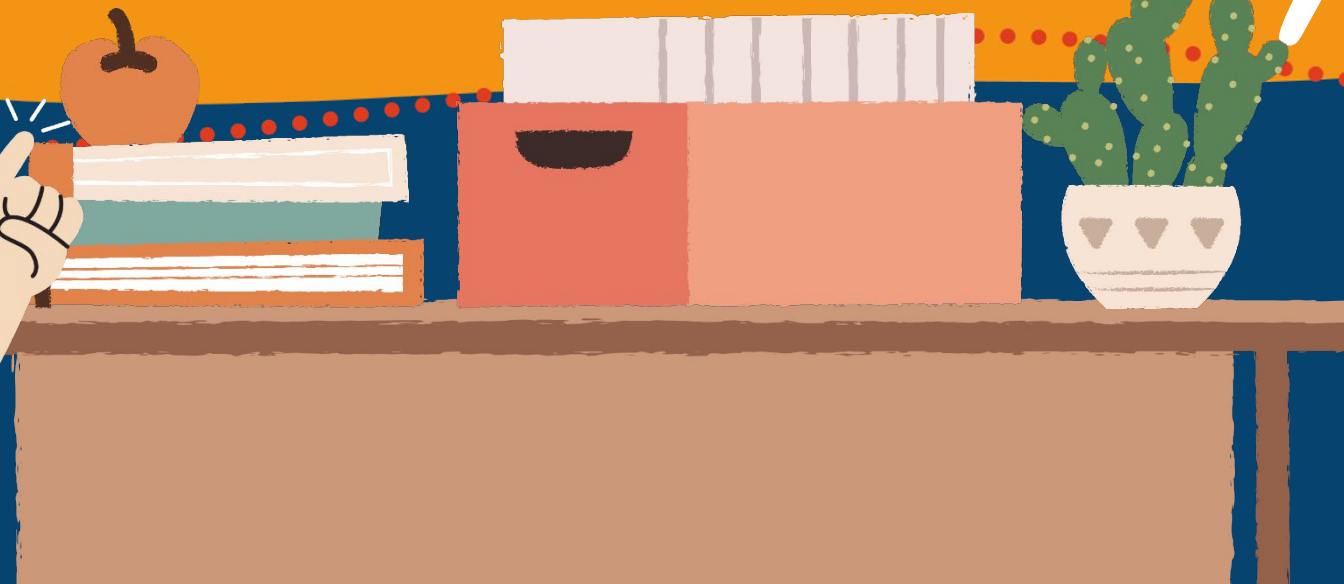




# Withholding Taxes, Updates and Estate Tax Amnesty





# WITHHOLDING AGENT





# WITHHOLDING AGENT

Any person or entity who is in control of the payment subject to withholding tax and therefore is required to deduct and remit taxes withheld to the government.







# OFFICERS REQUIRED TO DEDUCT AND WITHHELD

ABCDEF  
GHIJKLM  
OPQRST  
VWXYZ





# OFFICERS REQUIRED TO DEDUCT AND WITHHELD

## Provinces

Provincial Treasurer

Chief Accountant

Governor

## Cities

City Treasurer

Chief Accountant

City Mayor

## Barangay

Barangay Treasurer

Chief Accountant

Barangay Captain

## Municipalities

Municipal Treasurer

Chief Accountant

Mayor

## Departments

Bureaus

Agencies

Instrumentalities

GOCCs

Other

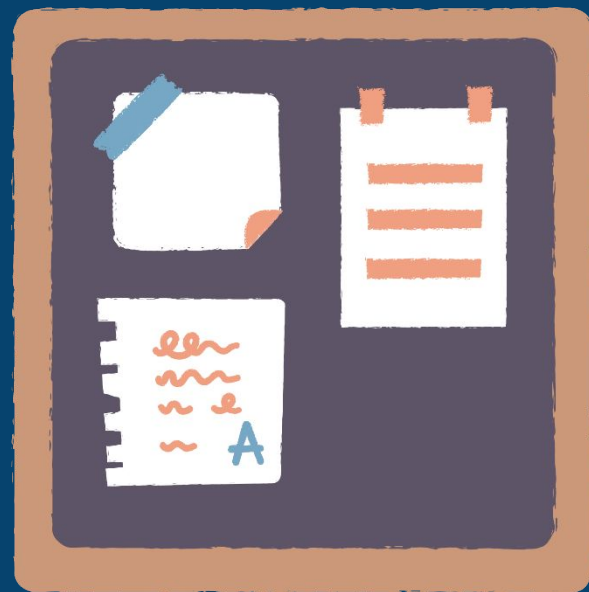
Chief Accountant

Head of Office  
(Office holding the  
highest position)

Government



# Duties and obligations of the withholding agent





# Duties and obligations of the withholding agent



**A**

**To Register**

**B**

**To Deduct and Withhold**

**C**

**To Remit the Tax Withheld**

**D**

**To File Annual Return**

**E**

**To Issue Withholding Tax Certificates**





# Duties and obligations of the withholding agent



Withholding agent is required to register within ten (10) days after acquiring such status with the Revenue District office having jurisdiction where the business is located



**TO DEDUCT  
AND  
WITHHOLD** **B**



*Duties and obligations of the withholding agent*

Withholding agent is required to deduct tax from all money payments subject to withholding tax



# Duties and obligations of the withholding agent

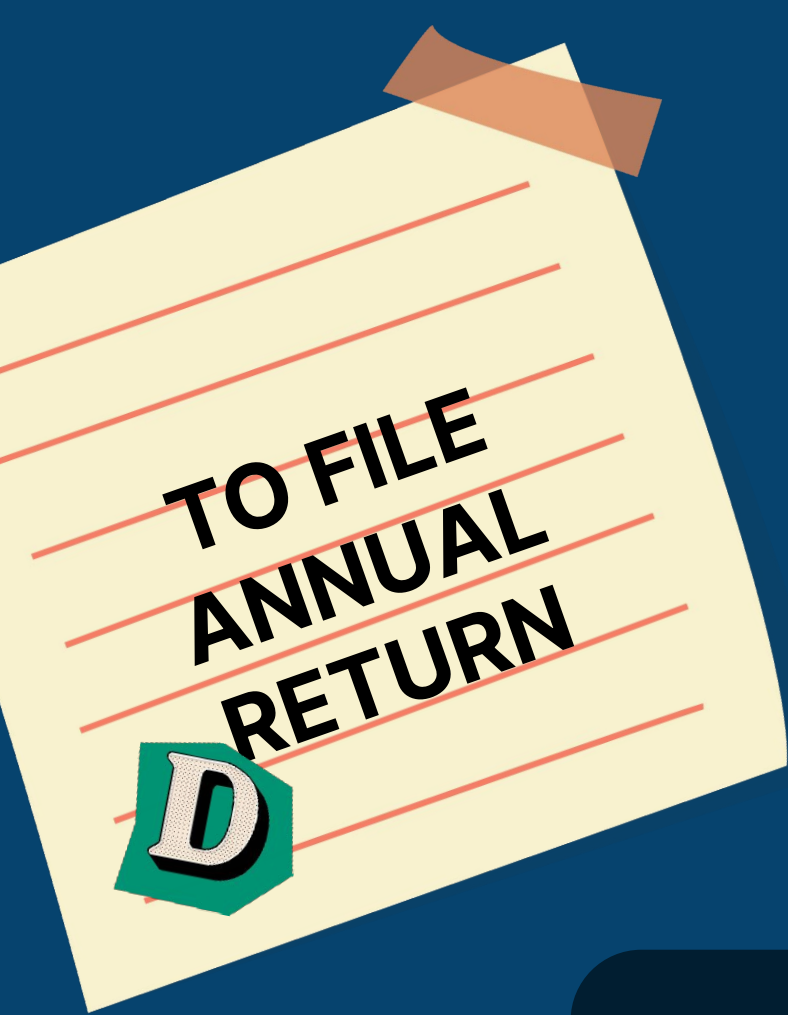


Withholding agent is required to remit tax withheld at the time prescribed by law and regulations

