



CHANGES BROUGHT BY THE ENACTMENT OF REPUBLIC ACT (RA) NO. 11976 (EASE OF PAYING TAXES ACT)

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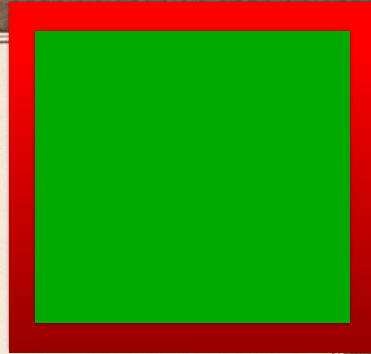
Atty. Arnold A. Apdua, CPA, recognized as 2023 Outstanding PICPA Member, is an exceptional and sought-after PICPA resource tax speaker, with nineteen (19) years of extensive tax experience. He has lectured to more than thirty thousand (30,000) accountants, bookkeepers, businessmen and students all over the Philippines.

Atty. Apdua is the Managing Partner of AAA and Co., CPAs, a Philippine-member firm of the Alliot Global Alliance. He was a tax lawyer of Quasha Ancheta Pena and Nolasco Law Office. He also served as Revenue Officer of the Bureau of Internal Revenue from 2004 to 2011, and awarded as Top Revenue Collector in BIR Mandaluyong from 2009 to 2011. He was also an associate of the Sycip Gorres Velayo & Co. (SGV & Co.), a member practice of Ernst & Young International.

He was also the Committee Chair for Comelec of the PICPA National Office and Metro Manila Region (MMR) and Committee Chairman for Taxation and Comelec for PICPA Western Metro Manila Chapter. He was appointed as Chairman of the PICPA Annual Business Meetings for Fiscal Years 2020-2021 to 2023-2024, which included the amendment of the latest PICPA Bylaws.

He was a professor of the University of Asia and the Pacific, University of the East and Pamantasan ng Lungsod ng Maynila. He holds degree in Bachelor of Laws and Bachelor of Science in Accountancy from the University of the East.

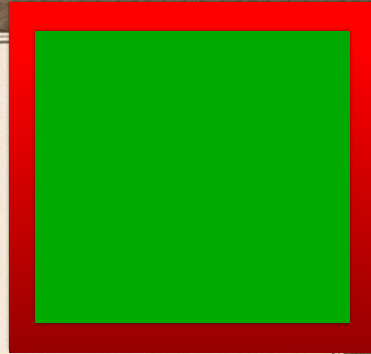
SEC. 2. Declaration of Policy.






It is hereby declared the policy of the State:

- (1) To provide a healthy environment for the tax paying public that protects and safeguards taxpayer rights and welfare, as well as assures the fair treatment of all taxpayers;
- (2) To modernize tax administration and improve its efficiency and effectiveness by providing mechanisms that encourage proper and easy compliance at the least cost and resources possible;

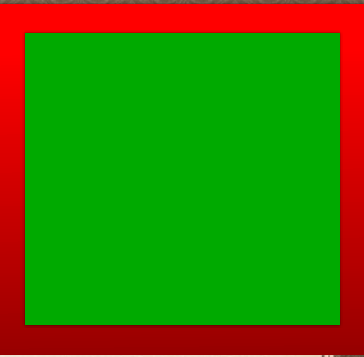
SEC. 2. Declaration of Policy.



(3) To  update the taxation system, adopt best practices, and replace antiquated procedures; and

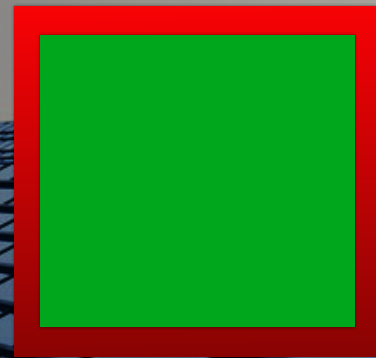
(4) To  enact policies and procedures, which are  appropriate to different types of taxpayers.

Sec. 3 (b) Classification of Taxpayers: For purposes of responsive tax administration, taxpayers shall be classified as follows:



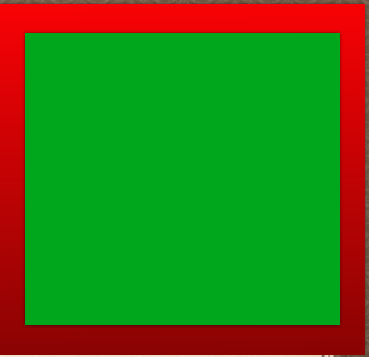
GROUP	GROSS SALES
MICRO ✓	Less than Three million pesos (P3,000,000)
SMALL ✓	Three million pesos (P3,000,000.00) to less than Twenty million pesos (P20,000,000)
MEDIUM ✓	Twenty million pesos (P20,000,000) to less than One billion pesos (P1,000,000,000)
LARGE ✓	One billion pesos (P1,000,000,000) and above

Revenue Regulations No. 8-2024



Implementing Section 21 (b) of the National Internal Revenue Code of 1997, as Amended by Republic Act No. 11976, otherwise known as the Ease of Paying Taxes Act, in Relation to Classification of Taxpayers

Revenue Regulations No. 8-2024



➤ SECTION 2. **COVERED AND CLASSIFICATION OF TAXPAYERS.** – Taxpayers shall be classified, and be covered by these regulations, as follows:



A. **Micro Taxpayer** – shall refer to a taxable person whose gross sales for a taxable year is less than Three Million Pesos (₱ 3,000,000.00).



B. **Small Taxpayer** – shall refer to a taxable person whose gross sales for a taxable year is Three Million Pesos (₱ 3,000,000.00) to less than Twenty Million Pesos (₱ 20,000,000.00).



C. **Medium Taxpayer** - shall refer to a taxable person whose gross sales for a taxable year is Twenty Million Pesos (₱ 20,000,000.00) to less than One Billion Pesos (₱1,000,000,000.00)



D. **Large Taxpayer** - shall refer to a taxable person whose gross sales for a taxable year is One Billion Pesos (₱ 1,000,000,000.00) and above.

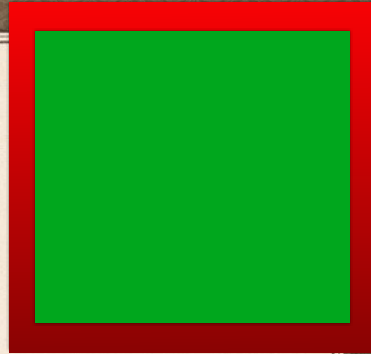
Revenue Regulations No. 8-2024

For purposes of classification of taxpayers under these regulations, gross sales shall refer to total sales revenue, net of VAT, if applicable, during the taxable year, without any other deductions.

Gross sales shall refer to business income, excluding compensation income earned under employer-employee relationship, passive income under Sections 24, 25, 27 and 28, and income excluded under Section 32(B), all of the Tax Code.

Business income shall include income from the conduct of trade or business or the exercise of a profession.

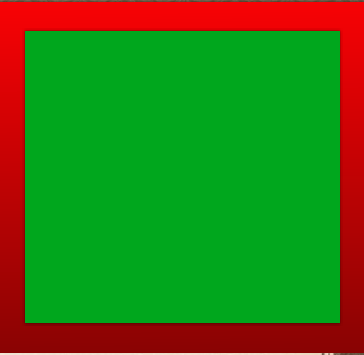
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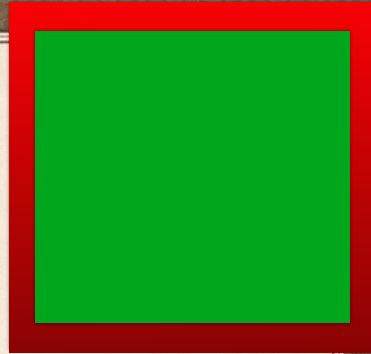
✓ SECTION 3. INITIAL CLASSIFICATION OF TAXPAYERS. - Taxpayers who will register to engage in business or practice of profession upon the effectivity of these Regulations shall initially be reclassified based on its declaration in the Registration Forms starting from the year they registered, and shall remain as such unless reclassified.

✓ The concerned taxpayer shall be reclassified in accordance with the threshold values as stated under Section 2 of these Regulations.

Revenue Regulations No. 8-2024

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- **SECTION 4. NOTIFICATION ON THE CLASSIFICATION/ RECLASSIFICATION.** taxpayers shall be duly notified of their classification or reclassification as may be applicable by BIR office in a manner or procedure to be prescribed in a revenue issuance to be issued separately.

Revenue Regulations No. 8-2024



➤ **SECTION 5. TRANSITORY PROVISIONS.** - Taxpayers registered in 2022 and prior years shall be classified on the basis of their gross sales for the taxable year 2022.

For taxpayers registered in 2022 and prior years but without any submitted information on their gross sales for taxable year 2022, and taxpayers registered in 2023 or in 2024 before the effectivity of these Regulations, they shall initially be classified as MICRO, except VAT-registered taxpayers, who shall be classified as SMALL.

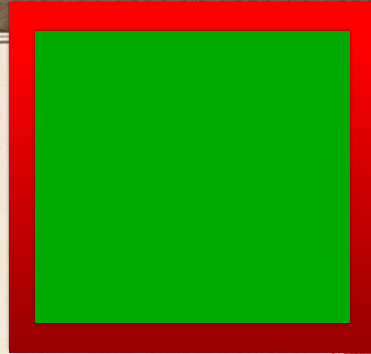
SEC. 4. Definitions.

The term “filing of return” shall refer to the act of accomplishing and submitting the prescribed tax return, electronically or manually, to the Bureau of Internal Revenue, or through any authorized agent bank or authorized tax software provider, as required under this Code or as prescribed under existing rules and regulations.

SEC. 4. Definitions.

The term “payment of tax” or “remittance of tax” shall refer to the act of delivering the amount of tax due or withheld, either electronically or manually, to the Bureau of Internal Revenue, or through any authorized agent bank or authorized tax software provider, as required under this Code or as prescribed under existing rules and regulations.

