <i>Provided, further,</i> That sweetened beverages using purely coconut sap sugar and purely steviol glycosides shall be exempt from this tax; and</u></p> <p><u>(2) A tax of Twelve pesos (P12.00) per liter of volume capacity shall be levied, assessed, and collected on sweetened beverages using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener.</u></p> <p><u>(B) Definition of Terms. – As used in this Act:</u></p> <p><u>(1) Sweetened beverages (SBs) refer to non-alcoholic beverages of any constitution (liquid,</u></p>	<ul style="list-style-type: none"> • Taxes on Sweetened Beverages. – Imposes excise tax on sweetened beverages, the rates of which depend on the nature of the sweeteners used.

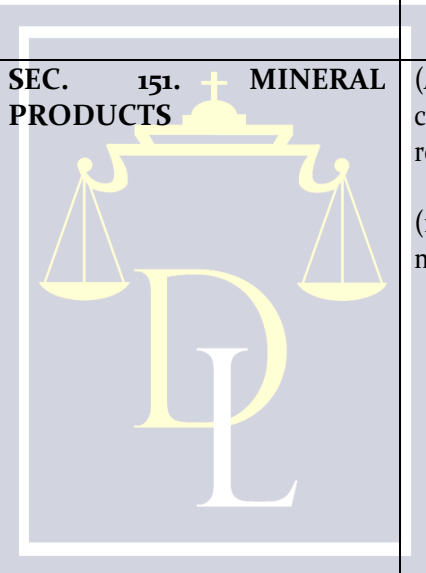
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>powder, or concentrates) that are pre-packaged and sealed in accordance with the Food and Drug Administration (FDA) standards, that contain caloric and/or non-caloric sweeteners added by the manufacturers, and shall include, but not be limited to the following, as described in the Food Category System from Codex Alimentarius Food Category Descriptors (Codex Stan 192-1995, Rev 2017 or the latest) as adopted by the FDA:</u></p> <p><u>(a) Sweetened juice drinks;</u> <u>(b) Sweetened tea;</u> <u>(c) All carbonated beverages;</u> <u>(d) Flavored water;</u> <u>(e) Energy and sports drinks;</u> <u>(f) Other powdered drinks not classified as milk, juice, tea, and coffee;</u> <u>(g) Cereal and grain beverages; and</u> <u>(h) Other non-alcoholic beverages that contain added sugar.</u></p> <p><u>(2) Caloric sweetener refers to a substance that is sweet and includes sucrose, fructose, and glucose that produces a certain sweetness;</u></p> <p><u>(3) High fructose corn syrup refers to a sweet saccharide mixture containing fructose and glucose which is derived from corn and added to provide sweetness to beverages, and which includes other similar fructose syrup preparations;</u></p>	


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	<p style="text-align: center; font-size: 2em; opacity: 0.5;">D I V I S I O N</p> <p style="text-align: center; font-size: 4em; opacity: 0.5;">A W</p> <p style="text-align: center; font-size: 2em; opacity: 0.5;">w y e r i n g</p>	<p><u>(4) Non-caloric sweetener refers to a substance that are artificially or chemically processed that produces a certain sweetness. These are substances which can be directly added to beverages, such as aspartame, sucralose, saccharin, acesulfame potassium, neotame, cyclamates and other non-nutritive sweeteners approved by the Codex Alimentarius and adopted by the FDA.</u></p> <p><u>(C) Exclusions. - The following products, as described in the food category system from Codex Alimentarius Food Category Descriptors (Codex Stan 192-1995, Rev. 2017 or the latest) as adopted by the FDA, are excluded from the scope of this Act:</u></p> <p><u>(1) All milk products, including plain milk, infant formula milk, follow-on milk, growing up milk, powdered milk, ready-to-drink milk and flavored milk, fermented milk, soymilk, and flavored soymilk;</u></p> <p><u>(2) One Hundred Percent (100%) Natural Fruit Juices - Original liquid resulting from the pressing of fruit, the liquid resulting from the reconstitution of natural fruit juice concentrate, or the liquid resulting from the restoration of water to dehydrated natural fruit juice that do not have added sugar or caloric sweetener;</u></p> <p><u>(3) One Hundred Percent (100%) Natural Vegetable Juices - Original liquid resulting from</u></p>	

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		<p><u>the pressing of vegetables, the liquid resulting from the reconstitution of natural vegetable juice concentrate, or the liquid resulting from the restoration of water to dehydrated natural vegetable juice that do not have added sugar or caloric sweetener;</u></p> <p><u>(4) Meal Replacement and Medically Indicated Beverages - Any liquid or powder drink/product for oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or as a source of necessary nutrition used due to a medical condition and an oral electrolyte solution for infants and children formulated to prevent dehydration due to illness; and</u></p> <p><u>(5) Ground coffee, instant soluble coffee, and pre-packaged powdered coffee products.</u></p> <p><u>(D) Filing of Return and Payment of Excise Tax and Penalty. -</u></p> <p><u>(1) Filing of Return and Payment of excise tax on domestic and imported sweetened beverages - The provision of Sections 130 and 131 of the NIRC, as appropriate, shall apply to sweetened beverages.</u></p> <p><u>(2) Penalty - Upon final findings by the Commissioner of Internal Revenue and/or Customs that any manufacturer or importer, in</u></p>	<p>• Penalty. - Imposes a fine on any misdeclaration or misrepresentation in the</p>

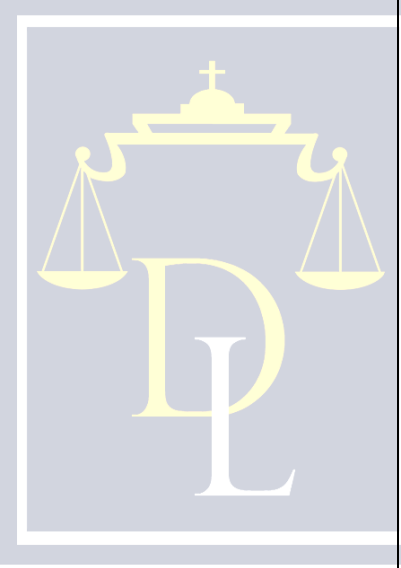
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p style="text-align: center; font-size: 2em; opacity: 0.5;">D I V I S I O N</p> <p style="text-align: center; font-size: 2em; opacity: 0.5;">L A W</p> <p style="text-align: center; font-size: 2em; opacity: 0.5;">A W</p> <p style="text-align: center; font-size: 2em; opacity: 0.5;">y e r i n g</p>	<p><u>violation of this Section, misdeclares or misrepresents in the sworn statement provided in Section 130(c) of the NIRC, as amended, any pertinent data or information, the penalty of summary cancellation or withdrawal of the permit to engage in business as manufacturer or importer of sweetened beverages as provided under Section 268 of the NIRC, as amended, shall be imposed.</u></p> <p><u>Any corporation, association or partnership liable for any of the acts or omissions in violation of this Section shall be fined treble the amount of deficiency taxes, surcharges, and interest which may be assessed pursuant to this Section.</u></p> <p><u>Any person liable for any of the acts or omissions prohibited under this section shall be criminally liable and penalized under Section 254 of the NIRC, as amended. Any person who willfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.</u></p> <p><u>If not a citizen of the Philippines, the offender shall be deported immediately after serving the sentence without further proceedings for deportation.</u></p> <p><u>(E) Specific Responsibility of the Food and Drug Administration (FDA). - Starting June 1, 2018, the FDA shall require all manufacturers and</u></p>	<p>sworn statement on sweetened beverages filed in the amount equivalent to treble the amount of deficiency taxes, surcharges, and interest which may be assessed.</p>

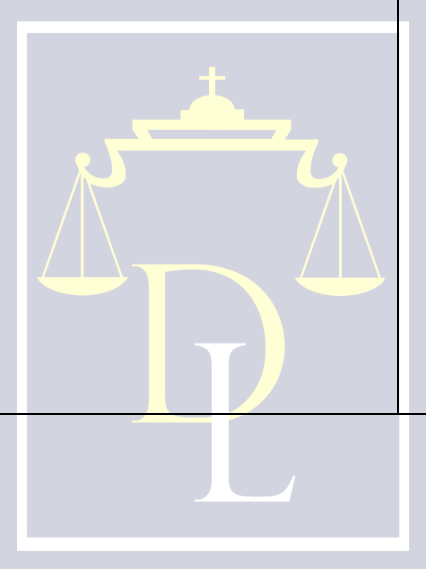
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>importers of sweetened beverages covered by this act to indicate on the label the type of sweetener used, and on sweetened beverages in powder form to indicate on the label the equivalent of each serving per liter of volume capacity.</u></p> <p><u>The FDA shall also conduct post marketing surveillance of the sweetened beverages on display in supermarkets, groceries or retail stores and/or inspection of manufacturing sites to determine compliance with the requirements of this Section. Violations of the provisions of this Act, including but not limited to mislabeling or misbranding, shall, to the extent applicable, be punishable under existing laws.</u></p> <p><u>(F) Duty of the Commissioner to Ensure Payment of Taxes. - It shall be the duty of the Commissioner, among other things, to prescribe a materially unique, secure and nonremovable identification, such as codes, stamps or other markings to be firmly and conspicuously affixed on and form part of the label of all excisable sweetened beverages.</u></p> <p><u>For this purpose, the abovementioned control measure shall be caused by the Commissioner to be printed with adequate security features to ensure the payment of excise tax on sweetened beverages.</u></p>	