**TO REMIT  
THE TAX  
WITHHELD**







Withholding agent is required to file the corresponding Annual Information Return at the time prescribed by law and regulations



**E**

**TO ISSUE  
WITHHOLDING  
TAX  
CERTIFICATES**



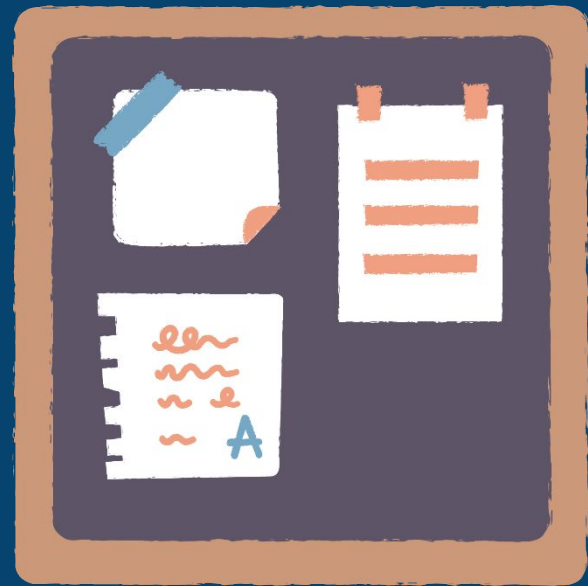
Duties and obligations of the withholding agent

Withholding agent shall furnish Withholding Tax Certificates to recipient of income payments subject to withholding





# RULES ON WITHHOLDING TAX RR 2-98







# RULES ON WITHHOLDING TAX RR 2-98

SECTION 2.57.4. Time of Withholding. — The obligation of the payor to deduct and withhold the tax under Section 2.57 of these regulations **arises at the time an income is paid or payable, whichever comes first**, the term "payable" refers to the date the obligation become due, demandable or legally enforceable.





# INCOME PAYMENTS MADE BY THE GOVERNMENT

Purchase of **Goods**

1%

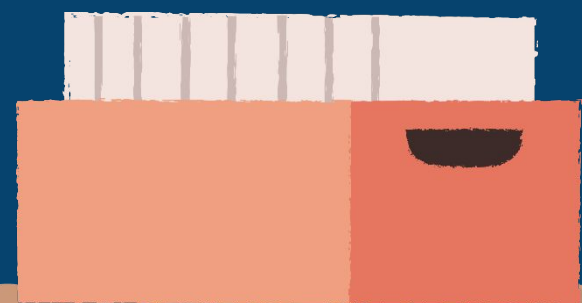
Purchase of **Services**

2%





WITHHOLDING TAX ON  
GOVERNMENT  
MONEY PAYMENTS  
- PERCENTAGE TAX







# WITHHOLDING TAX ON GOVERNMENT MONEY PAYMENTS – PERCENTAGE TAX

The tax withheld by **National Government Agencies (NGAs)** and instrumentalities, including **government-owned and controlled corporations (GOCCs)** and **local government units (LGUs)**, before making any payments to non-VAT registered taxpayers/suppliers/payees





# EXPANDED WITHHOLDING TAX & CREDITABLE PERCENTAGE TAX

## EXAMPLE: NON-VAT TAXPAYER

	Expanded Withholding Tax (EWT)	Creditable Percentage Tax (CPT)
Goods	1%	1%
Services	2%	1%





# EXPANDED WITHHOLDING TAX & CREDITABLE PERCENTAGE TAX

## PURCHASE OF **GOODS** (NON-VAT PAYEE)



<b>Gross Payment</b>		<b>P 100,000.00</b>	
<b>Less:</b>			
<b>GMP (NON-VAT)</b>	$100,000 \times 1\%$	<b>(1000.00)</b>	<b>1600</b>
<b>EXPANDED</b>	$100,000 \times 1\%$	<b>(1000.00)</b>	<b>0619-E</b>
<b>NET PAYMENT</b>		<b>P 98,000.00</b>	







# PURCHASE OF GOODS

## BIR FORM 2307



Republika ng Pilipinas  
Kagawaran ng Pansalaping  
Kawanihan ng Pentas Internas

### Certificate of Creditable Tax Withheld At Source

BIR Form No.

# 2307

September 2005 (ENC)

1 For the Period From  (MM/DD/YY) To  (MM/DD/YY)

Part I Payee Information

2 Taxpayer Identification Number

3 Payee's Name

(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)

4 Registered Address  SA Zip Code

6 Foreign Address  SA Zip Code

Payor Information

6 Taxpayer Identification Number

7 Payor's Name

(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)

8 Registered Address  SA Zip Code





# PURCHASE OF GOODS BIR FORM 2307



PART III Details of Monthly Income Payments and Tax Withheld for the Quarter						
Income Payments Subject to Expanded Withholding Tax	ATC	AMOUNT OF INCOME PAYMENTS				Tax Withheld For the Quarter
		1st Month of the Quarter	2nd Month of the Quarter	3rd Month of the Quarter	Total	
<b>Income Payment made by NGAs, LGU, &amp; etc to its local/resident suppliers of GOODS other than those covered by other rates of withholding tax</b>	WI157	100,000				
<b>Total</b>						

100,000 1,000.00





# PURCHASE OF GOODS BIR FORM 2307



**PERCENTAGE  
TAX**

Money Payments Subject to Withholding of Business Tax (Government & Private)						
Persons exempt from VAT under Sec. 108BB (creditable) Government						
Withholding Agent WB080	100,000		100,000	,000.00		
<b>Total</b>						



# EXPANDED WITHHOLDING TAX & CREDITABLE PERCENTAGE TAX

## PURCHASE OF **SERVICES** (NON-VAT PAYEE)




<b>Gross Payment</b>		<b>P 100,000.00</b>	
<b>Less:</b>			
<b>GMP (NON-VAT)</b>	$100,000 \times 1\%$	<b>(1000.00)</b>	<b>1600</b>
<b>EXPANDED</b>	$100,000 \times 2\%$	<b>(2000.00)</b>	<b>0619-E</b>
<b>NET PAYMENT</b>		<b>P 97,000.00</b>	







# PURCHASE OF SERVICES BIR FORM 2307

	Republika ng Pilipinas Kagawaran ng Pansalaping Kawanihan ng Pentas Internas	<b>Certificate of Creditable Tax Withheld At Source</b>	BIR Form No. <b>2307</b> September 2005 (ENC)	
1 For the Period	From	01 01 23 (MM/DD/YY)	To	03 31 23 (MM/DD/YY)
<b>Part I Payee Information</b>				
2 Taxpayer Identification Number	123 456 789 000			
3 Payee's Name	Municipality of San Fernando <small>(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)</small>			
4 Registered Address	Poblacion, San Fernando, La Union	5A Zip Code	5000	
6 Foreign Address		6A Zip Code		
<b>Part II Payor Information</b>				
6 Taxpayer Identification Number	789 456 123 000			
7 Payor's Name	Dela Cruz, Juan <small>(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)</small>			
8 Registered Address	Poblacion, San Fernando, La Union	5A Zip Code		



# PURCHASE OF SERVICES BIR FORM 2307



**INCOME  
TAX**

PART III Details of Monthly Income Payments and Tax Withheld for the Quarter						
Income Payments Subject to Expanded Withholding Tax	ATC	AMOUNT OF INCOME PAYMENTS				Tax Withheld For the Quarter
		1st Month of the Quarter	2nd Month of the Quarter	3rd Month of the Quarter	Total	
<b>Income Payment made by NGAs, LGU, &amp; etc to its local/resident suppliers of SERVICES other than those covered by other rates of withholding tax</b>	WI640	100,000	100,000	2,000.00		
<b>Total</b>						