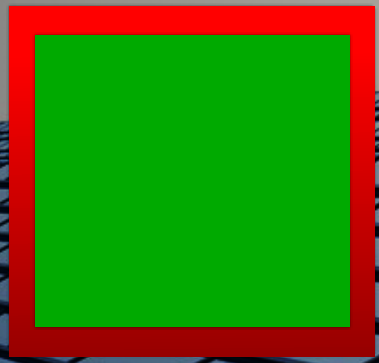
Manual or Electronic Filing, File Anywhere



Tax Types

Income Tax	Documentary Stamp Tax
Value-Added Tax	Estate Tax
Percentage Tax	Donor's Tax
Withholding Tax	Excise Tax

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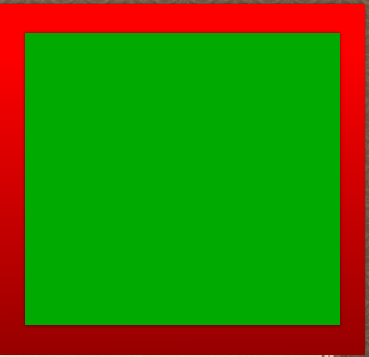
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SEC. 5. Income Payments

Section 34(K) of the National Internal Revenue Code of 1997, as amended, is repealed, and the succeeding paragraph is renumbered accordingly.

“(K) Additional Requirements for Deductibility of Certain Payments.— Any amount paid or payable which is otherwise deductible from, or taken into account in computing gross income or for which depreciation or amortization may be allowed under this Section, shall be allowed as a deduction only if it is shown that the tax required to be deducted and withheld therefrom has been paid to the Bureau of Internal Revenue in accordance with this Section, Sections 58 and 81 of this Code.”

SEC. 6. Individual Returns.



Sec. 51(A)(2) The following individuals shall not be required to file an income tax return:

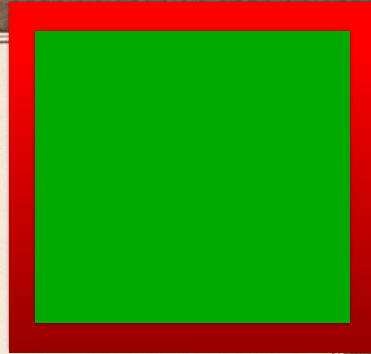
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(e) An individual citizen of the Philippines who is working and deriving income solely from abroad as an 'Overseas Contract Worker' as provided under Section 23(C) of this Code, or “Overseas Filipino Worker” as defined under Section 3(G) of Republic Act No. 11641, otherwise known as “Department of Migrant Workers Act”

Republic Act No. 11641

(g) Overseas Filipino Worker (OFW) – refers to a Filipino who is to be engaged, is engaged, or has been engaged in remunerated activity in a country of which he or she is not an immigrant, citizen, or permanent resident or is not awaiting naturalization, recognition, or admission, whether land-based or sea-based regardless of status; excluding a Filipino engaged under a government-recognized exchange visitor program for cultural and educational purposes. For purposes of this provision, a person engaged in remunerated activity covers a person who has been contracted for overseas employment but has yet to leave the Philippines, regardless of status, and includes “Overseas Contract Workers”. The term “OFW” is synonymous to “Migrant Worker”;

SEC. 6. Individual Returns.

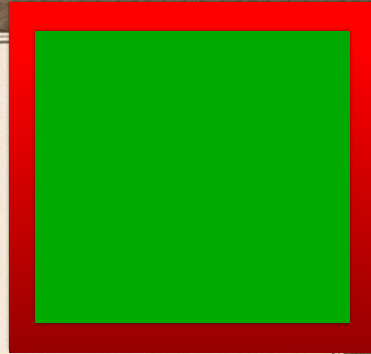


(B) *Where to File.* – Except in cases where the Commissioner otherwise permits, the return shall be filed with any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.

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(D) *Husband and Wife.* —Married individuals, whether citizens, resident or nonresident aliens, who do not derive income purely from compensation, shall file either electronically or manually, a return for the taxable year to include the income of both spouses, but where it is impracticable for the spouses to file one return, each spouse may file a separate return of income but the returns so filed shall be consolidated by the Bureau of Internal Revenue for purposes of verification for the taxable year.

SEC. 7. Payment and Assessment of Income Tax



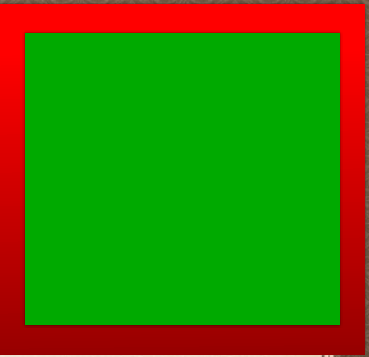
SEC. 56. Payment and Assessment of Income Tax for Individuals and Corporations. —

(A) Payment of Tax. —



(1) In General. — The total amount of tax imposed by this Title shall be paid, either electronically or manually, by the person subject thereto at the time the return is filed. In the case of tramp vessels, the shipping agents and/or the husbanding agents, and in their absence, the captains thereof are required to file the return herein provided and pay the tax due thereon before their departure. Upon failure of the said agents or captains to file the return and pay the tax, the Bureau of Customs is hereby authorized to hold the vessel and prevent its departure until proof of payment of the tax is presented or a sufficient bond is filed to answer for the tax due.

SEC. 8. Withholding of Tax at Source (VETO)



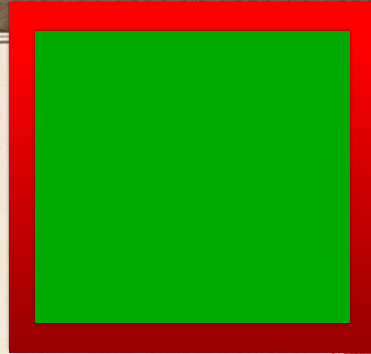
SEC. 57. Withholding of Tax at Source.---

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(C) Tax-free Covenant Bonds. — xxx

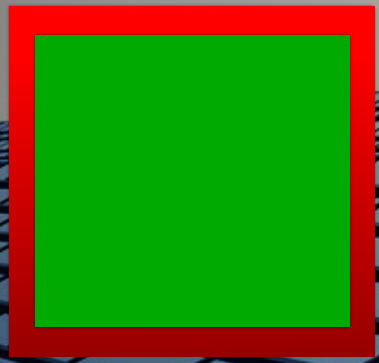
The Department of Finance shall review, at least once every three (3) years, regulations and processes for the withholding of creditable tax under this Code, and direct the Bureau of Internal Revenue to amend rules and regulations for the same, should it be found during the review that the existing rules, regulations, and processes for the withholding of creditable tax under this Code adversely and materially impact the taxpayer: Provided, That micro taxpayers shall not be required to withhold taxes under Subsection (B) of this Section.

SEC. 9. Withholding Taxes



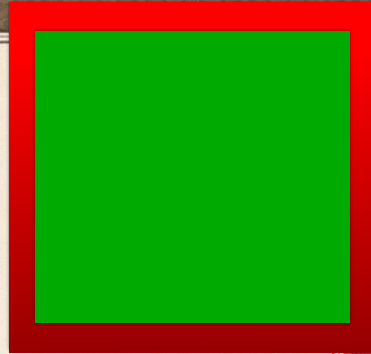
SEC. 58. Returns and Payment of Taxes Withheld at Source. —

(A) Quarterly Returns and Payments of Taxes Withheld. — Taxes deducted and withheld under Section 57 by withholding agents shall be covered by a return and paid to, either electronically or manually, except in cases where the Commissioner otherwise permits any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.



TIMING OF WITHHOLDING TAXES

SEC. 9. Withholding Taxes



SEC. 58. Returns and Payment of Taxes Withheld at Source.



(C) Timing of Withholding Taxes. — The obligation to deduct and withhold the tax arises at the time the income has become payable.

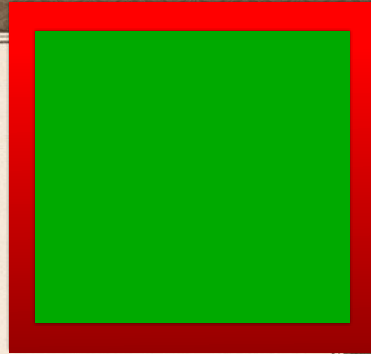


SEC. 9. Withholding Taxes

(E) Income of Recipient. —Income upon which any creditable tax is required to be withheld at source under Section 57 shall be included in the return of its recipient but the excess of the amount of tax so withheld over the tax due on his return shall be refunded to the subject to the provisions of Section 204; if the income tax collected at source is less than the tax due on his return, the difference shall be paid in accordance with the provisions of Section 56.

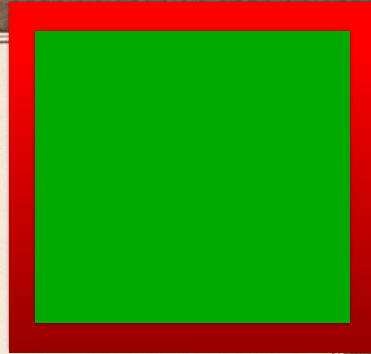
Claims for tax credit or refund of any creditable income tax which was deducted and withheld on income payments shall be given due course only when it is shown that the income payment has been declared as part of the gross income and the fact of withholding is established. Claims for tax credit of any creditable income tax deducted and withheld in a previous period can still be creditable in the subsequent calendar or fiscal year: *Provided*, That the same had been declared in the tax return where the corresponding income is reported.

SEC. 9. Withholding Taxes



All taxes withheld pursuant to the provisions of this Code and its implementing rules and regulations are hereby considered trust funds and shall be maintained in a separate account and not commingled with any other funds of the withholding agent.

