Legal Watch

REVENUE MEMORANDUM CIRCULAR NO. 57-2026

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Agency Name

Bureau of Internal Revenue (BIR)

Issuance Title

Clarifies the inclusion of jackpot prizes from casino and other gambling activities within the statutory definition of "winnings" subject to final tax pursuant to Sections 24(B)(1), 25(A)(1) and 25(B) of the National Internal Revenue Code of 1997, as Amended.

Issuance Date

26 May 2026

Link

https://bir-cdn.bir.gov.ph/\BIR/pdf/RMC%20No.%2057-2026%20(2).pdf

SUMMARY

This circular clarifies that jackpot prizes from casino and other gambling activities are included within the statutory definition of "winnings" and are therefore subject to 20% final withholding tax (FWT) for citizens and residents and 25% FWT for non-resident aliens. The tax base is the gross amount of the jackpot prize or winnings, without deduction for service charges, administrative fees, commissions, or similar charges.

This applies to jackpot prizes or similar winnings derived from activities conducted by licensed gaming operators, as well as winnings from unlicensed or unauthorized gaming operators, consistent with the principle that income from any source is taxable, subject to enforcement and withholding requirements.

Failure of the withholding agent or gaming operator to withhold and remit the correct final tax on jackpot prizes or winnings will make such party liable for the corresponding surcharge, interest, and compromise penalties, without prejudice to the filing of appropriate criminal actions under the Tax Code.