# PURCHASE OF SERVICES BIR FORM 2307

**PERCENTAGE  
TAX**

Money Payments Subject to Withholding of Business Tax (Government & Private)						
Persons exempt from VAT under Sec. 108BB (creditable) Government						
Withholding Agent WB080	100,000		100,000	,000.00		
<b>Total</b>						



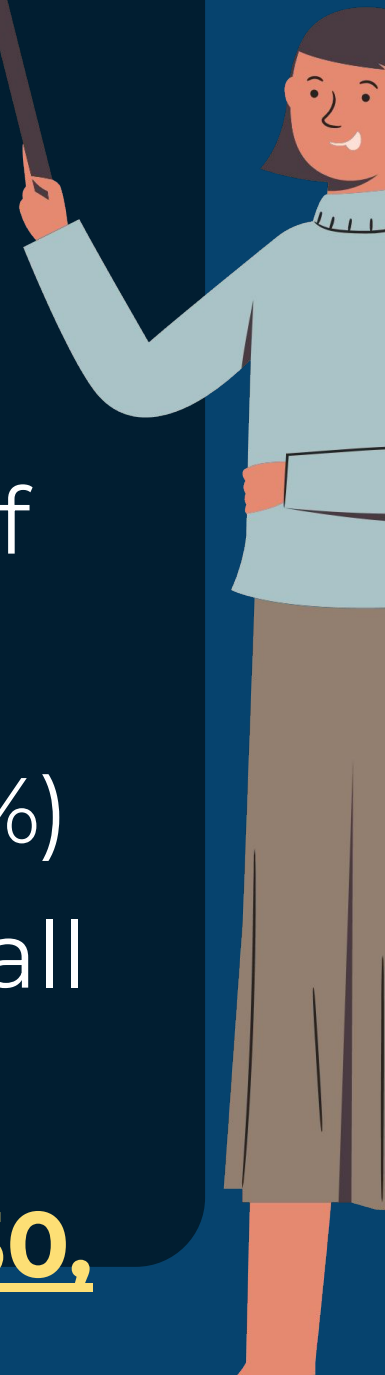


# PERCENTAGE TAX

## **SEC. 13 OF RA 11534 titled "An Act Reforming the Corporate Income Tax and Incentives System Also Known as CREATE Act**

"Sec. 116. Tax on Persons Exempt from Value-Added Tax (VAT). Any person whose sales or receipts 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 a tax equivalent to three percent (3%) of his gross quarterly sales or receipts: Provided, That cooperative shall be exempt from the three percent (3%) gross receipts tax herein imposed: **Provided, further, That effective July 1, 2020 until June 30,**

**2027, the rate shall be one percent (1%)**"





Effective July 1, 2023, the rate shall return to three percent (3%)."





# WITHHOLDING TAX ON GOVERNMENT MONEY PAYMENTS – VAT





# WITHHOLDING TAX ON GOVERNMENT MONEY PAYMENTS – VAT

The tax withheld by **National Government Agencies (NGAs)** and instrumentalities, including **government-owned and controlled corporations (GOCCs)** and **local government units (LGUs)**, before making any payments to **VAT** registered taxpayers/suppliers/payees on account of their purchases of goods and services



PROVISIONS OF REVENUE REGULATION NO. 13-2018 AS  
CLARIFIED BY REVENUE MEMORANDUM CIRCULAR NO. 36-2021

SEC.4-114-2. Withholding of VAT on Government Money Payments and Payments to Non-Residents.

(a) 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 beginning January 1, 2021, the VAT**

**withholding system under this subsection shall shift from final to a**



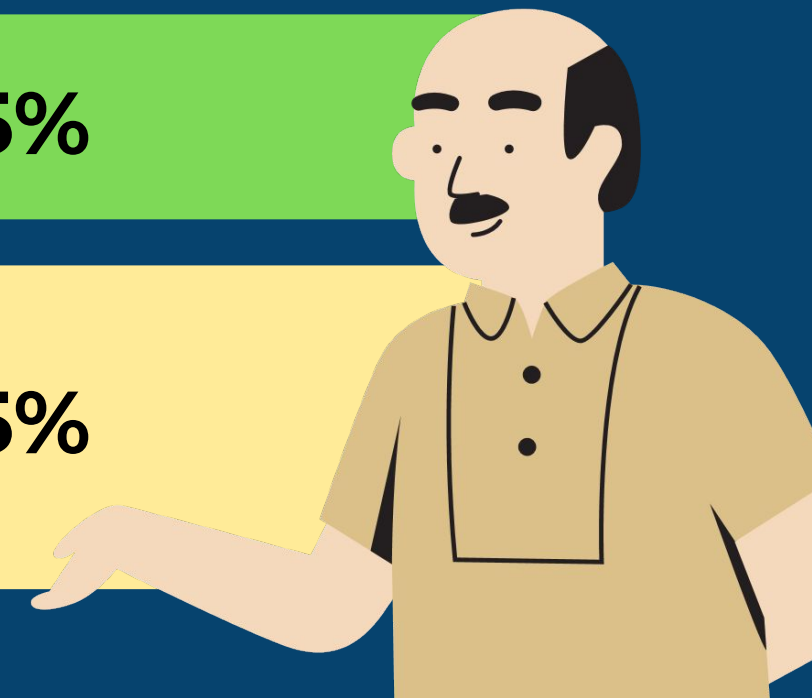




# EXPANDED WITHHOLDING TAX & CREDITABLE VAT

## EXAMPLE: VAT TAXPAYER

	Expanded Withholding Tax (EWT)	Creditable Value Added Tax (CVAT)
Goods	1%	5%
Services	2%	5%
Public Works Contractors	2%	5%





# CREDITABLE VAT

**TAX RATE IS 5 %**

**TAXABLE BASE IS SELLING PRICE NET OF VAT OR**

**GROSS BILLING LESS THE 12% VAT**





# COMPUTATION OF VAT EXCLUSIVE PURCHASES

## VAT IS SEPARATELY BILLED:

Gross Sale	100,000
Add: 12% VAT	<u>12,000</u>
Gross Billing	<u>112,000</u>

## TAXABLE BASE IS :

Taxable Base P 100,000.00

Rate X 5%

Creditable VAT P 5,000.00







# COMPUTATION OF VAT EXCLUSIVE PURCHASES

**VAT IS NOT SEPARATELY  
BILLED:**

<b>Gross Billing</b>	<b>112,000</b>
<b>X</b>	<b><u>1/1.12</u></b>
<b>Gross Sales</b>	<b><u>100,000</u></b>

**TAXABLE BASE IS :**

**Taxable Base P 100,000.00**

**Rate**           X           **5%**

**Creditable VAT P 5,000.00**





# EXPANDED WITHHOLDING TAX & CREDITABLE VAT

## PURCHASE OF **GOODS** (VAT PAYEE)



**Gross Billing /Payment**

**P 112,000.00**

**Less:**

**CREDITABLE VAT**

**100,000 x 5%**

**(5000.00)**

**1600**

**EXPANDED**

**100,000 x 1%**

**(1000.00)**

**0619-E**

**NET PAYMENT**

**P 106,000.00**







# PURCHASE OF GOODS BIR FORM 2307



Republika ng Pilipinas  
Kagawaran ng Pansalaping  
Kawanihan ng Pentas Internas

## Certificate of Creditable Tax Withheld At Source

BIR Form No.