SEC. 10. Final Adjustment Return



SEC. 76. Final Adjustment Return. —

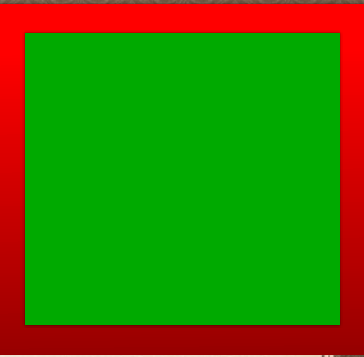
In case the corporation is entitled to a tax credit or refund of the excess income taxes paid during the year, the excess amount shown on its final adjustment return may be carried over and credited against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable years. Once the option to carry over and apply the said excess income tax paid against the income tax due for the taxable quarters of the succeeding taxable years has been made, such option shall be considered irrevocable for that taxable period and no application for cash refund or issuance of a tax credit certificate shall be allowed therefor:

SEC. 10. Final Adjustment Return

SEC. 76. Final Adjustment Return. —

Provided, That in case the taxpayer cannot carry over the excess income tax credit due to dissolution or cessation of business, the taxpayer shall file an application for refund of any unutilized excess income tax credit, and the Bureau of Internal Revenue shall decide on the application and refund the excess taxes within two (2) years from the date of the dissolution or cessation of business.

SEC. 11. Place and Time of Filing and Payment of Return

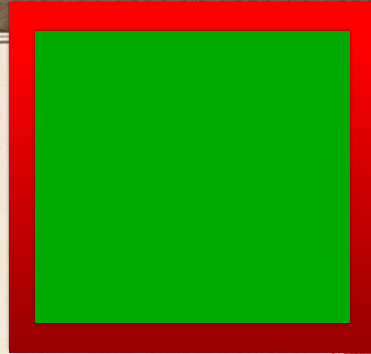


SEC. 77. Place and Time of Filing and Payment of Quarterly Corporate Income Tax. —

(A) Place of Filing. — Except as the Commissioner otherwise permits, the quarterly income tax declaration required in Section 75 and the final adjustment return required in Section 76 shall be filed, either electronically or manually, with any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.

(B) Time of Filing the Income Tax Return. — The corporate quarterly declaration shall be filed, either electronically or manually, within sixty (60) days following the close of each of the first three (3) quarters of the taxable year. The final adjustment return shall be filed on or before the fifteenth (15th) day of April, or on or before the fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year, as the case may be.

SEC. 11. Place and Time of Filing and Payment of Return



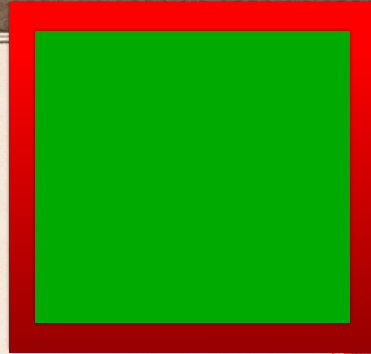
SEC. 77. Place and Time of Filing and Payment of Quarterly Corporate Income Tax. —



(C) Time of Payment of the Income Tax Return. — The income tax due on the corporate quarterly returns and the final adjustment income tax returns computed in accordance with Sections 75 and 76 shall be paid, either electronically or manually, at the time the declaration or return is filed, in a manner prescribed by the Commissioner.



SEC. 12. Filing of Return and Payment of Taxes Withheld



SEC. 81. Filing of Return and Payment of Taxes Withheld. — Except as the Commissioner otherwise permits, taxes deducted and withheld by the employer on wages of employees shall be covered by a return and paid, either electronically or manually, to any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider. —

SEC. 12. Filing of Return and Payment of Taxes Withheld

SEC. 81. Filing of Return and Payment of Taxes Withheld.

The return shall be filed and the payment made, either electronically or manually, within twenty-five (25) days from the close of each calendar quarter: Provided, however, That the Commissioner may, with the approval of the Secretary of Finance, require the employers to pay or deposit the taxes deducted and withheld at more frequent intervals, in cases where such requirement is deemed necessary to protect the interest of the Government.

The taxes deducted and withheld by employers shall be held in a special fund in trust for the Government until the same are paid to the said collecting officers.

SEC. 13. Estate Tax Returns

SEC. 90. Estate Tax Returns. —

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Place of Filing. — Except in cases where the Commissioner otherwise permits, the return required under Subsection (A) shall be filed, either electronically or manually, with any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.

SEC. 14. Payment of Estate Tax

SEC. 91. Payment of Tax.-

(A) Time of payment. — The estate tax imposed by Section 84 shall be paid, either electronically or manually, at the time the return is filed by the executor, administrator, or the heirs.

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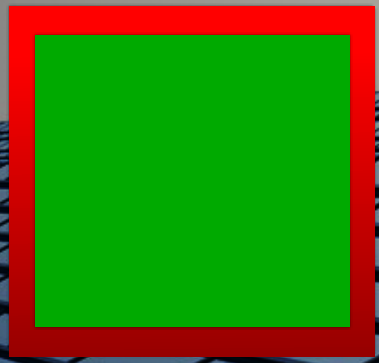
(A) Liability for Payment. — The estate tax imposed by Section 84 shall be paid, either electronically or manually, by the executor or administrator before delivery to any beneficiary of his distributive share of the estate. Such beneficiary shall to the extent of the distributive share of the estate, 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.

SEC. 15. Donor's Tax

SEC. 103. Filing of Return and Payment of Tax. —

(A) xxx

(B) *Time and Place of Filing and Payment.* — The return of the donor required in this Section shall be filed either electronically or manually, within thirty (30) days after the date the gift is made, and the tax due thereon shall be paid, either electronically or manually, at the time of filing. Except in cases where the Commissioner otherwise permits, the return shall be filed and the tax paid, either electronically or manually, to any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.



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SEC. 16. Value-Added Tax on Goods

SEC. 106. Value-Added Tax on Sale of Goods or Properties. —

(A) Rate and Base of Tax. — There shall be levied, assessed and collected on every sale, barter or exchange of goods or properties, a value-added tax equivalent to twelve percent (12%) of the gross sales* of the goods or properties sold, bartered or exchanged, such tax to be paid by the seller or transferor.

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For the purposes of this Section, the term 'gross sales' means the total amount of money or its equivalent value in money which the purchaser pays or is obligated to pay to the seller in consideration of the sale, barter or exchange of the goods or properties, excluding the value-added tax. The excise tax, if any, on such goods or properties shall form part of the gross sales*.

*"selling price" was removed

SEC. 16. Value-Added Tax on Goods

(D) Sales Returns, Allowances and Sales Discounts. —The value of goods or properties sold and subsequently returned or for which allowances were granted by a VAT-registered person may be deducted from the gross sales* for the quarter in which a refund is made or a credit memorandum or refund is issued. Sales discount granted and indicated in the invoice at the time of sale and the grant of which does not depend upon the happening of a future event may be excluded from the gross sales within the same quarter it was given.

(E) Authority of the Commissioner to Determine the Appropriate Tax Base. — The Commissioner shall, by rules and regulations prescribed by the Secretary of Finance, determine the appropriate tax base in cases where a transaction is deemed a sale, barter or exchange of goods or properties under Subsection (B) hereof, or where the gross sales** is unreasonably lower than the actual market value."

*"receipts" was removed

**"selling price" was removed

SEC. 17. Value-Added Tax on Services

SEC. 108. Value-Added Tax on Sale of Services and Use or Lease of Properties. —

(A) Rate and Base of Tax. — There shall be levied, assessed and collected, a value-added tax equivalent to twelve percent (12%) of the gross sales* derived from the sale or exchange of services, including the use or lease of properties.

***Gross receipts was replaced by gross sales.**

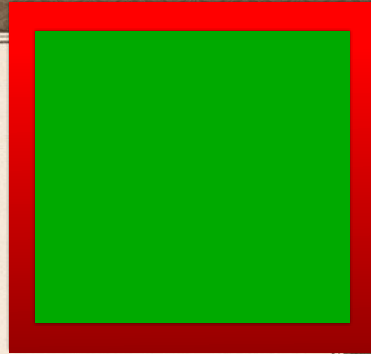
SEC. 17. Value-Added Tax on Services

For purposes of this Section, the term gross sales** means the total amount of money or its equivalent representing the contract price, compensation, service fee, rental or royalty, including the amount charged for materials supplied with the services** during the taxable quarter for the services performed for another person, which the purchaser pays or is obligated to pay to the seller in consideration of the sale, barter, or exchange of services that has already been rendered by the seller and the use or lease of properties that have already been supplied by the seller, excluding value-added tax and those amounts earmarked for payment to third (3rd) party or received as reimbursement for payment on behalf of another which do not redound to the benefit of the seller as provided under relevant laws, rules or regulations: Provided, That for long-term contracts for a period of one (1) year or more, the invoice shall be issued on the month in which the service, or use or lease of properties is rendered or supplied.

*"receipts" was removed

**Removed the provision for deposits and advance payments actually or constructively received for services to be performed.


SEC. 17. Value-Added Tax on Services



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(C) Sales Allowances and Sales Discounts. — The value of services rendered for which allowances were granted by a VAT-registered person may be deducted from the gross sales for the quarter in which a refund is made or a credit memorandum or refund is issued. Sales discount granted and indicated in the invoice at the time of sale and the grant of which does not depend upon the happening of a future event may be excluded from the gross sales within the same quarter it was given.

SEC. 18. Exempt Transactions

 SEC. 109. Exempt Transactions. — The following transactions shall be exempt from the value-added tax:

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(CC) 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* do not exceed the amount of Three million pesos (P3,000,000): Provided, That the amount herein stated shall be adjusted its present values using the consumer price index, as published by the Philippine Statistics Authority (PSA) every three (3) years.