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
 <p>SEC. 151. MINERAL PRODUCTS</p>	<p>(A) <i>Rates of Tax.</i> - There shall be levied, assessed and collected on minerals, mineral products and quarry resources, excise tax as follows:</p> <p>(1) On coal and coke, a tax of Ten pesos (P10.00) per metric ton;</p> <p>(2) On all nonmetallic minerals and quarry resources, a tax of two percent (2%) based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs</p>	<p><u>(G) Review of Implementation of the Sweetened Beverage Tax.</u> - <u>At the start of the implementation of the sugar sweetened beverage tax and every year thereafter, the Department of Health, Department of Science and Technology and Department of Finance shall review the impact of these provisions on its health objectives with the view to making recommendations on the tax rate on these beverages.</u></p> <p>(A) <i>Rates of Tax.</i> - There shall be levied, assessed and collected on minerals, mineral products and quarry resources, excise tax as follows:</p> <p>(1) On <u>domestic or imported</u> coal and coke, <u>notwithstanding any incentives granted in any law or special law:</u></p> <p><u>Effective January 1, 2018: Fifty pesos (P50.00) per metric ton;</u></p> <p><u>Effective January 1, 2019: One hundred pesos (P100.00) per metric ton; and</u></p> <p><u>Effective January 1, 2020: one hundred fifty pesos (P150.00) per metric ton.</u></p> <p>(2) On all nonmetallic minerals and quarry resources, a tax of <u>four percent (4%)</u> based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs</p>	<ul style="list-style-type: none"> • Excise Taxes on Mineral Products. - Increases excise tax on minerals, the rates of which depend on the nature of the mineral. Tax rates are further increased on 01 January 2019 and on 01 January 2020.

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>in determining tariff and customs duties, net of excise tax and value-added tax, in the case of importation.</p> <p>Notwithstanding the provision of paragraph (4) of Subsection (A) of this Section, locally extracted natural gas and liquefied natural gas shall not be subject to the excise tax imposed herein.</p> <p>(3) On all metallic minerals, a tax based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax, in the case of importation, in accordance with the following schedule:</p> <p>(a) Copper and other metallic minerals;</p> <p>(i) On the first three (3) years upon the effectivity of Republic Act No. 7729, one percent (1%);</p> <p>(ii) On the fourth and the fifth years, one and a half percent (1 1/2%); and</p> <p>(iii) On the sixth year and thereafter, two percent (2%);</p> <p>(b) Gold and chromite, two percent (2%).</p> <p>(4) On indigenous petroleum, a tax of three percent (3%) of the fair international market price thereof, on the first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of</p>	<p>in determining tariff and customs duties, net of excise tax and value-added tax in the case of importation.</p> <p>x x x:</p> <p>(a) Copper and other metallic minerals, <u>four percent (4%)</u>.</p> <p>(b) Gold and chromite, <u>four percent (4%)</u>.</p> <p>(4) On indigenous petroleum, a tax of <u>six percent (6%)</u> of the fair international market price thereof, on the first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of production. x x x</p>	

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	<p>production. The phrase '<i>first taxable sale, barter, exchange or similar transaction</i>' means the transfer of indigenous petroleum in its original state to a first taxable transferee. The fair international market price shall be determined in consultation with an appropriate government agency;</p> <p>X X X</p>		
<p>SEC. 155. MANUFACTURERS AND/OR IMPORTERS TO PROVIDE THEMSELVES WITH COUNTING OR METERING DEVICES TO DETERMINE VOLUME OF PRODUCTION AND IMPORTATION. -</p>	<p>Manufacturers of cigarettes, alcoholic products, oil products and other articles subject to excise tax that can be similarly measured shall provide themselves with such necessary number of suitable counting or metering devices to determine as accurately as possible the volume, quantity or number of the articles produced by them under rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner.</p> <p>This requirement shall be complied with before commencement of operations.</p>	<p>Manufacturers of cigarettes, alcoholic products, oil products, and other articles subject to excise tax that can be similarly measured shall provide themselves with such necessary number of suitable counting or metering devices to determine as accurately as possible the volume, quantity or number of the articles produced by them under rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner: <u>Provided, That the Department of Finance shall maintain a registry of all petroleum manufacturers and/or importers and the articles being manufactured and/or imported by them: Provided, further, that the Department of Finance shall mandate the creation of a real-time inventory of petroleum articles being manufactured, imported or found in storage depots of such petroleum manufacturers and/or importers: Provided, finally, That importers of finished petroleum products shall also provide themselves with Bureau-accredited metering devices to determine as accurately as possible the volume of petroleum products imported by them.</u></p>	<ul style="list-style-type: none"> • Registry of Petroleum Manufacturers and Importers. – Mandates the Department of Finance to maintain a registry of petroleum manufacturers and/or importers and the articles manufactured or imported by them, and to further create a real-time inventory of petroleum articles being manufactured and imported. • Metering Devices to Determine Volume of Production and Importation. – Requires importers of finished petroleum products to obtain Bureau-accredited metering devices to determine the volume of production and importation.

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 171. AUTHORITY OF INTERNAL REVENUE OFFICER IN SEARCHING FOR AND TESTING TAXABLE ARTICLES.</p> 	<p>Any internal revenue officer may, in the discharge of his official duties, enter any house, building or place where articles subject to tax under this Title are produced or kept, or are believed by him upon reasonable grounds to be produced or kept, so far as may be necessary to examine, discover or seize the same.</p> <p>He may also stop and search any vehicle or other means of transportation when upon reasonable grounds he believes that the same carries any article on which the excise tax has not been paid.</p>	<p>This requirement shall be complied with before commencement of operations.</p> <p>Any internal revenue officer may, in the discharge of his official duties, enter any house, building or place where articles subject to tax under this Title are produced or kept, or are believed by him upon reasonable grounds to be produced or kept, so far as may be necessary to examine, <u>test</u>, discover or seize the same.</p> <p>He may also stop and search any vehicle or other means of transportation when upon reasonable grounds he believes that the same carries any article on which the excise tax has not been paid.</p> <p><u>Subject to rules and regulations to be issued by the Secretary of Finance, the Commissioner of Internal Revenue or his authorized representatives may conduct periodic random field tests and confirmatory tests on fuel required to be marked under Section 148-A found in warehouses, storage tanks, gas stations and other retail outlets, and in such other properties of persons engaged in the sale, delivery, trading, transportation, distribution, or importation of fuel intended for the domestic market: <i>Provided</i>, the following shall be complied with:</u></p> <p><u>(a) Random field testing shall be conducted in the presence of revenue or customs officers, fuel marking provider, and the authorized</u></p>	<p>• Random Field Tests on Fuel. – Authorizes the CIR or his authorized representatives to conduct periodic random field tests and confirmatory tests on fuel, provided that the following are complied with:</p> <ol style="list-style-type: none"> 1. Presence of revenue or customs officers, fuel marking provider, and the authorized representative of the owner of the fuel to be tested;

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		<p><u>representative of the owner of the fuel to be tested: <i>Provided, that an employee assigned or working at the place where the random field test is conducted shall be deemed an authorized representative of the owner;</i></u></p> <p><u>(b) All field tests shall be properly filmed or videotaped, and documented; and</u></p> <p><u>(c) A sample of the randomly tested fuel shall be immediately obtained by the revenue or customs officer upon discovering that the same is unmarked, adulterated, or diluted:</u></p> <p><u><i>Provided, further, That confirmatory fuel test certificates issued by fuel testing facilities shall be valid for any legal purpose from the date of issue, and shall constitute admissible and conclusive evidence before any court.</i></u></p>	<ol style="list-style-type: none"> 2. Proper filming/video-taping/documentation of field tests; and 3. Immediate acquisition of sample of the randomly tested fuel upon the discovery that the same is unmarked, adulterated, or diluted.