# 2307

September 2005 (ENC)

1 For the Period From  (MM/DD/YY) To  (MM/DD/YY)

### Part I Payee Information

2 Taxpayer Identification Number

3 Payee's Name

(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)

4 Registered Address  SA Zip Code

6 Foreign Address  SA Zip Code

### Payor Information

6 Taxpayer Identification Number

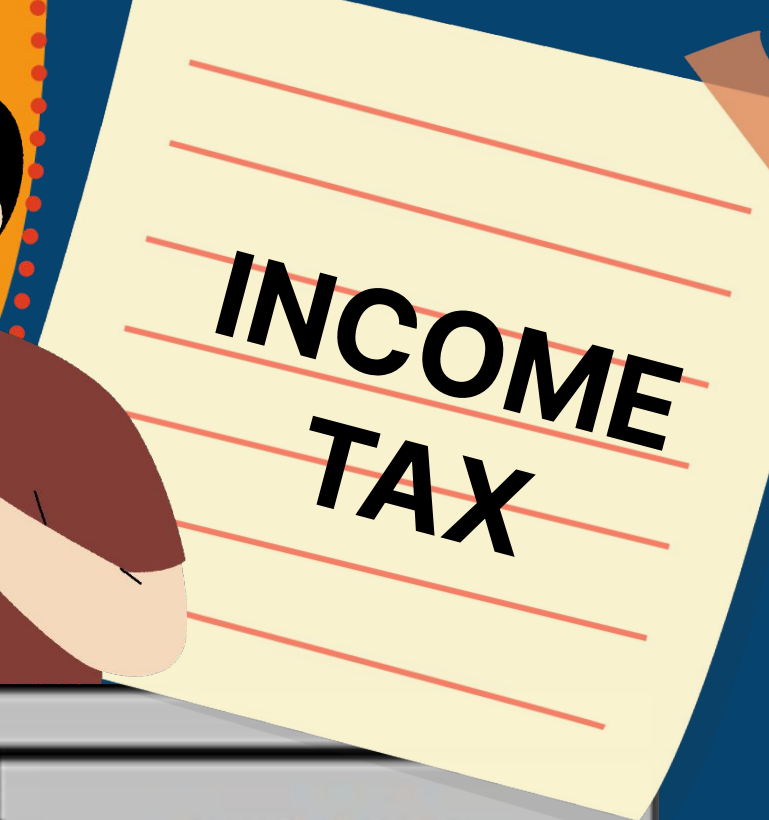
7 Payor's Name

(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)

8 Registered Address  SA Zip Code



# PURCHASE OF GOODS BIR FORM 2307



PART III Details of Monthly Income Payments and Tax Withheld for the Quarter						
Income Payments Subject to Expanded Withholding Tax	ATC	AMOUNT OF INCOME PAYMENTS				Tax Withheld For the Quarter
		1st Month of the Quarter	2nd Month of the Quarter	3rd Month of the Quarter	Total	
<b>Income Payment made by NGAs, LGU, &amp; etc to its local/resident suppliers of GOODS other than those covered by other rates of withholding tax</b>	WI157	100,000		100,000	1,000.00	
<b>Total</b>						





# PURCHASE OF GOODS BIR FORM 2307



**VALUE  
ADDED  
TAX**

Money Payments Subject to Withholding of Business Tax (Government & Private)						
VAT withholding on						
Purchase of Goods WV010	100,000		100,000	5,000.00		
Total						





# EXPANDED WITHHOLDING TAX & CREDITABLE VAT

## PURCHASE OF **SERVICES** (VAT PAYEE)

**Gross Payment**

**P 112,000.00**

**Less:**

**CREDITABLE VAT**

**100,000 x 5%**

**(5000.00)**

**1600**

**EXPANDED**

**100,000 x 2%**

**(2000.00)**

**0619-E**

**NET PAYMENT**


**P 105,000.00**







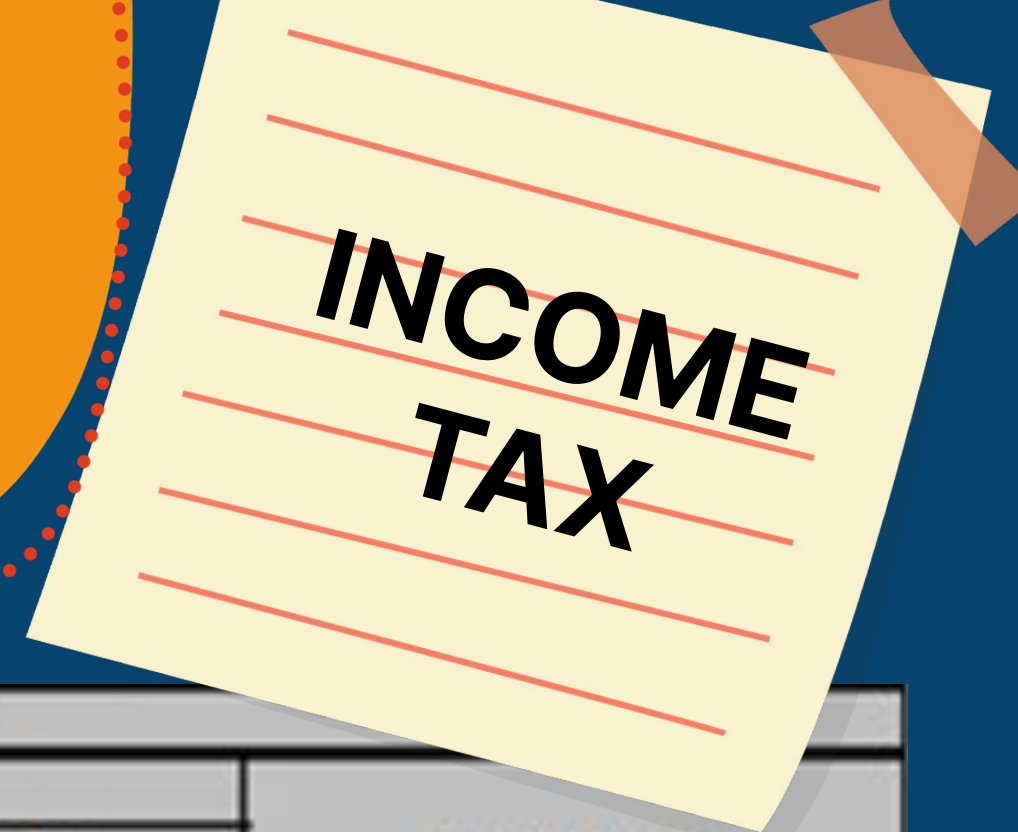
# PURCHASE OF SERVICES BIR FORM 2307

	Republika ng Pilipinas Kagawaran ng Pansalaping Kawanihan ng Pentas Internas	<b>Certificate of Creditable Tax Withheld At Source</b>	BIR Form No. <b>2307</b> September 2005 (ENC)	
1 For the Period	From	01 01 23 (MM/DD/YY)	To	03 31 23 (MM/DD/YY)
<b>Part I Payee Information</b>				
2 Taxpayer Identification Number	123 456 789 000			
3 Payee's Name	Municipality of San Fernando <small>(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)</small>			
4 Registered Address	Poblacion, San Fernando, La Union		5A Zip Code	5000
6 Foreign Address				
<b>Part II Payor Information</b>				
6 Taxpayer Identification Number	789 456 123 000			
7 Payor's Name	Dela Cruz, Juan <small>(Last Name, First Name, Middle Name for Individuals) (Registered Name for Non-Individuals)</small>			
8 Registered Address	Poblacion, San Fernando, La Union		5A Zip Code	





# PURCHASE OF SERVICES BIR FORM 2307



PART III Details of Monthly Income Payments and Tax Withheld for the Quarter						
Income Payments Subject to Expanded Withholding Tax	ATC	AMOUNT OF INCOME PAYMENTS				Tax Withheld For the Quarter
		1st Month of the Quarter	2nd Month of the Quarter	3rd Month of the Quarter	Total	
<b>Income Payment made by NGAs, LGU, &amp; etc to its local/resident suppliers of Services other than those covered by other rates of withholding tax</b>	WI640	100,000				
<b>Total</b>						