***"receipts" was removed.**

SEC. 19. Input Tax Credits

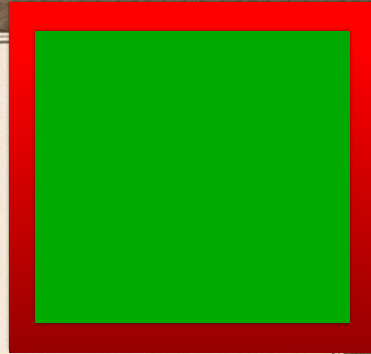
SEC. 110. Tax Credits. -

(A) Creditable Input Tax. —

(1) Any input evidenced by a VAT invoice* issued in accordance with Section 113 hereof on the following transactions shall be creditable against the output tax:

* "or official receipts" was removed.

SEC. 19. Input Tax Credits



SEC. 110. Tax Credits. -

(a) Purchase or importation of goods:

(i) For sale; or

(ii) For conversion into or intended to form part of a finished product for sale including packaging material; or

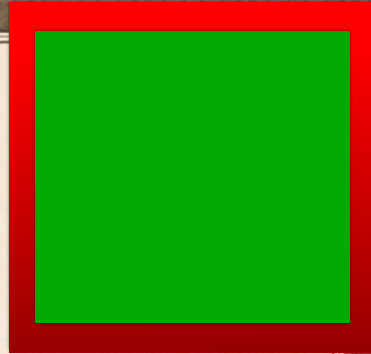
(iii) For use as supplies in the course of business; or

(iv) or use as materials supplied in the sale of service; or

(v) For use in trade or business.*

* "for which deduction for depreciation or amortization is allowed under this Code." was removed.

SEC. 19. Input Tax Credits



SEC. 110. Tax Credits. -



(b) Purchase of services on which a value-added tax has
accrued.*



* "been actually paid" was removed.

SEC. 19. Input Tax Credits

SEC. 110. Tax Credits. -

2) Output VAT Credit on Uncollected Receivables. A seller of goods or services may deduct the output VAT pertaining to uncollected receivables from its output VAT on the next quarter, after the lapse of the agreed upon period to pay: Provided, That the seller has fully paid the VAT on the transaction: Provided, further, That the VAT component of the uncollected receivables has not been claimed as allowable deduction under Section 34(E) of this Code.

In case of recovery of uncollected receivables, the output VAT pertaining thereto shall be added to the output VAT of the taxpayer during the period of recovery.

SEC. 20. Refund of Input Tax

SEC. 112. Refunds* of Input Tax —

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Cancellation of VAT Registration. — A person whose registration has been cancelled due to retirement from or cessation of business, or due to changes in or cessation of status under Section 106(C) of this Code may, within two (2) years from the date of cancellation, apply for the issuance of a tax credit certificate or cash refund for any unused input tax which may be used in payment of his other internal revenue taxes apply for refund for any unused input tax.

* "or Tax Credits" was removed.

SEC. 20. Refund of Input Tax

(C) Period within which the Refund of Input Taxes shall be Made.— In proper cases, the Commissioner shall grant a refund for creditable input taxes within ninety (90) days from the date of submission of invoices and other documents in support of the application filed in accordance with Subsections (A) and (B) hereof: Provided, That for this purpose, the VAT refund claims shall be classified into low-, medium-, and high-risk claims, with the risk classification based on amount of VAT refund claim, tax compliance history, frequency of filing VAT refund claims, among others: Provided, further, That medium-and high-risk claims shall be subject to audit or other verification processes in accordance with the Bureau of Internal Revenue's national audit program for the relevant year: Provided, finally, 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 decision within the ninety (90)-day period.

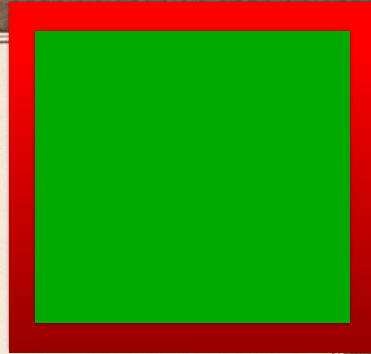
SEC. 20. Refund of Input Tax

In case of full or partial denial of the claim for tax refund, 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 ninety (90)-day period, appeal the decision with the Court of Tax Appeals: Provided, however, That failure on the part of any official, agent, or employee of the Bureau of Internal Revenue to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.

SEC. 20. Refund of Input Tax

(D) Manner of Giving Refund. — Refunds shall be made upon warrants drawn by the Commissioner or by his duly authorized representative without the necessity of being countersigned by the Chairperson, Commission on Audit, the provisions of the Administrative Code of 1987 to the contrary notwithstanding: Provided, That refunds under this paragraph shall be subject to post audit by the Commission on Audit following the risk-based classification above-described: Provided, further, That in case of disallowance by the Commission on Audit, only the taxpayer shall be liable for the disallowed amount without prejudice to any administrative liability on the part of any employee of the Bureau of Internal Revenue who may be found to be grossly negligent in the grant of refund.

SEC. 21. Invoicing and Accounting Requirements



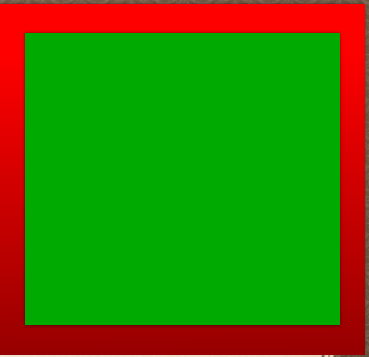
SEC. 113. Invoicing and Accounting Requirements for VAT-Registered Persons.

(A) Invoicing Requirement. — A VAT-registered person shall issue a VAT invoice* for every sale, barter, exchange, or lease of goods or properties, and for every sale, barter or exchange of services.



*** The official receipt for services was removed.**

SEC. 21. Invoicing and Accounting Requirements



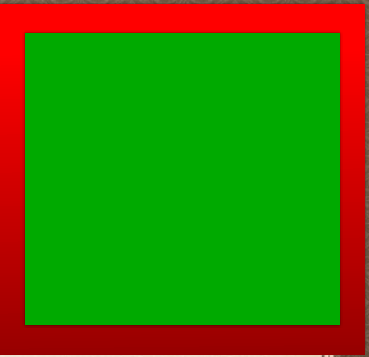
(A) Information Contained in the VAT Invoice. — The following information shall be indicated in the VAT invoice*:

- (1) A statement that the seller is a VAT-registered person, followed by the seller's Taxpayer Identification Number;
- (2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: Provided, That:
 - (a) The amount of the tax shall be shown as a separate item in the invoice**;

* "VAT Official Receipt" was removed

** "receipt" was removed

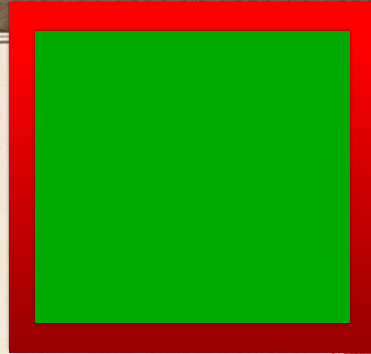
SEC. 21. Invoicing and Accounting Requirements



- (b) If the sale is exempt from value-added tax, the term “VAT-exempt sale” shall be written or printed on the invoice*;
- (c) If the sale is subject to zero percent (0%) value-added tax, the term “zero-rated sale” shall be written or printed on the invoice*;
- (d) If the sale involves goods, properties or services some of which are subject to and some of which are VAT zero-rated or VAT-exempt, the invoice* shall clearly indicate the breakdown of the sale price between its taxable, exempt and zero-rated components, and the calculation of the value-added tax on each portion of the sale shall be shown on the invoice: Provided, That the seller may issue separate invoices* for the taxable, exempt, and zero-rated components of the sale.

* “receipt/s” was removed

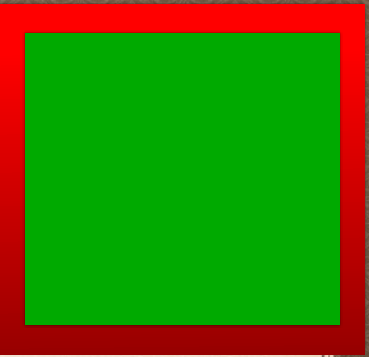
SEC. 21. Invoicing and Accounting Requirements



(4) In the case of sales in the amount of One thousand pesos (P 1,000) or more where the sale or transfer is made to a VAT-registered person, the name*, address and Taxpayer Identification Number of the purchaser, customer or client.

* "business style, if any" was removed

SEC. 21. Invoicing and Accounting Requirements



(D) Consequence of Issuing an Erroneous VAT Invoice*. -



(1) If a person who is not a VAT-registered person issues a invoice** showing the person's Taxpayer Identification Number, followed by the word “VAT”:

(a) The issuer shall, in addition to any liability to other percentage taxes, be liable to:

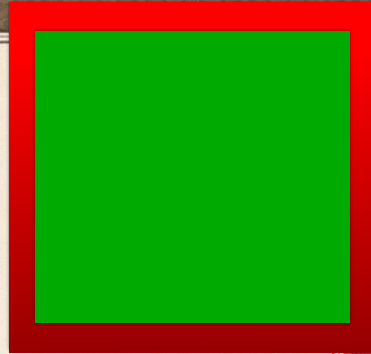
(i) The tax imposed in Section 106 or 108 without the benefit of any input tax credit; and

(ii) A fifty percent (50%) surcharge under Section 248(B) of this Code;

* “VAT Official Receipt” was removed

** “receipt” was removed

SEC. 21. Invoicing and Accounting Requirements



(b) The VAT shall, if the other requisite information required under Subsection (B) hereof is shown on the invoice^{*}, be recognized as an input tax credit to the purchaser under Section 110 of this Code.

* “receipt” was removed

SEC. 21. Invoicing and Accounting Requirements

(2) If a VAT-registered person issues a VAT invoice* for a VAT-exempt transaction, but fails to display on the invoice** the term VAT-exempt sale, or clearly provide a breakdown of the VAT-exempt sale as provided for under paragraph B(2)(d) herein, the issuer shall be liable to account for the tax imposed in Section 106 or 108 as if Section 109 did not apply.