D I V I S I O N A L L A W

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TITLE VII: DOCUMENTARY STAMP TAX

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SECTION 174.</p> <p>Stamp Tax on Original Issue of Shares of Stock.</p>	<p>On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company or corporation, there shall be collected a documentary stamp tax of One peso (P1.00) on each Two hundred pesos (P200), or fractional part thereof, of the par value, of such shares of stock: <i>Provided</i>, That in the case of the original issue of shares of stock without par value the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: <i>provided, further</i>, That in the case of stock dividends, on the actual value represented by each share.</p>	<p>On every original issue, whether on organization, reorganization or for any lawful purpose, of shares of stock by any association, company or corporation, there shall be collected a documentary stamp tax of Two pesos (P2.00) on each Two hundred pesos (P200), or fractional part thereof, of the par value, of such shares of stock: <i>Provided</i>, That in the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock: <i>Provided, further</i>, That in the case of stock dividends, on the actual value represented by each share.</p>	<ul style="list-style-type: none"> • DST on Original Issue of Shares of Stock. – Increases the stamp tax on original issuance of shares of stock of from P1.00 to P2.00 on each P200, or fractional part thereof, of the par value of the shares of stock.
<p>SECTION 175.</p> <p>Stamp Tax on Sales, Agreements to Sell, Memoranda of Sales, Deliveries or Transfer of Shares of Certificates of Stock.</p>	<p>On all sales, or agreements to sell, or memoranda of sales, or deliveries or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences o transfer or sale whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money, or for the future transfer of any stock, there shall be collected a documentary stamp tax of Seventy-five centavos (Po.75) on each Two hundred pesos (P200), or fractional part thereof, of the par value of such stock: <i>Provided</i>, That only one tax shall be collected on each sale or transfer of stock from one person to another, regardless of whether or not a certificate of stock or obligation is issued, indorsed, or delivered in pursuance of such sale or transfer: and <i>Provided, further</i>, That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to twenty-five</p>	<p>On all sales, or agreements to sell, or memoranda of sale, or deliveries, or transfer of shares or certificates of stock in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money, or for the future transfer of any stock, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50) on each Two hundred pesos (P200), or fractional part thereof, of the par value of such stock: <i>Provided</i>, That only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock is issued, indorsed, or delivered in pursuance of such sale or transfer: and <i>Provided, further</i>, That in the case of stock without par value the amount of documentary stamp tax herein prescribed shall be</p>	<ul style="list-style-type: none"> • DST on Sales, Agreements to Sell or Transfer of Shares of Certificates of Stock. – Increases (1) the stamp tax on transfers of shares of stock certificates from Po.75 to P1.50 on each P200, or fractional part thereof, of the par value of the stock; and (2) stamp tax on transfers of shares without par value from 25% to 50% of the DST paid on the original issue of said stock.

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	percent (25%) of the documentary stamp tax paid upon the original issue of said stock.	equivalent to fifty percent (50%) of the documentary stamp tax paid upon the original issue of said stock.	
SECTION 177. Stamp Tax on Certificates of Profits or Interest in Property or Accumulations.	On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each Two hundred pesos (P200), or fractional part thereof, of the face value of such certificate or memorandum.	On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of One peso (P1.00) on each Two hundred pesos (P200), or fractional part thereof, of the face value of such certificate or memorandum.	<ul style="list-style-type: none"> • DST on Certificates of Profits or Interest in Property or Accumulations. – Increases the stamp tax on certificates of profits or interest from P0.50 to P1.00 on each P200, or fractional part thereof, of the face value of the certificate or memorandum.
SECTION 178. Stamp Tax on Bank Checks, Drafts, Certificates of Deposit not Bearing Interest, and Other Instruments.	On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50).	On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of Three pesos (P3.00) .	<ul style="list-style-type: none"> • DST on Bank Checks, Drafts, Certificates of Deposit not Bearing Interest, and Other Instruments. – Increases the stamp tax from P1.50 to P3.00.
SECTION 179. Stamp tax on All Debt Instruments.	On every original issue of debt instruments, there shall be collected documentary stamp tax of One peso (P1.00) on each Two hundred pesos (P200), or fractional part thereof, of the issue price of any such debt instrument: <i>Provided</i> , That for such debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of proportional amount in accordance with the ratio of its terms in number of days to three hundred sixty-five days (365): <i>Provided, further</i> , That only one documentary stamp tax shall be imposed on either	On every original issue of debt instruments, there shall be collected documentary stamp tax of One peso and fifty centavos (P1.50) on each Two hundred pesos (P200), or fractional part thereof, of the issue price of any such debt instrument: <i>Provided</i> , That for such debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its terms in number of days to three hundred sixty-five (365) days: <i>Provided, further</i> , That only one documentary stamp tax shall be imposed	<ul style="list-style-type: none"> • DST on All Debt Instruments. – Increases the stamp tax on debt instruments from P1.00 to P1.50 on each P200, or fractional part thereof, of the issue price of any the debt instrument.

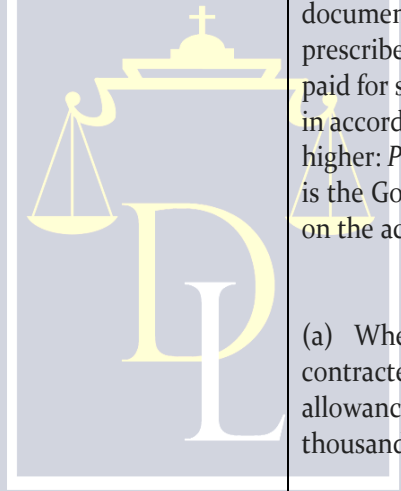
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	loan agreement, or promissory notes issued to secure such loan. xxx	on either loan agreement, or promissory notes issued to secure such loan. xxx	
SECTION 180. Stamp Tax on All Bills of Exchange or Drafts.	On all bill of exchange (between points within the Philippines) or drafts, there shall be collected a documentary stamp tax of thirty centavos (Po.30) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange or draft.	On all bills of exchange (between points within the Philippines) or drafts, there shall be collected a documentary stamp tax of Sixty centavos (Po.60) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange or draft.	<ul style="list-style-type: none"> • DST on All Bills of Exchange or Drafts. – Increases the stamp tax from Po.30 to Po.60 on each P200, or fractional part thereof, of the face value of any the bill of exchange or draft.
SECTION 181. Stamp Tax Upon Acceptance of Bills of Exchange and Others.	Upon any acceptance or payment of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippines, there shall be collected a documentary stamp tax of Thirty centavos (Po.30) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange, or order, or the Philippine equivalent to such value, if expressed in foreign currency.	Upon any acceptance or payment of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippines, there shall be collected a documentary stamp tax of sixty centavos (Po.60) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of exchange, or order, or the Philippine equivalent to such value, if expressed in foreign currency.	<ul style="list-style-type: none"> • DST Upon Acceptance of Bills of Exchange and Others. - Increases the stamp tax from Po.30 to Po.60 on each P200, or fractional part thereof, of the face value of any the bill of exchange, or order, or the Philippine equivalent to such value, if expressed in foreign currency.
SECTION 182. Stamp Tax on Foreign Bills of Exchange and Letters of Credit.	On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three (3) or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of Thirty centavos (Po.30) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of	On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three (3) or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of sixty centavos (Po.60) on each Two hundred pesos (P200), or fractional part thereof, of the face value of any such bill of	<ul style="list-style-type: none"> • DST on Foreign Bills of Exchange and Letters of Credit. – Increases the stamp tax from Po.30 to Po.60 on each P200, or fractional part thereof, of the face value of any the bill of exchange or letter of credit, or the Philippine equivalent of such

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY																								
	exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency.	exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency.	face value, if expressed in foreign currency.																								
SECTION 183. Stamp Tax on Life Insurance Policies.	<p>On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected a one-time documentary stamp tax at the following rates:</p> <table border="1" data-bbox="543 586 1123 1174"> <tr> <td>If the amount of insurance does not exceed P 100,000</td> <td>Exempt</td> </tr> <tr> <td>If the amount of insurance exceeds P100,000 but does not exceed P300,000</td> <td>P 10.00</td> </tr> <tr> <td>If the amount of insurance exceeds P300,000 but does not exceed P500,000</td> <td>P 25.00</td> </tr> <tr> <td>If the amount of insurance exceeds P500,000 but does not exceed P750,000</td> <td>P 50.00</td> </tr> <tr> <td>If the amount of insurance exceeds P750,000 but does not exceed P1,000,000</td> <td>P 75.00</td> </tr> <tr> <td>If the amount of insurance exceeds P1,000,000</td> <td>P 100.00</td> </tr> </table>	If the amount of insurance does not exceed P 100,000	Exempt	If the amount of insurance exceeds P100,000 but does not exceed P300,000	P 10.00	If the amount of insurance exceeds P300,000 but does not exceed P500,000	P 25.00	If the amount of insurance exceeds P500,000 but does not exceed P750,000	P 50.00	If the amount of insurance exceeds P750,000 but does not exceed P1,000,000	P 75.00	If the amount of insurance exceeds P1,000,000	P 100.00	<p>On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected a one-time documentary stamp tax at the following rates:</p> <table border="1" data-bbox="1216 586 1796 1174"> <tr> <td>If the amount of insurance does not exceed P 100,000</td> <td>Exempt</td> </tr> <tr> <td>If the amount of insurance exceeds P100,000 but does not exceed P300,000</td> <td><u>P 20.00</u></td> </tr> <tr> <td>If the amount of insurance exceeds P300,000 but does not exceed P500,000</td> <td><u>P 50.00</u></td> </tr> <tr> <td>If the amount of insurance exceeds P500,000 but does not exceed P750,000</td> <td><u>P 100.00</u></td> </tr> <tr> <td>If the amount of insurance exceeds P750,000 but does not exceed P1,000,000</td> <td><u>P 150.00</u></td> </tr> <tr> <td>If the amount of insurance exceeds P1,000,000</td> <td><u>P 200.00</u></td> </tr> </table>	If the amount of insurance does not exceed P 100,000	Exempt	If the amount of insurance exceeds P100,000 but does not exceed P300,000	<u>P 20.00</u>	If the amount of insurance exceeds P300,000 but does not exceed P500,000	<u>P 50.00</u>	If the amount of insurance exceeds P500,000 but does not exceed P750,000	<u>P 100.00</u>	If the amount of insurance exceeds P750,000 but does not exceed P1,000,000	<u>P 150.00</u>	If the amount of insurance exceeds P1,000,000	<u>P 200.00</u>	<ul style="list-style-type: none"> • DST on Life Insurance Policies. – Increases the stamp tax to twice the amount of stamp tax being collected under the previous provision prior to this amendment.
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If the amount of insurance exceeds P1,000,000	<u>P 200.00</u>																										
SECTION 186. Stamp Tax on Policies of Annuities and Pre-Need Plans.	<p>On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred or redeemed, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each Two hundred pesos (P200) or fractional part thereof, of the premium or installment payment on contract price collected. On pre-need plans,</p>	<p>On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred or redeemed, there shall be collected a documentary stamp tax of <u>One peso (P1.00)</u> on each Two hundred pesos (P200) or fractional part thereof, of the premium or installment payment on contract price collected. On pre-need plans, the</p>	<ul style="list-style-type: none"> • DST on Policies of Annuities. – Increases the stamp tax from P0.50 to P1.00 on each P200 or fractional part thereof, of the premium or installment payment on contract price collected. 																								