100,000 2,000.00





# WITHHOLDING TAXES

**Expanded  
Withholding Tax  
(EWT)**

**Creditable  
Withholding VAT  
(CVAT)**

**Creditable  
Percentage Tax  
Withheld (CPT)**

**Certificate to be  
issued to supplier  
of Goods or  
Services**

**2307**

**2307**

**2307**

**Available for  
credits against**

**Income Tax**

**VAT**

**Percentage  
Tax**





# WITHHOLDING TAXES

**Monthly**

**Quarterly**

**Annual**

**WITHHOLDING TAX ON  
GOVERNMENT MONEY  
PAYMENTS**

**1600**

**Due Date**

**10th day of the  
following month**

**Last day of the  
month following  
the close of**

**NOT APPLICABLE**

**Requirements for Over  
10 Payees  
(Hardcopy for less than 10)**

**Softcopy &  
Hardcopy**

**quarter  
Softcopy &  
Hardcopy**

**Softcopy &  
Hardcopy**

# PROVISIONS OF REVENUE MEMORANDUM CIRCULAR 5-2023

SEC.4-114-1. Filing of Return and Payment of VAT. (A) Filing of Return. – 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. The term “taxable quarter” shall mean that quarter that is synchronized with the income tax quarter of the taxpayer (i.e., the calendar quarter or fiscal quarter): Provided, however,

That VAT-registered persons shall pay the value-added tax on a monthly basis: **Provided, finally that beginning January 1, 2023, the filing and payment required under the Tax Code shall be done within twenty-five (25) days following the close of each taxable**





BEFORE

AFTER

Beginning January 1, 2023, the filing and payment required under the Tax Code shall be done within twenty-five (25) days following the close of each taxable quarter.

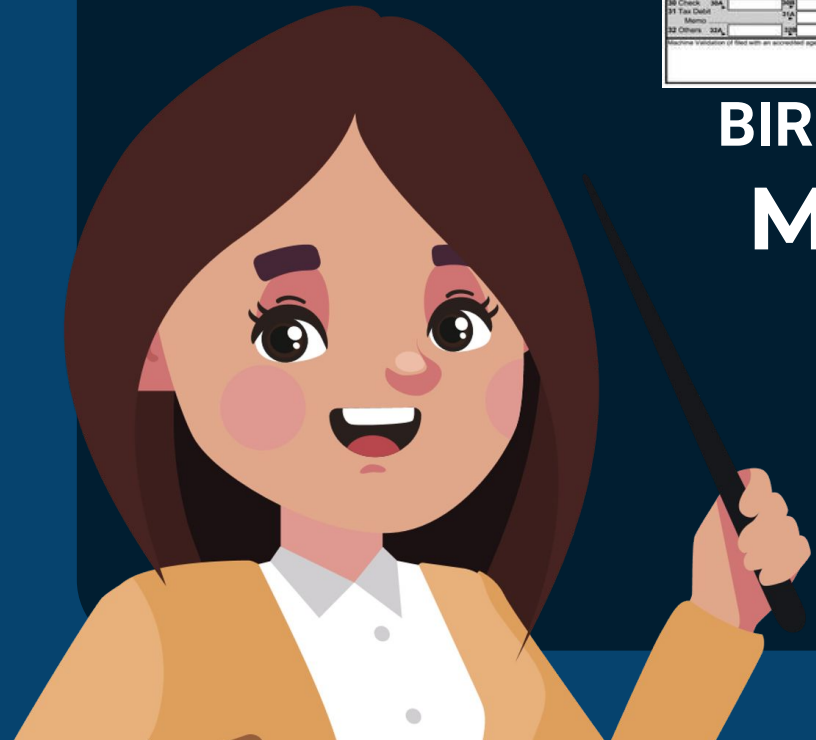


BIR Form 2550M Month 1

BIR Form 2550M Month 2

BIR Form 2550Q Quarterly

BIR Form 2550Q Quarterly







# Revenue

## Memorandum Circular

### No. 51-2018



# Revenue Memorandum

## Circular No. 51-2018

Registration and Compliance Requirements of Individuals under Job Order or Service Contract Agreement with the Departments and Agencies of the Government, Instrumentalities, Local Government Units (LGUs), State Colleges and Universities, including Government-Owned and /or –Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs).

# Professional

A person formally certified by a professional body belonging to a specific profession by virtue of having completed a required examination or course of studies and/or practice, whose competence can usually be measured against an established set of standards. It also refers to a person who engages in some art or sport for money, as a means of livelihood, rather than as a hobby. It includes but is not limited to doctors, lawyers, engineers, architects, CPAs, professional entertainers, artists, professional athletes, directors, producers, insurance agents, insurance adjusters, management and technical consultants, bookkeeping



# Other Service Providers or Supplier of Services

Shall refer to those individuals who are not identified under Section 2.57.2 (A)(1) of RR no. 2-98 and who render services of labor-only for a fee or under contract for service.



# 4 Classifications

- Professionals and other Supplier of Services Hired under a Contract for Service or Job Order Deriving gross receipts of P250,000 and below in any 12-month period from a LONE PAYOR and with no other source of income.
- Professionals and Other Supplier of Services hired under a Contract for Service or Job Order deriving gross receipts ABOVE P250,000 and NOT EXCEEDING P3,000,000 in any 12-month period from LONE PAYOR and with no other source of income.
- Professionals and Other Supplier of Services Hired under Contract for Service or Job Order deriving gross receipts ABOVE P3,000,000 in any 12-month period from LONE PAYOR with no other source of income
- Professionals and other Supplier of Supplier of Services Hired under contract for Services or Job Order with MULTIPLE PAYOR and/or other source of income

Professionals and other Supplier of Services Hired under a Contract for Service or Job Order Deriving gross receipts of P250,000 and below in any 12-month period from a LONE PAYOR and with no other source of income.

## Classification





# Registration Requirements:

- Duly filled up **BIR form 1901 (2 copies)**;
- **Copy of service contract** showing the amount of income;
- Any identification issued by an authorized government body (e.g. **Birth Certificate, Passport, Driver's License, Community Tax Certificate, etc.**)
- Payment of **Annual Registration Fee (ARF)** using **BIR form 0605**;
- Tax Type: **Income tax; Percentage Tax; Registration Fee (RF)**; and
- Exemption from the issuance of **Certificate of Registration (COR)**

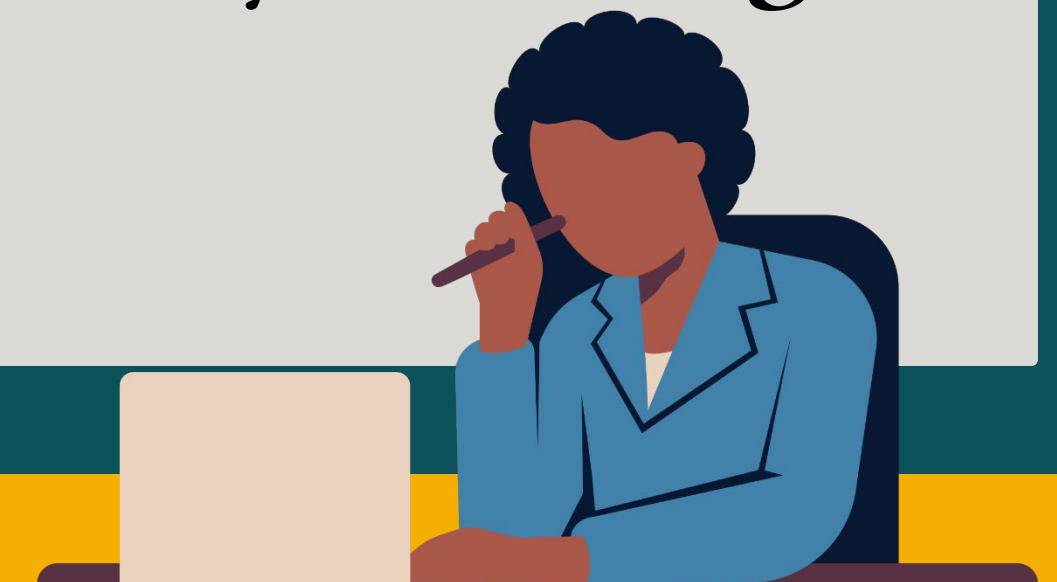
# Bookkeeping and Invoicing Requirements