* “VAT Official Receipt” was removed

** “receipt” was removed

SEC. 21. Invoicing and Accounting Requirements

(3) If a VAT-registered person issues a VAT-invoice to another VAT-registered person with lacking information required under Subsection (B) hereof, the issuer shall be liable for noncompliance with the invoicing requirement, however, the VAT shall still be allowed to be used as input tax credit on the part of the purchaser pursuant to Section 110 of this Code if the lacking information do not pertain to the amount of sales, amount of VAT, name and Taxpayer Identification Number of both the purchaser and issuer/seller, description of goods or nature of services, and the date of the transaction.

SEC. 22. Return and Payment of Value-Added Tax

SEC. 114. Return and Payment of Value-Added Tax. —

(A) In General. — Every person liable to pay the value-added tax imposed under this Title shall file, either electronically or manually, a quarterly return of the amount of his gross sales within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer: Provided, however, That VAT-registered persons shall pay, either electronically or manually, the value-added tax on a monthly basis: Provided, finally, That beginning January 1, 2023, the filing and payment required under this Subsection shall be done within twenty-five (25) days following the close of each taxable quarter.

SEC. 22. Return and Payment of Value-Added Tax

(A) Where to File the Return and Pay the Tax. — Except as the Commissioner otherwise permits, the return shall be filed with and the tax paid, either electronically or manually, to any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.

SEC. 23. Suspension of Business Operations

SEC. 115. Power of the Commissioner to Suspend the Business Operations of a Taxpayer. — The Commissioner or his authorized representative is hereby empowered to suspend the business operations and temporarily close the business establishment of any person for any of the following violations:

(a) In the case of a VAT-registered Person. —

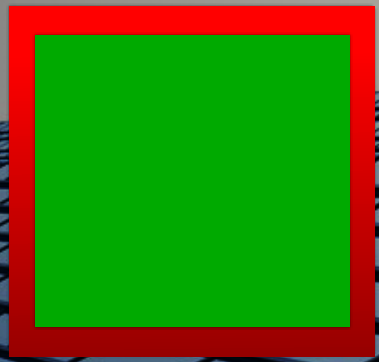
(1) Failure to issue invoices*;

(2) Failure to file a value-added tax return as required under Section 114; or

(3) Understatement of taxable sales* by thirty percent (30%) or more of his correct taxable sales* for the taxable quarter.

* “receipts” was removed

PERCENTAGE TAXES



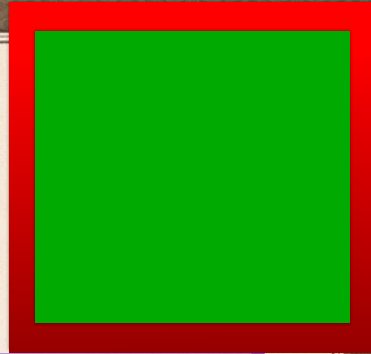
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Percentage Taxes




Section	Original	EOPT
116	Gross Receipts	Gross Sales
117	Gross Receipts	Gross Sales
118	Gross Receipts	Gross Sales
119	Gross Receipts	Gross Sales
120	Paid	Billed
128	Gross Receipts	Gross Sales

SEC. 24. Persons Exempt from VAT

SEC. 116. Tax on Persons Exempt from Value-Added Tax (VAT). —Any person whose sales* are exempt under Section 109(CC) of this Code from the payment of value-added tax and who is not a VAT-registered person shall pay, either electronically or manually, a tax equivalent to three percent (3%) of his gross quarterly sales*: Provided, That cooperatives shall be exempt from the three percent (3%)* tax herein imposed: Provided, further, That effective July 1, 2020 until June 30, 2023, the rates shall be one percent (1%).

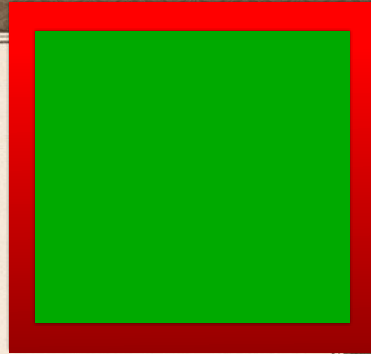
* “receipts” was removed

SEC. 25. Domestic Carriers and Keepers of Garages

 SEC. 117. Percentage Tax on Domestic Carriers and Keepers of Garages. — Cars for rent or hire driven by the lessee; transportation contractors, including persons who transport passengers for hire, and other domestic carriers by land for the transport of passengers (except owners of bancas and owners of animal-drawn two-wheeled vehicle), and keepers of garages shall pay a tax equivalent to three percent (3%) of their quarterly gross sales*.

* “receipts” was removed

SEC. 25. Domestic Carriers and Keepers of Garages



The gross sales* of common carriers derived from their incoming and outgoing freight shall not be subjected to the local taxes imposed under Republic Act No. 7160, otherwise known as the Local Government Code of 1991. **

* “receipts” was removed

** “minimum quarterly gross receipts” was removed

SEC. 26. Percentage Tax on International Carriers

SEC. 118. Percentage Tax on International Carriers. —

(A) International air carriers doing business in the Philippines on their gross sales* derived from transport of cargo from the Philippines to another country shall pay a tax of three percent (3%) of their quarterly gross sales*.

(B) International shipping carriers doing business in the Philippines on their gross sales* derived from transport of cargo from the Philippines to another country shall pay a tax equivalent to three percent (3%) of their quarterly gross sales*.

* “receipts” was removed

SEC. 27. Tax on Franchises

SEC. 119. Tax on Franchises. — Any provision of general or special law to the contrary notwithstanding, there shall be levied, assessed and collected in respect to all franchises on radio and/or television broadcasting companies whose annual gross sales* of the preceding year do not exceed Ten million pesos (P 10,000,000), subject to Section 236 of this Code, a tax of three percent (3%) and on gas and water utilities, a tax of two percent (2%) on the gross sales* derived from the business covered by the law granting the franchise: Provided, however, That radio and television broadcasting companies referred to in this Section shall have an option to be registered as a value-added taxpayer and pay the tax due thereon: Provided, further, That once the option is exercised, said option shall be irrevocable.

* “receipts” was removed

SEC. 28. Overseas Dispatch


SEC. 120. Tax on Overseas Dispatch, Message or Conversation Originating from the Philippines. —

(A) Persons Liable. — There shall be collected upon every overseas dispatch, message or conversation transmitted from the Philippines by telephone, telegraph, telewriter exchange, wireless and ~~other~~ communication equipment service, a tax of ten percent (10%) on the amount billed* for such services. The tax imposed in this Section shall be payable by the person paying for the services rendered and shall be paid to the person rendering the services who is required to collect and pay the tax within twenty (20) days after the end of each quarter.

* “paid” was removed

SEC. 28. Overseas Dispatch


(B) Exemptions. — The tax imposed by this Section shall not apply to:

(1) Government. — Amounts  billed* for messages transmitted by the Government of the Republic of the Philippines or any of its political subdivisions or instrumentalities;

(2) Diplomatic Services. — Amounts  billed* for messages transmitted by any embassy and consular offices of a foreign government;


* “paid” was removed

SEC. 28. Oversees Dispatch

(3) International Organizations. — Amounts  billed* for messages transmitted by a public international organization or any of its agencies based in the Philippines, enjoying privileges, exemptions and immunities which the Government of the Philippines is committed to recognize pursuant to an international agreement; and

* “paid” was removed

SEC. 28. Oversees Dispatch

(4) News Services. — Amounts  billed* for messages from any newspaper, press association, radio or television newspaper, broadcasting agency, or newstickers services, to any other newspaper, press association, radio or television newspaper broadcasting agency, or newsticker service or to a bona fide correspondent, which messages deal exclusively with the collection of news items for, or the dissemination of news item through, public press, radio or television broadcasting or a newsticker service furnishing a general news service similar to that of the public press.

* “paid” was removed

SEC. 29. Percentage Tax


SEC. 128. Returns and Payment of Percentage Taxes. —

(A) Returns on Gross Sales* or Earnings and Payment of Tax. —

(1) Persons Liable to Pay Percentage Taxes. — Every person subject to the percentage taxes imposed under this Title shall file, either electronically or manually, a quarterly return of the amount of the person's gross sales*, or earnings and pay, either electronically or manually, to any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider, the tax due thereon within twenty-five (25) days after the end of each taxable quarter: Provided, That in the case of a person whose VAT registration is cancelled and who becomes liable to the tax imposed in Section 116 of this Code, the tax shall accrue from the date of cancellation and shall be paid in accordance with the provisions of this Section.

* “receipts” was removed

SEC. 29. Percentage Tax

 (2) Person Retiring from Business. — Any person retiring from a business subject to percentage tax shall notify the nearest internal revenue officer, file, either electronically or manually, the person's return and pay either electronically or manually, the tax due thereon within twenty (20) days after closing the business.

SEC. 29. Percentage Tax

(C) Where to File. - Except as the Commissioner otherwise permits, every person liable to the percentage tax under this Title shall file, **either electronically or manually,** a **consolidated return*** for all branches or places of business with **any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.**

*****"separate return for each branch or place of business" was removed**

SEC. 30. Documentary Stamp Tax

SEC. 200. Payment of Documentary Stamp Tax. —

(A) In General. — The provisions of Presidential Decree No. 1045 notwithstanding, any person liable to pay documentary stamp tax upon any document subject to tax under Title VII of this Code shall file a tax return, either electronically or manually, and pay either electronically or manually, the tax in accordance with the rules and regulations to be prescribed by the Secretary of Finance, upon recommendation of the Commissioner.

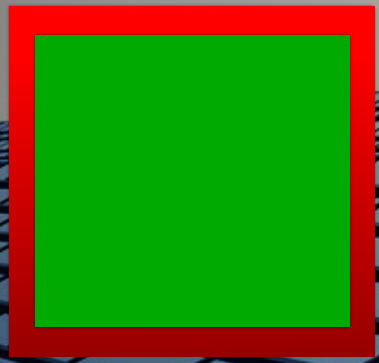
SEC. 30. Documentary Stamp Tax

(B) Time for Filing and Payment of the Tax. — Except as provided by rules and regulations promulgated by the Secretary of Finance, upon recommendation of the Commissioner, the tax return prescribed in this Section shall be filed either electronically or manually within ten (10) days after the close of the month when the taxable document was made, signed, issued, accepted, or transferred, and the tax thereon shall be paid either electronically or manually, at the same time the aforesaid return is filed.