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	the documentary stamp tax shall be Twenty centavos (Po.20) on each Two hundred pesos (P200), or fractional part thereof, of the premium or contribution collected.	documentary stamp tax shall be <u>Forty centavos (Po.40)</u> on each Two hundred pesos (P200), or fractional part thereof, of the premium or contribution collected.	<ul style="list-style-type: none"> • DST on Pre-Need Plans. – Increases the stamp tax from Po.20 to Po.40 on each P200, or fractional part thereof, of the premium or contribution collected.
SECTION 188. Stamp Tax on Certificates.	On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of Fifteen pesos (P15.00).	On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of <u>Thirty pesos (P30.00)</u> .	<ul style="list-style-type: none"> • DST on Certificates. – Increases the stamp tax from P15.00 to P30.00.
SECTION 189 Stamp Tax on Warehouse Receipts.	On each warehouse receipt for property held in storage in a public or private warehouse or yard for any person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of Fifteen pesos (P15.00): <i>Provided</i> , That no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed Two hundred pesos (P200).	On each warehouse receipt for property held in storage in a public or private warehouse or yard for any person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of <u>Thirty pesos (P30.00)</u> : <i>Provided</i> , That no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed Two hundred pesos (P200).	<ul style="list-style-type: none"> • DST on Warehouse Receipts. – Increases the stamp tax from P15.00 to P30.00.
SECTION 190. Stamp Tax on Jai-Alai, Horse Racing Tickets, Lotto or	On each jai-alai, horse race ticket, lotto, or other authorized number games, there shall be collected a documentary stamp tax of Ten centavos (Po.10): <i>Provided</i> , That if the cost of the ticket exceeds One peso (P1.00), an	On each jai-alai, horse race ticket, lotto, or other authorized number games, there shall be collected a documentary stamp tax of <u>Twenty centavos (Po.20)</u> : <i>Provided</i> , That if the cost of the ticket exceeds One peso (P1.00), an additional tax of <u>Twenty centavos (Po.20)</u> on	<ul style="list-style-type: none"> • DST on Jai-Alai, Horse Racing Tickets, Lotto or Other Authorized Numbers Games. – Increases the stamp tax from Po.10 to Po.20.

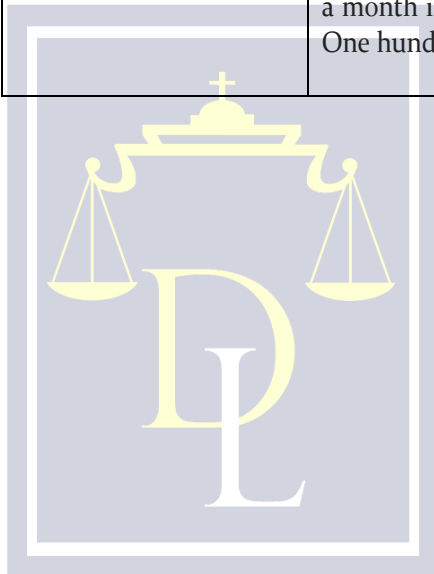
SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
Other Authorized Numbers Games.	additional tax of Ten centavos (P0.10) on every One peso (P1.00), or fractional part thereof, shall be collected.	every One peso (P1.00), or fractional part thereof, shall be collected.	Additional stamp tax for ticket with cost exceeding P1.00 likewise increases from P0.10 to P0.20 on every P1.00, or fractional part thereof.
SECTION 191. Stamp Tax on Bills of Lading or Receipts.	On each set of bills of lading or receipts (except charter party) for any goods, merchandise or effects shipped from one port or place in the Philippines to another port or place in the Philippines (except on ferries across rivers), or to any foreign port, there shall be collected documentary stamp tax of One peso (P1.00), if the value of such goods exceeds One hundred pesos (P100) and does not exceed One Thousand pesos (P1,000); Ten pesos (P10), if the value exceeds One thousand pesos (P1,000): <i>Provided, however,</i> That freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt.	On each set of bills of lading or receipts (except charter party) for any goods, merchandise or effects shipped from one port or place in the Philippines to another port or place in the Philippines (except on ferries across rivers), or to any foreign port, there shall be collected documentary stamp tax of Two pesos (P2.00) , if the value of such goods exceeds One hundred pesos (P100) and does not exceed One Thousand pesos (P1,000); Twenty pesos (P20.00) , if the value exceeds One thousand pesos (P1,000): <i>Provided, however,</i> That freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt.	<ul style="list-style-type: none"> • DST on Bills of Lading or Receipts. – Increases the stamp tax from P1.00 to P2.00 if the value of the goods exceeds P100 but does not exceed P1,000, and from P10 to P20 if the value exceeds P1,000.
SECTION 192. Stamp Tax on Proxies.	On each proxy for voting at any election for officers of any company or association, or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable or literary purposes, there shall be collected a documentary stamp tax of Fifteen pesos (P15.00).	On each proxy for voting at any election for officers of any company or association, or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable or literary purposes, there shall be collected a documentary stamp tax of Thirty pesos (P30.00) .	<ul style="list-style-type: none"> • DST on Proxies. - Increases the stamp tax from P15.00 to P30.00.
SECTION 193. Stamp Tax on Powers of Attorney.	On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or	On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or	<ul style="list-style-type: none"> • DST on Powers of Attorney. – Increases the stamp tax from P5.00 to P10.00.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	municipality, there shall be collected a documentary stamp tax of Five pesos (P5.00).	municipality, there shall be collected a documentary stamp tax of Ten pesos (P10.00) .	
SECTION 194. Stamp tax on Lease and Other Hiring Agreements.	<p>On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp tax of Three pesos (P3.00) for the first Two thousand pesos (P2,000), or fractional part thereof, and an additional One peso (P1.00) for every One Thousand pesos (P1,000) or fractional part thereof, in excess of the first Two thousand pesos (P2,000) for each year of the term of said contract or agreement.</p>	<p>On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp tax of Six pesos (P6.00) for the first Two thousand pesos (P2,000), or fractional part thereof, and an additional Two pesos (P2.00) for every One Thousand pesos (P1,000) or fractional part thereof, in excess of the first Two thousand pesos (P2,000) for each year of the term of said contract or agreement.</p>	<ul style="list-style-type: none"> • DST on Lease and Other Hiring Agreements. – Increases the stamp tax from P3.00 to P6.00 for the first P2,000, or fractional part thereof. Additional stamp tax likewise increases from P1.00 to P2.00 for every P1,000 or fractional part thereof, in excess of the first P2,000.
SECTION 195. Stamp Tax on Mortgages, Pledges and Deeds of Trust.	<p>On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing of forborne to be paid, being payable and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates:</p> <p>(a) When the amount secured does not exceed Five thousand pesos (P5,000), Twenty pesos (P20.00).</p> <p>(b) On each Five thousand pesos (P5,000), or fractional part thereof in excess of Five thousand pesos (P5,000), an additional tax of Ten pesos (P10.00).</p> <p>xxx</p>	<p>On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing of forborne to be paid, being payable and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates:</p> <p>(a) When the amount secured does not exceed Five thousand pesos (P5,000), Forty pesos (P40.00).</p> <p>(b) On each Five thousand pesos (P5,000), or fractional part thereof in excess of Five thousand pesos (P5,000), an additional tax of Twenty pesos (P20.00).</p> <p>xxx</p>	<ul style="list-style-type: none"> • DST on Mortgages, Pledges and Deeds of Trust. – Increases the stamp tax from P20.00 to P40.00 if the amount secured does not exceed P5,000. On each P5,000, or fractional part thereof in excess of P5,000, the additional stamp tax increases from P10.00 to P20.00.

SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SECTION 196.</p> <p>Stamp tax on Deeds of Sale, Conveyances and Donation of Real Property.</p> 	<p>On all conveyances, deeds, instruments, or writings, other than grants, patents or original certificates of adjudication issued by the Government, whereby any land, tenement, or other realty sold shall be granted, assigned, transferred or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, there shall be collected a documentary stamp tax, at the rates herein below prescribed, based on the consideration contracted to be paid for such realty or on its fair market value determined in accordance with Section 6(E) of this Code, whichever is higher: <i>Provided</i>, That when one of the contracting parties is the Government the tax herein imposed shall be based on the actual consideration.</p> <p>(a) When the consideration, or value received or contracted to be paid for such realty after making proper allowance of any encumbrance, does not exceed One thousand pesos (P1,000) fifteen pesos (P15.00).</p> <p>(b) For each additional One thousand Pesos (P1,000), or fractional part thereof in excess of One thousand pesos (P1,000) of such consideration or value, Fifteen pesos (P15.00).</p> <p>When it appears that the amount of the documentary stamp tax payable hereunder has been reduced by an incorrect statement of the consideration in any conveyance, deed, instrument or writing subject to such</p>	<p>On all conveyances, <u>donations</u>, deeds, instruments, or writings, other than grants, patents or original certificates of adjudication issued by the Government, whereby any land, tenement, or other realty sold shall be granted, assigned, transferred, <u>donated</u> or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, <u>or donee</u>, there shall be collected a documentary stamp tax, at the rates herein below prescribed, based on the consideration contracted to be paid for such realty or on its fair market value determined in accordance with Section 6(E) of this Code, whichever is higher: <i>Provided</i>, That when one of the contracting parties is the Government the tax herein imposed shall be based on the actual consideration.</p> <p>(a) When the consideration, or value received or contracted to be paid for such realty, after making proper allowance of any encumbrance, does not exceed One thousand pesos (P1,000), fifteen pesos (P15.00).</p> <p>(b) For each additional One thousand Pesos (P1,000), or fractional part thereof in excess of One thousand pesos (P1,000) of such consideration or value, Fifteen pesos (P15.00).</p> <p><u>Transfers exempt from donor's tax under Section 101 (A) and (B) of this Code shall be exempt from the tax imposed under this Section.</u></p>	<ul style="list-style-type: none"> • DST on Donation of Real Property. – Imposes stamp tax on donation of real property except for transfers exempt from donor's tax under Section 101 (A) and (B) of this Code, i.e. (i) donations to government, and (ii) donations to educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited nongovernment organization, trust or philanthropic organization or research institution.


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	tax the Commissioner, provincial or city Treasurer, or other revenue officer shall, from the assessment rolls or other reliable source of information, assess the property of its true market value and collect the proper tax thereon.	When it appears that the amount of the documentary stamp tax payable hereunder has been reduced by an incorrect statement of the consideration in any conveyance, deed, instrument or writing subject to such tax the Commissioner, provincial or city Treasurer, or other revenue officer shall, from the assessment rolls or other reliable source of information, assess the property of its true market value and collect the proper tax thereon.	
SECTION 197. Stamp Tax on Charter Parties and Similar Instruments.	<p>On every charter party, contract or agreement for the charter of any ship, vessel or steamer, or any letter or memorandum or other writing between the captain, master or owner, or other person acting as agent of any ship, vessel or steamer, and any other person or persons for or relating to the charter of any such ship, vessel or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:</p> <p>(a) If the registered gross tonnage of the ship, vessel or steamer does not exceed one thousand (1,000) tons, and the duration of the charter or contract does not exceed six (6) months, Five hundred pesos (P500); and for each month or fraction of a month in excess of six (6) months, an additional tax of Fifty pesos (P50.00) shall be paid.</p> <p>(b) If the registered gross tonnage exceeds one thousand (1,000) tons and does not exceed ten thousand (10,000) tons, and the duration of the charter or contract does not exceed six (6) months, One thousand pesos (P1,000); and for each month or fraction of a month in excess of six (6)</p>	<p>On every charter party, contract or agreement for the charter of any ship, vessel or steamer, or any letter or memorandum or other writing between the captain, master or owner, or other person acting as agent of any ship, vessel or steamer, and any other person or persons for or relating to the charter of any such ship, vessel or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:</p> <p>(a) If the registered gross tonnage of the ship, vessel or steamer does not exceed one thousand (1,000) tons, and the duration of the charter or contract does not exceed six (6) months, One thousand pesos (P1,000); and for each month or fraction of a month in excess of six (6) months, an additional tax of One hundred pesos (P100) shall be paid.</p> <p>(b) If the registered gross tonnage exceeds one thousand (1,000) tons and does not exceed ten thousand (10,000) tons, and the duration of the charter or contract does not exceed six (6) months, Two thousand pesos (P2,000);</p>	<ul style="list-style-type: none"> • DST on Charter Parties and Similar Instruments. - Increases the stamp tax to twice the amount of stamp tax being collected under the previous provision prior to this amendment.


SECTION	TAX CODE PROVISIONS (Before R.A. No. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>months, an additional tax of One hundred pesos (P100) shall be paid.</p> <p>(c) If the registered gross tonnage exceeds ten thousand (10,000) tons and the duration of the charter or contract does not exceed six (6) months, One thousand five hundred pesos (P1,500); and for each month or fraction of a month in excess of six (6) months, an additional tax of One hundred fifty pesos (P150) shall be paid.</p>	<p>and for each month or fraction of a month in excess of six (6) months, an additional tax of <u>Two hundred pesos (P200)</u> shall be paid.</p> <p>(c) If the registered gross tonnage exceeds ten thousand (10,000) tons and the duration of the charter or contract does not exceed six (6) months, <u>Three thousand pesos (P3,000)</u>; and for each month or fraction of a month in excess of six (6) months, an additional tax of <u>Three hundred pesos (P300)</u> shall be paid.</p>	





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TITLE IX: COMPLIANCE REQUIREMENTS

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 232. KEEPING OF BOOKS OF ACCOUNTS.</p> 	<p>(A) Corporations, Companies, Partnerships or Persons Required to Keep Books of Accounts. - All corporations, companies, partnerships or persons required by law to pay internal revenue taxes shall keep a journal and a ledger or their equivalents: Provided, however, That those whose quarterly sales, earnings, receipts, or output do not exceed Fifty thousand pesos (P50,000) shall keep and use simplified set of bookkeeping records duly authorized by the Secretary of Finance where in all transactions and results of operations are shown and from which all taxes due the Government may readily and accurately be ascertained and determined any time of the year: <i>Provided, further,</i> That corporations, companies, partnerships or persons whose gross quarterly sales, earnings, receipts or output exceed One hundred fifty thousand pesos (P150,000) shall have their books of accounts audited and examined yearly by independent Certified Public Accountants and their income tax returns accompanied with a duly accomplished Account Information Form (AIF) which shall contain, among others, information lifted from certified balance sheets, profit and loss statements, schedules listing income-producing properties and the corresponding income therefrom and other relevant statements. x x x</p>	<p>(A) Corporations, Companies, Partnerships or Persons Required to Keep Books of Accounts. - All corporations, companies, partnerships or persons required by law to pay internal revenue taxes shall keep <u>and use relevant and appropriate</u> set of bookkeeping records duly authorized by the Secretary of Finance wherein all transactions and results of operations are shown and from which all taxes due the Government may readily and accurately be ascertained and determined any time of the year: <i>Provided,</i> That corporations, companies, partnerships or persons whose gross <u>annual</u> sales, earnings, receipts or output exceed <u>Three million pesos (P3,000,000)</u> shall have their books of accounts audited and examined yearly by independent Certified Public Accountants and their income tax returns accompanied with a duly accomplished Account Information Form (AIF) which shall contain, among others, information lifted from certified balance sheets, profit and loss statements, schedules listing income-producing properties and the corresponding income therefrom and other relevant statements.</p> <p>x x x</p>	<ul style="list-style-type: none"> • Audited Financial Statements. – Increased the threshold amount on taxpayers required to have their books audited and to submit audited financial statements from those whose gross quarterly sales exceed P150,000 to those whose gross annual sales exceed P3,000,000.00.