- Exemption from compliance with the issuance of registered receipts/invoices;
- Exemption from the requirement of maintenance of Books of Account;

# Tax Compliance Requirements



- Filing of **Annual Income Tax Return (BIR form no. 1701)**;
- Filing and payment of **Renewal fee** on or before January 31 every year (BIR form 0605); and
- Filing and payment of **Percentage Tax** using **Quarterly Percentage Tax Return (BIR form no. 2551Q)**





If opted of the Graduated Income Tax Rates under Section 24 (A) (2) (a) of the Tax Code, as amended – Subject to withholding of three percent (3%) percentage tax under Section 5.116 (A) (1) of Revenue Regulations (RR)

no. 2-98, as amended;

Exempted from filing and payment of percentage tax and/or withholding of percentage tax if qualified and opted to avail of 8% income tax rate and submits an Income Payee's Sworn declaration of his/her gross receipts/sales (Annex "A1") to the lone income payor/withholding agent, together with a copy of duly received BIR form no. 1901 or copy of BIR form no. 0605- Annual Registration

Fee payment, in lieu of the COR(not required to attached COR)

**Tax Compliance Requirements**

# Example

Gross Income Payment

125,000.00

if opted to use Graduated Income Tax

Income Tax

File Online

On or before April 15 of the following year

Percentage Tax

3% of 125,000

On or before 25th day after the end of quarter

Annual Registration Fee

P 500.00

Upon registration and on or before January 31 every year

if opted to use 8% Income Tax

Income Tax

File Online

On or before April 15 of the following year

Percentage Tax

None

Annual Registration Fee

P 500.00

Upon registration and on or before January 31 every year



Professionals and Other Supplier of Services hired under a Contract for Service or Job Order deriving gross receipts ABOVE P250,000 and NOT EXCEEDING P3,000,000 in any 12-month period from LONE PAYOR and with no other source of income

**Classification**





# Registration Requirements:

- Duly filled up **BIR form 1901 (2 copies)**;
- **Copy of service contract** showing the amount of income;
- Any identification issued by an authorized government body (e.g. **Birth Certificate, Passport, Driver's License, Community Tax Certificate, etc.**)
- Payment of **Annual Registration Fee (ARF)**;
- Tax Types: **Registration Fee (RF), Income Tax (IT-1701), VAT or Percentage Tax**
  - For VAT Taxpayers:**
    - end date the **Form Type 2550M / 2550Q** if taxpayer will avail substituted VAT return.
  - For NON-VAT Taxpayer**
    - end date the **Form Type 2551Q** if taxpayer will avail of substituted percentage return or the eight percent (8%) income tax rate

# Bookkeeping and Invoicing Requirements

- Approval of Authority to Print (ATP) for the issuance of registered principal receipts/invoices (except if qualified under the substituted receipts); and
- Registration and maintenance of Books of Accounts;



# Tax Compliance Requirements

- Filing of Annual Income Tax Return (BIR form no. 1701);
- Filing and payment of Quarterly Income Tax Return (BIR form no. 1701Q);
- Attaching financial Statements to the filed Income Tax Return, if applicable , except , if qualified and availed of the option to be taxed at Eight percent (8%) income tax rate;



# Tax Compliance Requirements

Subject to creditable withholding tax rates of:

a. For Professionals

- **Five percent (5%)** – if the payee submits an Income Payee's Sworn Declaration of his/her gross /sales to the lone income payor/withholding agent with a copy of COR;

● - **Ten percent (10%)** – if the payee failed to provide the lone income payor/withholding agent of Income Payee's Sworn Declaration of his/her gross receipts/sales; or if the payee is VAT-registered regardless of amount of gross receipts/sales;

b. For Other Supplier of Services

- **Two percent (2%)** expanded withholding tax- if the payee submits an Income Payee's Sworn Declaration of his/her gross receipts/sales to the lone income payor/withholding agent

# Availment of the Eight Percent (8%) Income Tax rate Option

- A **BIR form no. 1905 application** for registration information update and 1st quarterly Income Tax Return
- B 1st quarterly percentage tax return and 1st quarterly income tax return
- C 1st quarterly income tax return only



Professionals and Other Supplier of Services Hired under Contract for Service or Job Order deriving gross receipts ABOVE P3,000,000 in any 12-month period from lone payor with no other source of income

**Classification**





# Registration Requirements:

- Duly filled up **BIR form 1901 (2 copies)**;
- **Copy of service contract** showing the amount of income;
- Any identification issued by an authorized government body (e.g. **Birth Certificate, Passport, Driver's License, Community Tax Certificate**, etc.
- Payment of **Annual Registration Fee (ARF)**;
- Tax Types: **Registration Fee (RF), Income Tax (IT-1701), VAT** (end date the form type **2550M/2550Q** if taxpayer will avail of substituted VAT return);

# Bookkeeping and Invoicing Requirements

- Approval of Authority to Print (ATP) for the issuance of registered principal receipts/invoices (except if qualified under the substituted receipts); and
- Registration and maintenance of Books of Accounts;



# Tax Compliance Requirements

- Filing and payment of quarterly income tax return (BIR form no. 1701Q);
- Filing and payment of annual income tax return using BIR form no. 1701;
- Attaching audited financial statements to the filed income tax return;
- Subject to creditable withholding tax rates of Ten percent (10%);





# Tax Compliance Requirements

- Subject to withholding of VAT

The Government Agency – payor is required to withhold:

a. Five percent (5%) final VAT withholding rate under Section 4.114-2 of RR no. 16-2005, as amended;

b. Twelve percent (12%) VAT under Section 9.245(A) of RR no. 2-98 as amended, if the payee will avail of substituted filing of VAT return under RR

- Attaching audited financial statements to the filed income tax return; no. 14-2003

- Filing and payment of quarterly VAT, except if the payee availed the substituted VAT return.



Professionals and other Supplier of Supplier of Services  
Hired under contract for Services or Job Order with  
Multiple Payor and/or other source of income

**Classification**



# Registration Requirements:

- Duly filled up **BIR form 1901 (2 copies)**;
- Checklist of requirements under **Annex A1 of RMC no. 30-2018**;
- Additional requirement ; **copy of service contract** showing the amount of income payment;
- Any identification issued by an authorized government body (e.g. **Birth Certificate, Passport, Driver's License, Community Tax Certificate, etc.**)
- Payment of **Annual Registration Fee (ARF)**;
- Tax Types: **Registration Fee (RF), Income Tax (IT-1701/1701Q), VAT or Percentage Tax.**



# Bookkeeping and Invoicing Requirements

- Approval of Authority to Print (ATP) for the issuance of registered principal receipts/invoices (except if qualified under the substituted receipts); and
- Registration and maintenance of Books of Accounts;



# Tax Compliance Requirements

- Filing and payment of quarterly income tax return (BIR form no. 1701Q and annual income tax return (BIR form no. 1701);
- Attaching Financial Statements (FS) to the filed income tax return, if applicable, except if qualified and availed of the option to be taxed at 8% income tax rate or audited FS, if the gross sales/receipts and other non –operating income of more
- than the VAT threshold:  
Subject to creditable withholding tax rates of:
  - a. For Professional - five percent (5%) if the payee's gross income shall not exceed P3,000,000 and submits an income payee's sworn declaration of his/her gross receipts/sales (annex "A2") to the income payor/withholding agent with a copy of COR.