SEC. 30. Documentary Stamp Tax

(C) Where to File. Except in cases where the Commissioner otherwise permits, the aforesaid tax return shall be filed, either electronically or manually, with and the tax due shall be paid, either electronically or manually, through any authorized agent bank, Revenue District Office through Revenue Collection Officer, or authorized tax software provider.*

“which has jurisdiction over the residence or principal place of business of the taxpayer. In places where there is no authorized agent bank, the return shall be filed with the Revenue District Officer collection agent, or duly authorized Treasurer of the city or municipality in which the taxpayer has his legal residence or principal place of business” was removed



APPLICATION FOR REFUND

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SEC. 31. Compromise, Abatement and Refund

SEC. 204. Authority of the Commissioner to Compromise, Abate and Refund Taxes. —

The Commissioner may - xxx

(C) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty as provided under Section 229 of this Code: Provided, however, That a return filed showing an overpayment shall be considered as a written claim for credit or refund:

SEC. 31. Compromise, Abatement and Refund

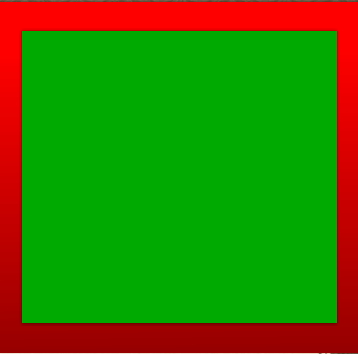

SEC. 204. Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes. —

Provided, further, That the Commissioner shall process and decide the refund under this provision within one hundred eighty (180) days from date of submission of complete documents in support of the application filed: Provided, furthermore, That should the Commissioner deny, in full or in part, the claim for refund, the Commissioner shall state the legal and/or factual basis for the denial: Provided, finally, That failure on the part of any official, agent, or employee of the Bureau of Internal Revenue to process and decide on the application within the one hundred eighty (180)-day period shall be punishable under Section 269 of this Code.

SEC. 31. Compromise, Abatement and Refund

A Tax Credit Certificate validly issued under the provisions of this Code may be applied against any internal revenue tax, excluding withholding taxes, for which the taxpayer is directly liable. Any request for conversion into refund of unutilized tax credits may be allowed, subject to the provisions of Section 230 of this Code: Provided, That the original copy of the Tax Credit Certificate showing a creditable balance is surrendered to the appropriate revenue officer for verification and cancellation: Provided, further, That in no case shall a tax refund be given resulting from availment of incentives granted pursuant to special laws for which no actual payment was made.

SEC. 32. Tax Erroneously or Illegally Collected



SEC. 229. Recovery of Tax Erroneously or Illegally Collected. — No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.

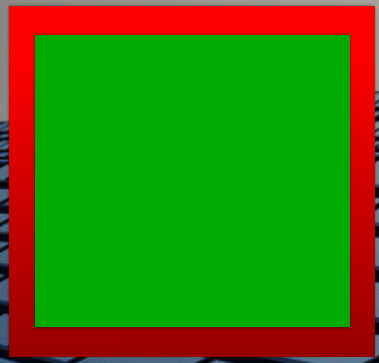
SEC. 32. Tax Erroneously or Illegally Collected

In any case, no such suit or proceeding shall be filed unless there is a full or partial denial of the claim for refund or credit by the Commissioner or there is a failure on the part of the Commissioner to act on the claim within the one hundred eighty (180)-day period under Section 204 of this Code*: Provided, however, That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid.

* "In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment:" was removed. The 2-year period is already indicated under Section 204 of the Tax Code.

SEC. 32. Tax Erroneously or Illegally Collected

In case of full or partial denial of the claim for tax refund, 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 eighty (180)-day period, appeal the decision with the Court of Tax Appeals.



PRESERVATION OF BOOKS OF ACCOUNTS AND RECORDS



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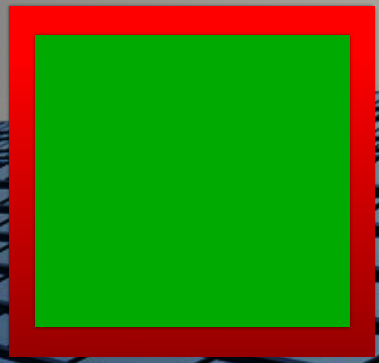


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SEC. 33. Preservation of Books of Accounts

 SEC. 235. Preservation of Books of Accounts and Other Accounting Records. — All the books of accounts, including the subsidiary books and other accounting records of corporations, partnerships, or persons,  shall be preserved by them for a period of five (5) years reckoned from the day following the deadline in filing a return, or if filed after the deadline, from the date of the filing of the return, for the taxable year when the last entry was made in the books of accounts. The said books and records shall be subject to examination and inspection by internal revenue officers: Provided, That for income tax purposes, such examination and inspection shall be made only once in a taxable year, except in the following cases:

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SEC. 34. Registration Requirements

SEC. 236. Registration Requirements. —

(A) Requirements. — Every person subject to any internal revenue tax shall register once  either electronically or manually, with the appropriate Revenue District Office:

- (1) Within ten (10) days from date of employment, or
- (2) On or before the commencement of business, or
- (3) Before payment of any tax due, or
- (4) Upon filing of a return, statement or declaration as required in this Code.

SEC. 34. Registration Requirements

(B) **Annual Registration Fee.** — An annual registration fee in the amount of Five hundred pesos (P500) for every separate or distinct establishment or place of business, including facility types where sales transactions occur, shall be paid upon registration and every year thereafter on or before the last day of January: *Provided, however,* That cooperatives, individuals earning purely compensation income, whether locally or abroad, and overseas workers are not liable to the registration fee herein imposed.

The registration fee shall be paid to an authorized agent bank located within the revenue district, or to the Revenue Collection Officer, or duly authorized Treasurer of the city or municipality where each place of business or branch is registered.*

*Removed

SEC. 34. Registration Requirements

(B) Registration of Each Type of Internal Revenue Tax. — Every person who is required to register with the Bureau of Internal Revenue under Subsection (A) hereof shall register each type of internal revenue tax for which he is obligated, shall file a return, either electronically or manually, and shall pay either electronically or manually, such taxes, and shall update such registration of any changes in accordance with Subsection (D) hereof.

SEC. 34. Registration Requirements

(C) Transfer of Registration. — In case a registered person decides to transfer the place of business or head office or branches, it shall be the person's duty to update the registration status by merely filing, either electronically or manually, an application for registration information update in the form prescribed therefor: Provided, however, That if the transferring registered person is subject of an audit investigation, the Revenue District Office which initiated the audit investigation shall continue the same.

SEC. 34. Registration Requirements

(B) Other Updates. — x x x

(E) Cancellation of Registration. —

(1) **General Rule.** — The registration of any person shall be cancelled upon mere filing, either electronically or manually, with the Revenue District Office where he is registered, an application for registration information update in a form prescribed therefor. However, this shall not preclude the Commissioner of the Internal Revenue or his authorized representative from conducting an audit in order to determine any tax liability;

SEC. 34. Registration Requirements

(2) Cancellation of Value-Added Tax Registration. — A VAT-registered person may cancel the registration for VAT if:

(a) The person makes a written or an electronic application and can demonstrate to the Commissioner's satisfaction that the gross sales* for the following twelve (12) months, other than those that are exempt under Section 109(A) to (CC), will not exceed the threshold as provided in Section 109(CC); or

* “receipts” was removed

SEC. 34. Registration Requirements

(b) The person has ceased to carry on the trade or business, and does not expect to recommence any trade or business within the next twelve (12) months.

The cancellation of registration will be effective from the first day of the following month.

SEC. 34. Registration Requirements

(F) Persons Required to Register for Value-Added Tax. —

(1) Any person who, in the course of trade or business, sells, barter or exchanges goods or properties, or engages in the sale or exchange of services, shall be liable to register, either electronically or manually, for value-added tax if:

(a) The person's gross sales for the past twelve (12) months, other than those that are exempt under Section 109(A) to (CC), have exceeded the threshold as provided in Section 109(CC); or

(b) There are reasonable grounds to believe that the gross sales for the next twelve (12) months, other than those that are exempt under Section 109(A) to (CC), will exceed the threshold as provided in Section 109(CC).

SEC. 34. Registration Requirements

(2) Every person who becomes liable to be registered under paragraph (1) of this subsection shall register, either electronically or manually, with the appropriate Revenue District Office, as determined by the Commissioner*. If he fails to register, he shall be liable to pay the tax under Title IV as if he were a VAT-registered person, but without the benefit of input tax credits for the period in which he was not properly registered.

* “which has jurisdiction over the head office or branch of that person, and shall pay the annual registration fee prescribed in Subsection (B) hereof.” was removed.

SEC. 34. Registration Requirements

(G) Optional Registration for Value-Added Tax of Exempt Person. —

(1) Any person who is not required to register for value-added tax under Subsection (F) hereof may elect to register, either electronically or manually, for value-added tax with the Revenue District Office that has jurisdiction over the head office of that person.*

(2) Any person who elects to register under this Subsection shall not be entitled to cancel his registration under Subsection (E)(2) for the next three (3) years.

* “and paying the annual registration fee in Subsection (B) hereof.” was removed.


SEC. 34. Registration Requirements

XXX

For purposes of Title IV of this Code, any person who has registered value-added tax as a tax type in accordance with the provisions of subsection (B) hereof shall be referred to as a 'VAT-registered person" who shall be assigned only one Taxpayer Identification Number.