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 236. Registration Requirements.</p> 	<p>(A) <i>Requirements.</i> x x x</p> <p>The registration shall contain the taxpayer's name, style, place of residence, business and such other information as may be required by the Commissioner in the form prescribed therefor.</p> <p>x x x</p> <p>(G) <i>Persons Required to Register for Value-Added Tax.</i> - (1) x x x</p> <p>(a) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109(A) to (V), have exceeded One million five hundred thousand pesos (P1,500,000); or</p> <p>(b) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Section 109(A) to (V), will exceed One million five hundred thousand pesos (P1,500,000).</p> <p>x x x</p>	<p>(A) <i>Requirements.</i> x x x</p> <p>The registration shall contain the taxpayer's name, style, place of residence, business and such other information as may be required by the Commissioner in the form prescribed therefor: <u>Provided, That the Commissioner shall simplify the business registration and tax compliance requirements of self-employed individuals and/or professionals.</u></p> <p>x x x</p> <p>(G) <i>Persons Required to Register for Value-Added Tax.</i> - (1) x x x</p> <p>(a) His gross sales or receipts for the past twelve (12) months, other than those that are exempt under Section 109(A) to <u>(BB)</u>, have exceeded <u>Three million pesos (P3,000,000)</u>; or</p> <p>(b) There are reasonable grounds to believe that his gross sales or receipts for the next twelve (12) months, other than those that are exempt under Section 109(A) to <u>(BB)</u>, will exceed <u>Three million pesos (P3,000,000)</u>.</p> <p>x x x</p>	<ul style="list-style-type: none"> • BIR Registration. – Requires the CIR to simplify business registration and tax compliance requirements for self-employed individuals and /or professionals. • VAT Registration. – Increases the threshold on persons required to register as VAT taxpayer from those whose gross sales or receipts exceed P1,500,000.00 to those whose gross sales or receipts exceed P3,000,000.

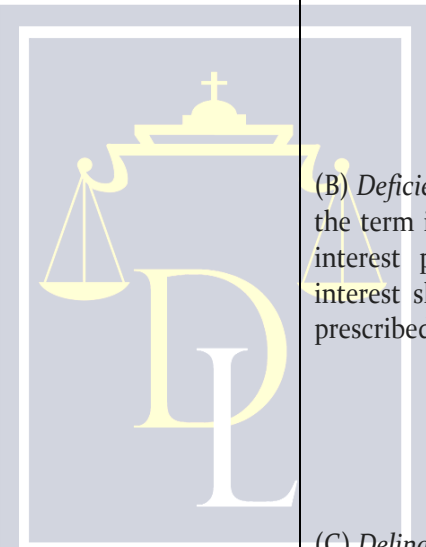
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
	<p>(H) <i>Optional Registration for Value-Added Tax of Exempt Person.</i> –</p> <p>(1) Any person who is not required to register for value-added tax under Subsection (G) hereof may elect to register for value-added tax by registering with the Revenue District Office that has a jurisdiction over the head office of that person, and paying the annual registration fee in Subsection (B) hereof.</p> <p>(2) Any person who elects to register under this Subsection shall not be entitled to cancel his registration under Subsection (F) (2) for the next three (3) years.</p> <p>For purposes of Title IV of this code, any person who has registered value-added tax as a tax type in accordance with the provisions of Subsection (C) hereof shall be referred to as a "VAT-registered person" who shall be assigned only one Taxpayer Identification Number (TIN). x x x</p>	<p>(H) <i>Optional Registration for Value-Added Tax of Exempt Person.</i> –</p> <p>(1) Any person who is not required to register for value-added tax under Subsection (G) hereof may elect to register for value-added tax by registering with the Revenue District Office that has a jurisdiction over the head office of that person, and paying the annual registration fee in Subsection (B) hereof.</p> <p>(2) Any person who elects to register under this Subsection shall not be entitled to cancel his registration under Subsection (F) (2) for the next three (3) years.</p> <p><u>Provided, That any person taxed under section 24(a)(2)(b) and 24(a)(2)(c)(2)(a) of the NIRC who elected to pay the eight percent (8%) tax on gross sales or receipts shall not be allowed to avail of this option.</u></p> <p>For purposes of Title IV of this code, any person who has registered value-added tax as a tax type in accordance with the provisions of Subsection (C) hereof shall be referred to as a "VAT-registered person" who shall be assigned only one Taxpayer Identification Number (TIN). x x x</p>	<p>• Optional VAT Registration. – Persons who are qualified and have elected to pay the 8% income tax on gross sales or receipts should register as a non-VAT taxpayer.</p>

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 237. Issuance of Receipts or Sales or Commercial Invoices.</p> 	<p>All persons subject to an internal revenue tax shall, for each sale or transfer of merchandise or for services rendered valued at Twenty-five pesos (P25.00) or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: <i>Provided, however,</i> That where the receipt is issued to cover payment made as rentals, commissions, compensations, fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client: <i>Provided, further,</i> That where the purchaser is a VAT-registered person, in addition to the information herein required, the invoice or receipt shall further show the Taxpayer Identification Number (TIN) of the purchaser.</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.</p>	<p>(A) Issuance. – All persons subject to an internal revenue tax shall, at the point of each sale and transfer of merchandise or for services rendered valued at one hundred pesos (P100.00) or more, issue duly registered receipts or sale or commercial invoices, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service: <i>Provided, however,</i> That where the receipt is issued to cover payment made as rentals, commissions, compensation or fees, receipts or invoices shall be issued which shall show the name, business style, if any, and address of the purchaser, customer or client: <i>Provided, further,</i> That where the purchaser is a VAT-registered person, in addition to the information herein required, the invoice or receipt shall further show the Taxpayer Identification Number (TIN) of the purchaser.</p> <p><u>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</u></p>	<p>• Issuance of Registered Receipts. – Increased the threshold price of merchandise or service sold required to be covered by duly registered receipts or invoice from those valued at least P25.00 to at least P100.00.</p> <p>• Electronic Receipts. – Requires the following taxpayers to issue electronic commercial receipts/invoices in lieu of manual receipts/invoices within five (5) years from the effectivity of TRAIN and upon the establishment of a system capable of storing and processing the required data:</p> <ol style="list-style-type: none"> i. Taxpayers engaged in the export of goods and services;

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	<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><u>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.</u></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: <u>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.</u></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>	<ul style="list-style-type: none"> ii. Taxpayers engaged in e-commerce; and iii. Large Taxpayers.
<p>SEC. 237-A. ELECTRONIC SALES REPORTING SYSTEM.</p>		<p><u>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</u></p>	<ul style="list-style-type: none"> • Electronic Sales Reporting System. – Requires the taxpayers required to issue electronic receipts and invoices to electronically report

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>taxpayers engaged in the export of goods and services, and taxpayers under the jurisdiction of the large taxpayers service to electronically report their sales data to the Bureau through the use of electronic point of sales systems, subject to rules and regulations to be issued by the Secretary of Finance as recommended by the Commissioner of Internal Revenue: Provided, That the machines, fiscal devices, and fiscal memory devices shall be at the expense of the taxpayers.</u></p> <p><u>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.</u></p> <p><u>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. 25 10175 or the “Cybercrime Prevention Act of 2012.”</u></p>	<p>their sales data to the BIR through the use of electronic point of sales system, within five (5) years from the effectivity of TRAIN and upon the establishment of a system capable of storing and processing the required data.</p>

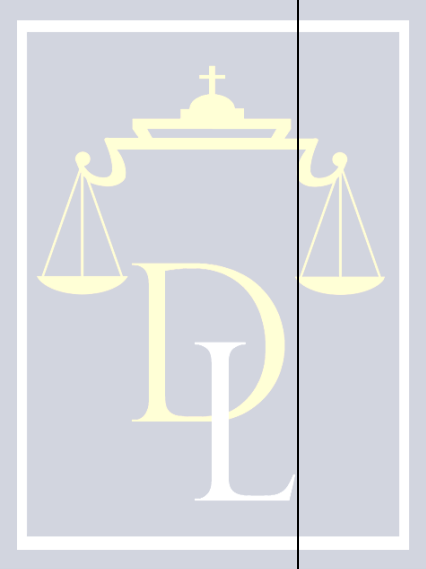
TITLE X: STATUTORY OFFENSES AND PENALTIES

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 249. INTEREST.</p> 	<p>(A) <i>In General.</i> - There shall be assessed and collected on any unpaid amount of tax, interest at the rate of twenty percent (20%) per annum, or such higher rate as may be prescribed by rules and regulations, from the date prescribed for payment until the amount is fully paid.</p> <p>(B) <i>Deficiency Interest.</i> - Any deficiency in the tax due, as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected from the date prescribed for its payment until the full payment thereof.</p> <p>(C) <i>Delinquency Interest.</i> - x x x</p>	<p>(A) <i>In General.</i> - There shall be assessed and collected on any unpaid amount of tax, interest at the rate of <u>double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas</u> from the date prescribed for payment until the amount is fully paid: <u>Provided, That in no case shall the deficiency and the delinquency interest prescribed under Subsection (B) and (C) hereof, be imposed simultaneously.</u></p> <p>(B) <i>Deficiency Interest.</i> - Any deficiency in the tax due, as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected from the date prescribed for its payment until the full payment thereof, <u>or upon issuance of a notice and demand by the Commissioner of Internal Revenue, whichever comes earlier.</u></p> <p>(C) <i>Delinquency Interest.</i> - x x x</p>	<ul style="list-style-type: none"> • Interest Rate. - Reduced the interest rate from 20% to 12% per annum (double the legal interest rate of 6% for loans or forbearance of any money in the absence of an express stipulation in accordance with BSP Circular No. 799). • Deficiency and Delinquency Interest. - Clarified that deficiency and the delinquency interest must not be imposed simultaneously.