# Tax Compliance Requirements

Ten percent (10%) - if the payee's gross income shall exceed P3,000,000 or VAT registered regardless of the amount; or if the payee failed to provide the income payor/withholding agent of income payee's sworn declaration of his/her gross receipts/sales.

b. For other supplier of services

Two percent (2%) - if the payee's gross income shall not exceed P3,000,000 and submits an income payee's sworn declaration of his/her gross receipts/sales (annex "A2") to the income payor/withholding agent with a copy of COR.

Ten percent (10%) - if the payee's gross income shall exceed P3,000,000 or VAT registered regardless of the amount



# Tax Compliance Requirements

- Subject to to creditable withholding of percentage tax or VAT;
  - payor is required to withhold three percent (3%) percentage tax under Section 5.116 (A) (1) of RR no. 2-98, except if the payee is qualified and availed the option to be taxed at eight percent 8% income tax rate
- Filing and payment of the quarterly VAT; or percentage tax returns, except if qualified and availed of the option to be taxed at eight percent (8%) income tax rate
- Quarterly submission of the Summary list of sales and Summary list of Domestic Purchases for VAT taxpayers.

Individuals under a Job Order or Service Contract Agreement with the Departments and Agencies of the Government Instrumentalities, LGUS, State Colleges and Universities, including the GOCCs and GFI.	Registration Fee (RF) /Annual RF	COR	Percentage / VAT	Bookkeeping	Invoicing	1701 ITR	1701Q	2551Q / 2550M / 2550Q	Gross Income < 3,000,000	Gross Income > 3,000,000	Percentage Tax	VAT
Professionals and Other Supplier of Services deriving gross receipts of P250,000 and below in any 12-month period from lone payor	✓	✗	✓*	✗	✗	✓	✗	✓	✗	✗	✓	✗
Other Supplier of Services deriving gross receipts above P250,000 in any 12-month from lone payor	✓	✓	✓*	✓	✓*	✓	✓	✓*	** 2% or 10%	10%	3%	5% or 12%
Professionals deriving gross receipts above P250,000 in any 12-month period from lone payor	✓	✓	✓*	✓	✓*	✓	✓	✓*	** 5% or 10%	10%	3%	5% or 12%

**NOTE:**

""\*"" May avail of the substituted filing on Percentage Tax/VAT return and substituted official receipts

""\*\*"" 10% creditable withholding tax rate shall be withheld, if the payee failed to submits sworn declaration; or if the payee is VAT-registered regardless of amount of gross receipts/sales

Individuals under a Job Order or Service Contract Agreement with the Departments and Agencies of the Government Instrumentalities, LGUS, State Colleges and Universities, including the GOCCs and GFI.	Registration Fee (RF) /Annual RF	COR	Percentage / VAT	Bookkeeping	Invoicing	1701 ITR	1701Q	2551Q / 2550Q	Gross Income < 3,000,000	Gross Income > 3,000,000	Percentage Tax	VAT
Other Supplier of Services receiving income from multiple payor and/or other source of income	✓	✓	✓	✓	✓	✓	✓	✓	** 2% or 10%	10%	3%	5%
Professionals receiving income from multiple payor and/or other source of income	✓	✓	✓	✓	✓	✓	✓	✓	** 5% or 10%	10%	3%	5%

**NOTE:**

"\*" May avail of the substituted filing on Percentage Tax/VAT return and substituted official receipts

"\*\*" 10% creditable withholding tax rate shall be withheld, if the payee failed to submit sworn declaration; or if the payee is VAT-registered regardless of amount of gross receipts/sales





Republic of the Philippines?  
BUREAU OF INTERNAL REVENUE



# REVENUE REGULATIONS NO. 6-2019

## ESTATE TAX AMNESTY

Implementing the Provisions of Estate Tax  
Amnesty under Title II of Republic Act (R.A.)  
No. 11213, Otherwise known as the "Tax  
Amnesty Act"


# Section 1. Purpose

Taxpayers' one-time opportunity to settle estate tax obligations through an Estate Tax Amnesty Program






# Section 2. Coverage



Estate of the  
decedent/s  
who died on  
or before  
December 31,  
2017

With or  
without  
assessments  
duly issued



Remained  
unpaid or  
have accrued  
as of  
December 31,  
2017.



# Section 3. Exceptions

**Delinquent estate tax liabilities which have become final and executory and those covered by Tax Amnesty on Delinquencies**

**Properties involved in cases pending in appropriate courts:**

- Presidential Commission of Good Government (PCGG cases)
- RA No. 3019 (Anti-Graft and Corrupt Practices Act) and RA No. 7080 (Act Defining and Penalizing The Crime of Plunder)



# Section 3. Exceptions

**Properties involved in cases pending in appropriate courts:**

- R.A. No. 9160 (Anti-Money Laundering Act), as amended
- Chapter II of Title X of the National Internal Revenue Code (NIRC) of 1997 (involving tax evasion and other criminal offenses)
- Under Chapters III and IV of Title VII of the Revised Penal Code (involving felonies of frauds, illegal exactions and transactions and malversation of public funds and property)



# Section 4.

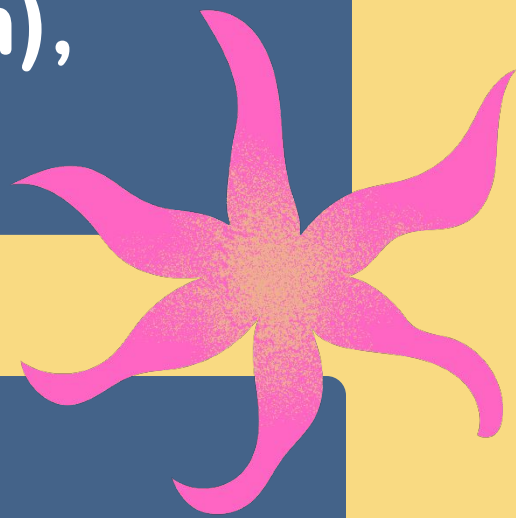
## Definition of Terms

### Gross Estate

- Consists of all properties and interests in properties of the decedent at the time of his death
- As well as properties transferred during his lifetime (only in form), but in substance, were only transferred at the time of death.

### Net Estate

- Gross estate less all allowable deductions as provided in the National Internal Revenue Code (NIRC) of 1997, as amended, or the applicable estate tax law prevailing at the time of death of the decedent.





# Section 4.

## Definition of Terms

### Net Undeclared Estate

- Difference between the total net estate valued at the time of death of the decedent and the net estate previously declared with the BIR, if any.

- For purposes of these Regulations, the net estate previously declared is presumed to have been reduced of all the allowable deductions; thus, only the share of the surviving spouse on the undeclared conjugal properties, if any, shall be deducted from the undeclared estate.



# Section 5. Rate of Estate Tax

**6%**

On each decedent's total net taxable estate at the time of death  
Without penalties at every stage of transfer of property

Provided that

**Php 5,000**

Minimum estate amnesty tax for the transfer of the estate of each decedent



# Section 6.

## Composition of the Gross Estate

### Residents and Citizens

all properties,  
real and personal,  
tangible and  
intangible,  
wherever situated

### Non-resident aliens

only real and  
personal  
properties  
situated in the  
Philippines





# Section 7.

## Valuation of Gross Estate

### In General

Fair Market Value as of the time of death of the decedent

### Real Properties

- Higher value between the Zonal Value and the Fair Market Value as shown in the schedule of values fixed by the provincial and city assessors.



# Section 7.

## Valuation of Gross Estate

### Shares of Stock

Listed and traded in the stock exchange

- The price at the time of death or the arithmetic mean between the highest and lowest quotation at a date nearest the date of death, if none is available on the date of death itself.

Not listed shares

- Common shares - book value
- Preferred shares - par value



# Section 7.

## Valuation of Gross Estate

### Proprietary Shares

- Bid price on the date of death or nearest to the date of death, if none is available on the date of death itself, as published in the newspaper of general circulation

### Cash in bank in local and/or foreign currency

- Peso value of the balance at the date of death.