SEC. 34. Registration Requirements


(H) Supplying of Taxpayer Identification Number. —

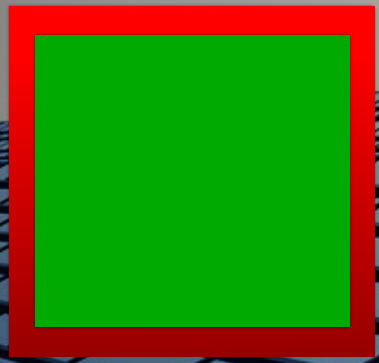
Any person required under the authority of this Code to make, render or file a return, statement or other document shall be supplied with or assigned a Taxpayer Identification Number which the person shall indicate in such return, statement or document filed  either electronically or manually, with the Bureau of Internal Revenue for proper identification for tax purposes, and which the person shall indicate in certain documents, such as, but not limited to, the following:

SEC. 34. Registration Requirements

In cases where a registered taxpayer dies, the administrator or executor shall register, either electronically or manually, the estate of the decedent in accordance with Subsection (A) hereof and a new Taxpayer Identification Number shall be supplied in accordance with the provisions of this Section.

SEC. 34. Registration Requirements

In the case of a nonresident decedent, the executor or administrator of the estate shall register  either electronically or manually, the estate with the Revenue District Office where the executor or administrator is registered: Provided, however, That in case such executor or administrator is not registered, registration of the estate shall be made with the Taxpayer Identification Number supplied by the Revenue District Office having jurisdiction over the executor or administrator's legal residence.



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SEC. 35. Issuance of Invoices

SEC. 237. Issuance of Sales or Commercial Invoices. —

(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 Five hundred pesos (P500) or more, issue duly registered sale or commercial invoices*, showing the name, Taxpayer Identification Number, date of transaction, quantity, unit cost and description of merchandise or nature of service:

* “receipts” was removed

SEC. 35. Issuance of Invoices

Provided, That the amount herein stated shall be adjusted to its present values every three (3) years using the consumer price index, as published by the Philippine Statistics Authority: Provided, further, That the seller shall issue sale or commercial invoices when the buyer so requires regardless of the amount of transaction:*

SEC. 35. Issuance of Invoices

Provided, however, 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:*

***Removed**

SEC. 35. Issuance of Invoices

Provided, however, That if the sales amount per transaction is below the threshold, the seller will issue one (1) invoice for the aggregate sales amount for such sales at the end of the day: Provided, further, That the aggregate sales amount at the end of the day is at least Five hundred pesos (P500):

SEC. 35. Issuance of Invoices

Provided, finally, That VAT-registered persons shall issue duly registered sale or commercial invoices regardless of the amount of the sale and transfer of merchandise or for services rendered.*

***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. (Removed.)**

SEC. 36. Printing of Sales Invoices

SEC. 238. Printing of Sales* or Commercial Invoices. — All persons who are engaged in business shall secure free of charge from the Bureau of Internal Revenue an authority to print sales* or commercial invoices before a printer can print the same.

* “receipts” was removed

SEC. 36. Printing of Sales Invoices

No authority to print sales* or commercial invoices shall be granted unless the invoices* to be printed are serially numbered and shall show, among other things, the name** , Taxpayer Identification Number and business address of the person or entity to use the same, and such other information that may be required by the rules and regulations to be promulgated by the Secretary of Finance, upon recommendation of the Commissioner.

* “receipts” was removed

** “business style” was removed

SEC. 36. Printing of Sales Invoices

All persons who print sales* or commercial invoices shall maintain a logbook/register of taxpayers who availed of their printing services. The logbook/register shall contain the following information:

- (1) Names, Taxpayer Identification Numbers of the persons or entities for whom the sales* or commercial invoices were printed; and
- (2) Number of booklets, number of sets per booklet, number of copies per set and the serial numbers of the invoices* in each booklet.


* “receipts” was removed

SEC. 37. Exhibition of Certificate of Payment

SEC. 241. Exhibition of Certificate of Payment at Place of Business.
— The certificate or receipts showing payment of taxes issued to a person engaged in business* shall be kept conspicuously exhibited in plain view in or at the place where the business is conducted; and in case of a peddler or other persons not having a fixed place of business, shall be kept in the possession of the holder thereof, subject to production upon demand of any internal revenue officer.

***"subject to an annual registration fee" was removed**

SEC. 38. Continuation of Business of Deceased Person

 SEC 242. Continuation of Business of Deceased Person. — When any individual who has registered a business dies*, and the same business is continued by the person or persons interested in his estate, no additional payment shall be required for the residue of the term which the tax was paid: Provided, however, That the person or persons interested in the estate should, within thirty (30) days from the death of the decedent, submit to the Bureau of Internal Revenue or the Regional or Revenue District Office inventories of goods or stocks had at the time of such death.

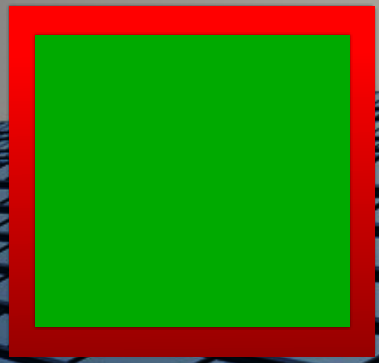
The requirement under this Section shall also be applicable in the case of transfer of ownership or change of name of the business establishment.

***"paid the annual registration fee" was removed**

SEC. 39. Removal of Business to Other Location

✓ SEC. 243. Removal of Business to Other Location. — Any registered* business may, subject to the rules and regulations prescribed by the Secretary of Finance, upon recommendation of the Commissioner, be removed and continued in any other place without the payment of additional tax during the term for which the payment was made.

***"for which the annual registration fee has been paid" was removed**



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SEC. 40. Specific Provisions to be Contained in Rules and Regulations.

SEC. 245. Specific Provisions to be Contained in Rules and Regulations. — The rules and regulations of the Bureau of Internal Revenue shall, among other things, contain provisions specifying, prescribing or defining: xxx

(i) The manner in which tax returns, information and reports shall be prepared and reported and the tax collected and paid, as well as the conditions under which evidence of payment shall be furnished the taxpayer, and the preparation and publication of tax statistics, and publication of information required to be published pursuant to any law, rules, and regulations. For purposes of publication, the Bureau of Internal Revenue may make use of any electronic means of publication in the Official Gazette, or its official website;

SEC. 40. Specific Provisions to be Contained in Rules and Regulations.

(j) The manner in which internal revenue taxes, such as income tax, including withholding tax, estate and donor's taxes, value-added tax, other percentage taxes, excise taxes and documentary stamp taxes shall be paid, either electronically or manually, through the collection officers of the Bureau of Internal Revenue or through duly authorized agent banks which are hereby deputized to receive payments of such taxes and the returns, papers and statements that may be filed by the taxpayers in connection with the payment of the tax:

SEC. 40. Specific Provisions to be Contained in Rules and Regulations.

Provided, however, That notwithstanding the other provisions of this Code prescribing the place of filing of returns and payment of taxes, the Commissioner may, by rules and regulations, require that the tax returns, papers and statements and taxes of large taxpayers be filed and paid, respectively, through any authorized agent banks, or with any Revenue District Office through Revenue Collection Officer or authorized tax software provider:

SEC. 40. Specific Provisions to be Contained in Rules and Regulations.

Provided, further, That the Commissioner can exercise this power within six (6) years from the approval of Republic Act No. 7646 or the completion of its comprehensive computerization program, whichever comes earlier:

Provided, finally, That separate venues for the Luzon, Visayas and Mindanao areas may be designated for the filing of tax returns and payment of taxes by said large taxpayers.*

SEC. 40. Specific Provisions to be Contained in Rules and Regulations.

(REMOVED)

For purposes of this Section, '*large taxpayer*' means a taxpayer who satisfies any of the following criteria;

- (1) **Value-Added Tax (VAT)** — Business establishment with VAT paid or payable of at least One hundred thousand pesos (P100,000) for any quarter of the preceding taxable year;
- (2) **Excise Tax** — Business establishment with excise tax paid or payable of at least One million pesos (P1,000,000) for the preceding taxable year;
- (3) **Corporate Income Tax** — Business establishment with annual income tax paid or payable of at least One million pesos (P1,000,000) for the preceding taxable year; and
- (4) **Withholding Tax** — Business establishment with withholding tax payment or remittance of at least One million pesos (P1,000,000) for the preceding taxable year.

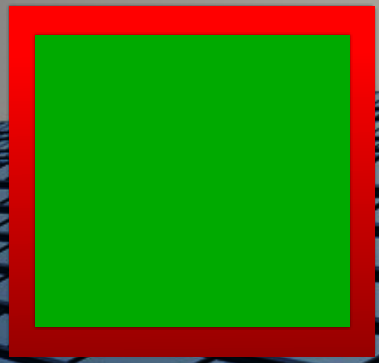
SEC. 40. Specific Provisions to be Contained in Rules and Regulations.

(REMOVED)

Provided, however, That the Secretary of Finance, upon recommendation of the Commissioner, may modify or add to the above criteria for determining a large taxpayer after considering such factors as inflation, volume of business, wage and employment levels, and similar economic factors.

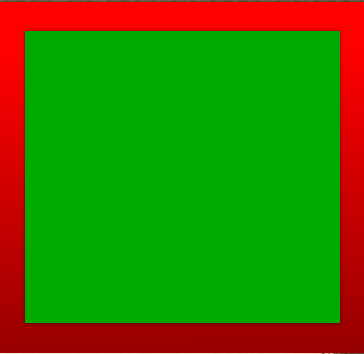

The penalties prescribed under Section 248 of this Code shall be imposed on any violation of the rules and regulations issued by the Secretary of Finance, upon recommendation of the Commissioner, prescribing the place of filing of returns and payments of taxes by large taxpayers.