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SEC. 254. ATTEMPT TO EVADE OR DEFEAT TAX.	<p>Any person who willfully attempts in any manner to evade or defeat any tax imposed under this Code or the payment thereof shall, in addition to other penalties provided by law, upon conviction thereof, be punished by a fine not less than Thirty thousand (P30,000) but not more than One hundred thousand pesos (P100,000) and suffer imprisonment of not less than two (2) years but not more than four (4) years: <i>Provided</i>, That the conviction or acquittal obtained under this Section shall not be a bar to the filing of a civil suit for the collection of taxes.</p>	<p>Any person who willfully attempts in any manner to evade or defeat any tax imposed under this Code or the payment thereof shall, in addition to other penalties provided by law, upon conviction thereof, be punished <u>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</u>: <i>Provided</i>, That the conviction or acquittal obtained under this Section shall not be a bar to the filing of a civil suit for the collection of taxes.</p>	<ul style="list-style-type: none"> • Penalty for Attempting to Evade Taxes. – Increased the penalty for willfully attempting in any manner to evade or defeat any tax was increased from: <ul style="list-style-type: none"> (i) Fine of P30,000- P100,000 to P500,000- P10,000,000; and (ii) Imprisonment of 2-4 years to 6-10 years.
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) x x x</p> <p>(b) Any person who commits any of the acts enumerated hereunder shall be penalized in the same manner and to the same extent as provided for in this Section:</p> <p>(1) Printing of receipts or sales or commercial invoices without authority from the Bureau of Internal Revenue; or</p>	<p>(a) x x x</p> <p>(b) Any person who commits any of the acts enumerated hereunder shall be penalized <u>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</u>:</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>	<ul style="list-style-type: none"> • Violations Related to Printing of Receipts and Invoice. - Increased penalty on violations related to issuance and printing receipts and commercial invoices from: <ul style="list-style-type: none"> (i) Fine from P1000- P50,000 to P500,000 to P10,000,000.00; and (ii) Imprisonment from 2-4 years to 6-10 years.

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	<p>(2) Printing of double or multiple sets of invoices or receipts; or</p> <p>(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.</p>	<p>(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; <u>or</u></p> <p><u>(4) Printing of other fraudulent receipts or sales or commercial invoices.</u></p>	<ul style="list-style-type: none"> • Fraudulent Receipts. - Included printing of other fraudulent receipts or sales or commercial invoices in the list of violations related to printing of receipts or invoices.
<p>SEC. 264-A. FAILURE TO TRANSMIT SALES DATA ENTERED ON CASH REGISTER MACHINE (CRM)/POINT OF SALES SYSTEM (POS) MACHINES TO THE BIR'S ELECTRONIC SALES REPORTING SYSTEM.</p>		<p><u>Any taxpayer required to transmit sales data to the Bureau's electronic sales reporting system but fails to do so, shall pay, for each day of violation, a penalty amounting to one-tenth of one percent (1/10 of 1%) of the annual net income as reflected in the taxpayer's audited financial statement for the second year preceding the current taxable year for each day of violation or Ten thousand pesos (P10,000), whichever is higher; Provided, That should the aggregate number of days of violation exceed one-hundred eighty (180) days within a taxable year, an additional penalty of permanent closure of the taxpayer shall be imposed: Provided, further, That if the failure to transmit is due to force majeure or any causes beyond the control of the taxpayer the penalty shall not apply.</u></p>	<ul style="list-style-type: none"> • Failure to Transmit Sales Data. - Imposes a penalty, equivalent to 0.10% of the annual net income but not less than P10,000, on persons who are required but fails to transmit electronic sales data to the BIR. Additional penalty of permanent closure is imposed should the aggregate number of days of violation exceed 180 days within a taxable year.
<p>SEC. 264-B. PURCHASE, USE, POSSESSION, SALE OR OFFER TO SELL,</p>		<p><u>Any person who shall purchase, use, possess, sell or offer to sell, install, transfer, update, upgrade, keep, or maintain any software or device designed for, or is capable of: (a) suppressing the creation of electronic</u></p>	<ul style="list-style-type: none"> • Software/Devices Capable of Suppressing or Modifying Electronic Records. - Penalizes the suppression

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INSTALLMENT, TRANSFER, UPDATE, UPGRADE, KEEPING OR MAINTAINING OF SALES SUPPRESSION DEVICES.		<p><u>records of sale transactions that a taxpayer is required to keep under existing tax laws and/or regulations, or (b) modifying, hiding, or deleting electronic records of sales transactions and providing a ready means of access to them, shall be punished by a fine of not less than Five hundred thousand pesos (P500,000) but not more than Ten million pesos (P10,000,000), and suffer imprisonment of not less than two (2) years but not more than four (4) years: <i>Provided, that a cumulative suppression of electronic sales record in excess of the amount of Fifty million pesos (P50,000,000) shall be considered as economic sabotage and shall be punished in the maximum penalty provided for under this provision.</i></u></p>	<p>and/or modification of electronic records of sales transactions and imposes a penalty of fine of P500,000-P10,000,000, and imprisonment of 2-4 years.</p> <ul style="list-style-type: none"> • Economic Sabotage. Provides that the cumulative suppression of electronic sales record in excess of the amount of P50,000,000 shall be considered as economic sabotage and shall be punished in the maximum penalty.
SEC. 265-A. OFFENSES RELATING TO FUEL MARKING.		<p><u>All offenses relating to fuel marking shall, in addition to the penalties imposed under Title X of the NIRC, as amended, Section 1401 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), and other relevant laws, be punishable as follows:</u></p> <p><u>(a) Any person who is found to be engaged in the sale, trade, delivery, distribution or transportation of unmarked fuel in commercial quantity held for domestic use or merchandise shall, upon conviction, suffer the penalties of:</u></p> <p><u>(1) For the first offense, a fine of Two million five hundred thousand pesos (P2,500,000);</u></p>	<ul style="list-style-type: none"> • Offenses and Penalties Relating to Fuel Marking. – Penalizes certain acts relating to fuel marking, and imposes fine and imprisonment depending on the nature of the violation.

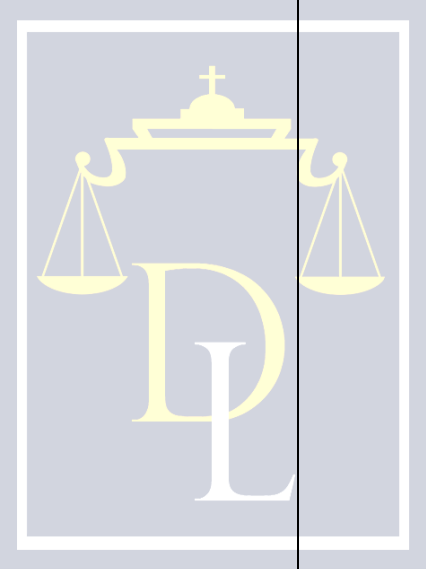
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>(2) For the second offense, a fine of Five million pesos (P5,000,000); and</u></p> <p><u>(3) For the third offense, a fine of Ten million pesos (P10,000,000) and revocation of license to engage in any trade or business.</u></p> <p><u>(b) Any person who causes the removal of the official fuel marking agent from marked fuel, and the adulteration or dilution of fuel intended for sale to the domestic market, or the knowing possession, storage, transfer or offer for sale of fuel obtained as a result of such removal, adulteration or dilution shall be penalized in the same manner and extent as provided for in the preceding Subsection.</u></p> <p><u>(c) Any person who commits any of the acts enumerated hereunder shall, upon conviction, be punished by a fine of not less than One million pesos (P1,000,000) but not more than Five million pesos (P5,000,000), and suffer imprisonment of not less than four (4) years but not more than eight (8) years:</u></p> <p><u>(1) Making, importing, selling, using or possessing fuel markers without express authority;</u></p> <p><u>(2) Making, importing, selling, using or possessing counterfeit fuel markers;</u></p> <p><u>(3) Causing another person or entity to commit any of the two (2) preceding acts; or</u></p>	

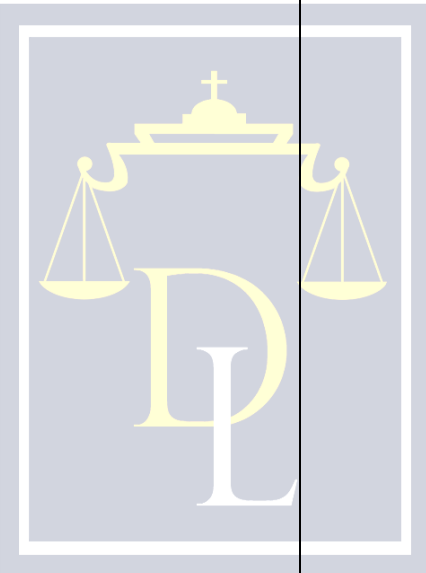
SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>(4) Causing the sale, distribution, supply or transport of legitimately imported, in-transit, manufactured or procured controlled precursors and essential chemicals, in diluted, mixtures or in concentrated form, to any person or entity penalized in Subsections (a), (b), or (c) hereof, including but not limited to packaging, repackaging, labeling, relabeling or concealment of such transaction through fraud, destruction of documents, fraudulent use of permits, misdeclaration, use of front companies or mail fraud.</u></p> <p><u>(d) Any person who willfully inserts, places, adds or attaches directly or indirectly, through any overt or covert act, whatever quantity of any unmarked fuel, counterfeit additive or chemical in the person, house, effects, inventory, or in the immediate vicinity of an innocent individual for the purpose of implicating, incriminating or imputing the commission of any violation of this Act shall, upon conviction, be punished by a fine of not less than Five million pesos (P5,000,000) but not more than Ten million pesos (P10,000,000), and suffer imprisonment of not less than four (4) years but not more than eight (8) years.</u></p> <p><u>(e) Any person who is authorized, licensed or accredited under this Act and its implementing rules to conduct fuel tests, who issues false or fraudulent fuel test results knowingly, willfully or through gross negligence, shall suffer the additional penalty of</u></p>	

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>imprisonment ranging from one (1) year and one (1) day to two (2) years and six (6) months.</u></p> <p><u>The additional penalties of revocation of the license to practice his/her profession in case of a practitioner, and the closure of the fuel testing facility, may also be imposed at the instance of the court.</u></p>	
<p>SEC. 269. VIOLATIONS COMMITTED BY GOVERNMENT ENFORCEMENT OFFICERS.</p>	<p>x x x</p> <p>(a) x x x</p> <p>(h) Having knowledge or information of any violation of this Code or of any fraud committed on the revenues collectible by the Bureau of Internal Revenue, failure to report such knowledge or information to their superior officer, or failure to report as otherwise required by law; and</p> <p>(i) x x x</p> <p><i>Provided, That the provisions of the foregoing paragraph notwithstanding, any internal revenue officer for which a prima facie case of grave misconduct has been established shall, after due notice and hearing of the administrative case and subject to Civil Service Laws, be dismissed from the revenue service: Provided, further, That the term grave misconduct, as defined in Civil Service Law, shall include the issuance of fake letters of authority and</i></p>	<p>x x x</p> <p>(a) x x x</p> <p>(h) Having knowledge or information of any violation of this Code or of any fraud committed on the revenues collectible by the Bureau of Internal Revenue, failure to report such knowledge or information to their superior officer, or failure to report as otherwise required by law;</p> <p>(i) x x x; <u>and</u></p> <p><u>(j) Deliberate failure to act on the application for refunds within the prescribed period provided under Sec. 112 of this Act.</u></p> <p><i>Provided, That the provisions of the foregoing paragraph notwithstanding, any internal revenue officer for which a prima facie case of grave misconduct has been established shall, after due notice and hearing of the administrative case and subject to Civil Service Laws, be dismissed from the revenue service: Provided, further, That the term “grave misconduct”, as defined in Civil Service Law, shall include the issuance of fake letters of authority and</i></p>	<p>• Deliberate Failure to Act on Application for Refunds. – Penalizes the deliberate failure to act on the application for refunds within the prescribed period provided under Sec. 112 of the NIRC.</p>

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
<p>SEC. 288. Disposition of Incremental Revenue.</p> <p>Presidential Veto (6 of 6):</p> <p>Earmarking of Incremental Tobacco Taxes</p>	<p>receipts, forgery of signature, usurpation of authority and habitual issuance of unreasonable assessments.</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) x x x</p> <p>(D) x x x</p> <p>(E) x x x</p>	<p>receipts, forgery of signature, usurpation of authority and habitual issuance of unreasonable assessments.</p> <p>(A) x x x</p> <p>(B) x x x</p> <p>(C) x x x</p> <p>(D) x x x</p> <p>(E) x x x</p> <p><u>(F) Incremental Revenues from the Tax Reform for Acceleration and Inclusion (TRAIN). - For five (5) years from the effectivity of this act, the yearly incremental revenues generated shall be automatically appropriated as follows:</u></p> <p><u>(1) Not more than seventy percent (70%) to infrastructure projects such as but not limited to the Build, Build, Build Program and provide infrastructure programs to address congestion through mass transport and new road networks, military infrastructure, sports facilities for public schools, and potable drinking water supply in all public places; and</u></p> <p><u>(2) Not more than thirty percent (30%) to fund:</u></p> <p><u>(a) Programs under Republic Act No. 10659, otherwise known as 'Sugarcane Industry Development act of 2015', to advance the self -</u></p>	<ul style="list-style-type: none"> • Incremental Revenues from the Tax Reform for Acceleration and Inclusion (TRAIN) – Provides for automatic appropriation of incremental revenues from TRAIN to various government programs and projects.

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>reliance of sugar farmers that will increase productivity, provide livelihood opportunities, develop alternative farming systems and ultimately enhance farmers' income;</u></p> <p><u>(b) Social mitigating measures and investments in (i) education, (ii) health, targeted nutrition, and anti-hunger programs for mothers, infants, and young children, (iii) social protection, (iv) employment, and (v) housing that prioritize and directly benefit both the poor and near-poor households;</u></p> <p><u>(c) A social welfare and benefits program where qualified beneficiaries shall be provided with a social benefits card to avail of the following social benefits:</u></p> <p><u>(i) Unconditional cash transfer to households in the first to seventh income deciles of the National Household Targeting System for Poverty Reduction (NHTS-PR), Pantawid Pamilyang Pilipino Program, and the social pension program for a period of three (3) years from the effectivity of this Act: <i>Provided</i>, That the unconditional cash transfer shall be Two hundred pesos (p200.00) per month for the first year and Three hundred pesos (p300.00) per month for the second year and third year, to be implemented by the Department of Social Welfare and Development (DSWD);</u></p> <p><u>(ii) Fuel vouchers to qualified franchise holders of Public Utility Jeepneys (PUJs);</u></p>	

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>(iii) For minimum wage earners, unemployed, and the poorest 50% of the population:</u></p> <ol style="list-style-type: none"> <u>1. Fare discount from all public utility vehicles (except trucks for hire and school transport service) in the amount equivalent to ten percent (10%) of the authorized fare;</u> <u>2. Discounted purchase of National Food Authority (NFA) rice from accredited retail stores in the amount equivalent to ten percent (10%) of the net retail prices, up to a maximum of twenty (20) kilos per month; and</u> <u>3. Free skills training under a program implemented by the Technical Skills and Development Authority (TESDA).</u> <p><u>Provided, That benefits or grants contained in this Subsection shall not be availed in addition to any other discounts.</u></p> <p><u>(iv) Other social benefits programs to be developed and implemented by the government.</u></p> <p><u>Notwithstanding any provisions herein to the contrary, the incremental revenues from the tobacco taxes under this Act shall be subject to Section 3 of Republic Act No. 7171, otherwise known as "An Act to Promote the Development of the Farmer in the Virginia Tobacco Producing Provinces", and Section 8 of Republic Act No. 8240, otherwise known as "An</u></p>	<p>Presidential Veto (6 of 6):</p> <p><i>Notwithstanding any provisions herein to the contrary, the incremental revenues from the tobacco taxes under this Act shall be subject to Section 3 of Republic</i></p>

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>Act Amending Sections 138, 140, & 142 of the National Internal Revenue Code, As Amended, And For Other Purposes".</u></p> <p><u>An inter-agency committee chaired by the Department Of Budget And Management (DBM) and co - chaired by DOF and DSWD, and comprised of National Economic And Development Authority (NEDA), Department Of Transportation (DOTr), Department Of Education (DepEd), Department Of Health (DOH), Department Of Labor And Employment (DOLE), National Housing Authority (NHA), Sugar Regulatory Administration (SRA), Department Of Interior And Local Government (DILG), Department Of Energy (DOE), NFA, and TESDA, is hereby created to oversee the identification of qualified beneficiaries and the implementation of these projects and programs: <i>Provided, That qualified beneficiaries under Subsection (c) hereof shall be identified using the National ID System which may be enacted by congress;</i></u></p> <p><u>Within sixty (60) days from the end of the three (3) year period from the effectivity of this Act, the interagency committee and respective implementing agencies for the above programs shall submit corresponding program assessments to the COCTRP. The National Expenditure Program from 2019 onwards shall provide line items that</u></p>	<p><i>Act No. 7171, otherwise known as "An Act to Promote the Development of the Farmer in the Virginia Tobacco Producing Provinces", and Section 8 of Republic Act No. 8240, otherwise known as "An Act Amending Sections 138, 140, & 142 of the National Internal Revenue Code, as Amended, and for Other Purposes".</i></p> <p>The above provision was vetoed by the President on the basis that it amends the Sin Tax Law, or RA 10351, which provides for guaranteed funds for universal healthcare. The provision will effectively diminish the share of the health sector in the proposed allocation.</p>

SECTION	TAX CODE PROVISIONS (BEFORE R. A. NO. 10963)	REPUBLIC ACT NO. 10963	DL SUMMARY
		<p><u>correspond to the allocations mandated in the provisions above.</u></p> <p><u>At the end of five (5) years from the effectivity of this Act, all earmarking provisions under Subsection (F), shall cease to exist and all incremental revenues derived under this act shall accrue to the General Fund of the government.</u></p>	



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