Revenue Regulations No. 2-2024



Prescribes the policies and guidelines for the publication of revenue issuances and other information materials of the BIR pursuant to Section 245(i) of the Tax Code, as amended by RA No. 11976 (Ease of Paying Taxes Act)

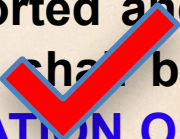
Revenue Regulations No. 2-2024



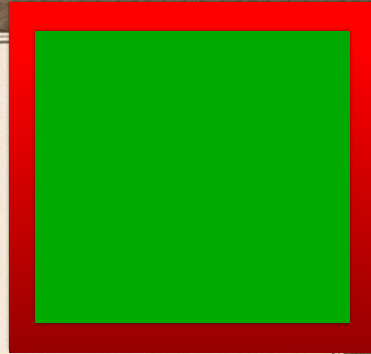
SEC. 245. Specific Provisions to be Contained in Rules and Regulations. — The rules and regulations of the Bureau of Internal revenue shall, among other things, contain provisions specifying, prescribing or defining:

XXX

"(i) The manner in which tax returns, information and reports shall be prepared and reported and the tax collected and paid, as well as the conditions under which evidence of payment shall be furnished the taxpayer, and the preparation and publication of tax statistics, **AND PUBLICATION OF INFORMATION REQUIRED TO BE PUBLISHED PURSUANT TO ANY LAWS, RULES, AND REGULATIONS. FOR PURPOSES OF PUBLICATION, THE BUREAU OF INTERNAL REVENUE MAY MAKE USE OF ANY ELECTRONIC MEANS OF PUBLICATION IN THE OFFICIAL GAZETTE, OR ITS OFFICIAL WEBSITE;**



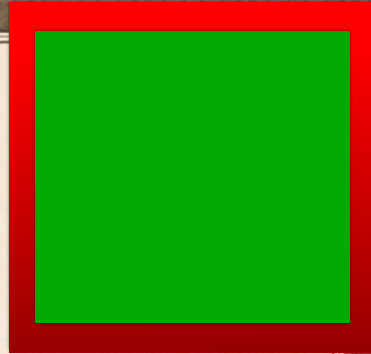
Revenue Regulations No. 2-2024



✓ The BIR revenue issuances and other information materials subject of the Regulations refer to the following:

- ✓ a. Revenue Regulations;
- ✓ b. Revenue Memorandum Circulars;
- ✓ c. Revenue Memorandum Orders;
- ✓ d. Other revenue issuances;
- ✓ e. Classification of taxpayers including, but not limited to, Top Withholding Agents;

Revenue Regulations No. 2-2024



- ✓ f. Cannot be located (CBL) taxpayers;
- ✓ g. Revised Schedules of Zonal Values;
- ✓ h. List of seized, foreclosed and acquired properties for sale;
- ✓ i. Notice of sale of seized, foreclosed and acquired properties;
- ✓ j. Information materials such as, but not limited to, press releases, announcements/advisories and flyers; and
- ✓ k. Other similar documents or materials that require publication.

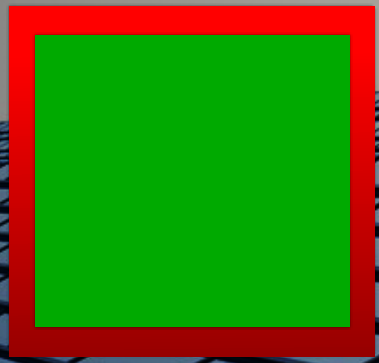
(collectively, the BIR Issuances)

Revenue Regulations No. 2-2024

In line with the objective of modernization of tax administration and continuous enhancement of operational efficiency and effectiveness, the BIR may publish (electronically, or otherwise) the BIR Issuances to implement and/or clarify relevant tax laws, rules and regulations, through the following means:

- a. BIR's official website;
- b. Official Gazette; or
- c. Newspaper of general circulation.

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SEC. 41. Civil Penalties

SEC. 248. Civil Penalties*. —

(A) There shall be imposed, in addition to the tax required to be paid, a penalty equivalent to twenty-five percent (25%) of the amount due, in the following cases:

- (1) Failure to file any return and pay the tax due thereon as required under the provisions of this Code or rules and regulations on the date prescribed; or
- (2) Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment; or
- (3) Failure to pay the full or part of the amount of tax shown on any return required to be filed under the provisions of this Code or rules and regulations, or the full amount of tax due for which no return is required to be filed, on or before the date prescribed for its payment.

***"3. Unless otherwise authorized by the Commissioner, filing a return with an internal revenue officer other than those with whom the return is required to be filed." was removed.**

SEC. 42. Violations Committed by Government Enforcement Officers

SEC. 269. Violations Committed by Government Enforcement Officers. — Every official, agent, or employee of the Bureau of Internal Revenue or any other agency of the Government charged with the enforcement of the provisions of this Code, who is guilty of any of the offenses herein below specified shall, upon conviction for each act or omission, be punished by a fine of not less than Fifty thousand pesos (P50,000) but not more than One hundred thousand pesos (P 100,000) and suffer imprisonment of not less than ten (10) years but not more than fifteen (15) years and shall likewise suffer an additional penalty of perpetual disqualification to hold public office, to vote, and to participate in any public election: xxx

(j) Deliberate failure to act on the application for refunds within the prescribed period provided under Section 112 and Section 204 of this Act.

SEC. 43. Digitalization of Bureau of Internal Revenue Services

SEC. 43. Digitalization of Bureau of Internal Revenue Services. — In order to improve the performance and efficiency in the delivery of its services, the BIR shall adopt an integrated digitalization strategy by providing automated end-to-end solutions for the benefit of taxpayers. For this purpose, the BIR shall:

(a) Adopt an integrated and automated system for accepting and facilitating basic tax services such as registration, Taxpayer Identification Number issuance and validation, filing of returns, submission of supporting documents as attachments, and payment of taxes as well as fines, surcharges, or penalties;

SEC. 43. Digitalization of Bureau of Internal Revenue Services

(b) Immediately take measures to set up electronic and online systems that will make the means of exchanging data and information between offices, departments, authorized agent banks and other pertinent units secure, efficient, and seamless;

(c) Streamline procedures by adopting automation and digitalization of BIR services to minimize face to face transactions, and to facilitate efficient delivery of services to taxpayers; and

(d) Build up its technology capabilities, including the creation of data centers, data repositories, basic messaging and electronic mail facilities, encryption systems and cyber-security systems.


SEC. 44. Ease of Paying Taxes and Digitalization

SEC. 44. Ease of Paying Taxes and Digitalization Roadmap. —
The BIR shall develop an Ease of Paying Taxes (EOPT) and digitalization roadmap that will provide for the programs and projects to be implemented to ensure ease of compliance of tax laws, rules and regulations, including but not limited to the adoption of simplified tax returns, streamlining of tax processes, reduction of tax or documentary requirements, and digitalization of BIR services as provided under Section 40 of this Act:

SEC. 44. Ease of Paying Taxes and Digitalization

Provided, That in developing this roadmap, the BIR shall prioritize taxpayers who are considered as micro and small taxpayers for purposes of this Act, in terms of streamlining tax procedures and documentary requirements according to taxpayer size and capacity to comply: Provided, further, That the BIR shall ensure the accessibility of its various services to different taxpayers particularly micro and small taxpayers so as to improve tax compliance, and enhance taxpayer convenience.

SEC. 44. Ease of Paying Taxes and Digitalization

The BIR shall submit an  annual report on the EOPT and the digitalization roadmap to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTRP) as provided under Section 290 of the NIRC, as amended.

SEC. 45. Special Concessions for Certain Taxpayers

SEC. 45. Special Concessions for Certain Taxpayers. — The following concessions shall be made available to micro and small taxpayers for purposes of this Act:

(a) The Income Tax Return (ITR) required under Section 51 of the NIRC shall consist of a maximum of two (2) pages in paper form or electronic form;

(b) reduced rate often percent (10%) for civil penalties as provided under Section 248 of the NIRC, as amended;

SEC. 45. Special Concessions for Certain Taxpayers

- (c) A fifty percent (50%) reduction on the interest rate imposed under Section 249 of the NIRC, as amended;
- (d) A reduced fine of Five hundred pesos (P500) as a penalty for failure to file certain information returns as provided under Section 250 of the NIRC, as amended; and
- (e) A reduced compromise penalty rate of at least fifty percent (50%) for violations of Sections 113, 287, and 238 of the NIRC, as amended.

SEC. 46. Applicability of Data Privacy Principles.

SEC. 46. Applicability of Data Privacy Principles. — The processing, recording, transmission and storage of all personal data under this Act shall be in accordance with Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012", and other laws on disclosure of information to the public in adherence to the principles of transparency, legitimate purpose and proportionality.


SEC. 47. Implementing Rules and Regulations

SEC. 47. Implementing Rules and Regulations. Within ninety (90) calendar days from the effectivity of this Act, the Secretary of Finance, after due consultation with the Bureau of Internal Revenue, and the private sector, shall promulgate the necessary rules and regulations for its effective implementation.

SEC. 48. Transitory Clause

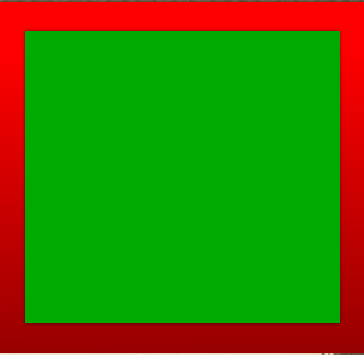

SEC. 48. Transitory Clause. — Taxpayers are hereby given six (6) months from the effectivity of the implementing revenue regulations to comply with the amendments to Title IV on the Value-Added Tax and Title V on the Other Percentage Taxes of the NIRC, as amended.

SEC. 49. Separability Clause




SEC. 49. Separability Clause. — If any provision of this Act is declared unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 50. Repealing Clause



SEC. 50. Repealing Clause. — All laws, decrees, executive orders, implementing rules and regulations, issuances, or any part thereof inconsistent with the provisions of this Act are deemed repealed, amended or modified accordingly.

Effectivity

 **SEC. 51. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.**

The law will take effect on  **January 22, 2024.**

THANK YOU!

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