# Section 8.

## Deductions from the Gross Estate

Gross estate may be reduced by the deductions allowed by the estate tax law applicable at the time of death of the decedent **(Annex C of RMC 103 - 2019)**.



# Section 8.

## Deductions from the Gross Estate

	DEDUCTION	March 01, 1917- October 28, 1936 (Revised Administrative Code)	October 29, 1936 – June 30, 1939 (Commonwealth Act of 106)	July 1, 1939 – September 14, 1950 (Commonwealth Act No. 466)	September 15, 1950-December 31, 1972 (RA No. 579)
2					
3	<b>A. Residents and Citizens</b>				
4	1 <b>Funeral Expense</b>	Actual funeral expense	Actual funeral expense	Actual funeral expense but not exceeding 5% of the gross estate	Actual funeral expense but not to exceed 5% of the gross estate
5	2 <b>Family Home</b>	No provision	No provision	No provision	No provision
6	3 <b>Standard Deduction</b>	No provision	No provision	No provision	No provision
7	4 <b>Medical Expenses</b>	No provision	No provision	No provision	No provision
8	5 <b>Judicial expenses of the testamentary or intestate proceedings</b>	Actual judicial expenses	Actual judicial expenses	Actual judicial expenses	Actual judicial expenses
9	6 <b>Claims against the estate</b>	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death. Proof required
10	7 <b>Claims against insolvent persons</b>	Total amount of claim (provided the same is included in the value of the gross estate of the decedent)	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent
11	8 <b>Unpaid mortgages</b>	No provision. May be related to claims against the estate	No provision. May be related to claims against the estate	<i>Outstanding amount as of date of death</i> , contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross	<i>Outstanding amount as of date of death</i> , contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross

# Section 9.

## Time and Place of Filing Estate Tax Amnesty Return (BIR Form 2118-EA) and Payment of Estate Tax Due

Time: Within two (2) years from the effectivity of these Regulations

Place: In case of a resident decedent RDO having jurisdiction over the last residence of the decedent





# Section 9.

## Time and Place of Filing Estate Tax Amnesty Return (BIR Form 2118-EA) and Payment of Estate Tax Due

Place: In case of a non-resident decedent

- With executor or administrator

RDO where such executor/administrator is registered or if not yet registered, at the executor/administrator's legal residence

- With no executor or administrator





# Section 9.

## Time and Place of Filing Estate Tax Amnesty Return (BIR Form 2118-EA) and Payment of Estate Tax Due

- The duly accomplished and sworn ETAR, together with the complete documents as enumerated in the ETAR, shall be presented to the concerned RDO for endorsement of the Acceptance Payment Form (BIR Form 0621-EA) (APF) prior to the payment of the estate amnesty



tax with the AAPs or PCOs

# Section 9.

## Time and Place of Filing Estate Tax Amnesty Return (BIR Form 2118-EA) and Payment of Estate Tax Due

- Only the duly endorsed APF by the RDO shall be presented to and received by the AAB or RCO.
- After payment, the duly accomplished and sworn ETAR and APF with proof of payment, together with the complete documentary requirements shall be immediately submitted to the RDO in triplicate copies for issuance of Certificate of Availment.



# Section 9.

## Time and Place of Filing Estate Tax Amnesty Return (BIR Form 2118-EA) and Payment of Estate Tax Due

Failure to submit the same within the two (2)-year period from the effectivity of these Regulations is tantamount to non-availment of the Estate Tax Amnesty and any payment made may be applied against the total regular estate tax due inclusive of penalties.



# Section 10.

## Estate Tax Amnesty Return for Undeclared Properties

An Amended Estate Tax Amnesty Return (ETAR) can be filed for properties not declared in the previously filed return within two (2) years from the effectivity of these Regulations.

- After the lapse of the 2 years, it shall be subject to the estate tax rate prevailing at the time of death including interest and penalties





# Section 11.

## Estate with Properties Subject of Taxable Donation/Sale

Properties subject of taxable donation/sale shall be assessed of the corresponding donor's/capital gains/or other applicable taxes at the time of donation/sale including penalties, if applicable.

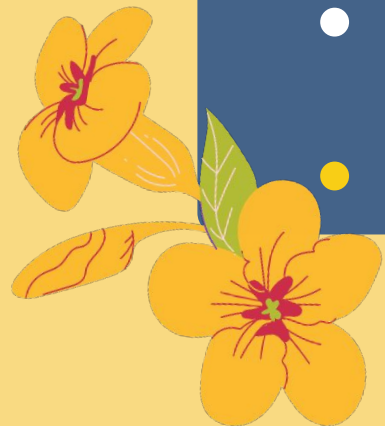


# Section 12.

## Issuance of Certificate of Availment

Shall be issued by the RDO within fifteen (15) calendar days from the receipt of:

- Application for Estate Tax Amnesty Return (ETAR)
- Duly Validated Acceptance Payment Form (APF)
- **Complete Documentary Requirements**



# Section 13.

## Issuance of Electronic Certificate Authorizing Registration (eCAR)

### Real Property

- One (1) eCAR shall be issued, including improvements, covered by OCT, TCT, CCT or Tax Declaration for untitled properties.

### Personal Properties

- One (1) eCAR to be issued separately from real property

# Section 16.

## Immunities and Privileges of Availing Estate Tax Amnesty

- Shall be immune from the payment of all estate taxes as well as any increments and additions there to, arising from the failure to pay any and all estate taxes for taxable year 2017 and prior years, and from all appurtenant civil, criminal and administrative cases, and penalties under the 1997 Tax Code, as amended.
- Do not imply any admission of criminal, civil or





# Section 18. Effectivity

June 15, 2019 to June 14, 2023

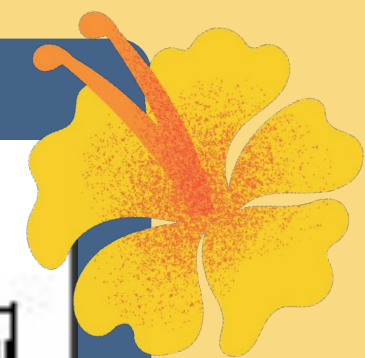
## Revenue Regulation 17 - 2021


Section 2. Amendment - Section 9, 12 and 13 of RR no. 6-2019 are hereby amended as follows:

"Section 9. Time and Place of Filing Estate Tax Amnesty Return (ETAR) (BIR Form 2118-EA) and Payment of Estate Tax Due.

For purposes of these Regulations, the Estate Tax Amnesty Return (ETAR) (BIR Form No. 2118-EA) (Annex B) shall be filed by the executor or administrator, legal heirs, transferees or beneficiaries, who wish to avail of the Estate Tax Amnesty **not later than June 14, 2023** with the Revenue District Office (RDO) having jurisdiction over the last residence of the

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 Republic of the Philippines  
 Department of Finance  
 Bureau of Internal Revenue

Annex "B"

For BIR Use Only: DCS/ Item:

BIR Form No. **2118-EA**  
July 2021 (ENCS) Page 1

**Estate Tax Amnesty Return**  
Pursuant to Republic Act (R.A.) No. 11213,  
as amended by R.A. No. 11689

Enter all required information in CAPITAL LETTERS using BLACK ink. Mail all applicable boxes with an "X".  
Taxpayers MUST be notified the BIR and use to be filed by the taxpayer.

2118-EA 07/21/ENCS P1

1 Date of Death (MMDD/YYYY)	2 Amended Estate Tax Amnesty Return? <input type="checkbox"/> Yes <input type="checkbox"/> No	3 Is there a Previously Filed Estate Tax Return prior to Estate Tax Amnesty? <input type="checkbox"/> Yes <input type="checkbox"/> No	4 Alphanumeric Tax Code (ATC) <b>MC-320</b>
<b>Part I - Taxpayer Information</b>			
5 Taxpayer Identification Number (TIN)		6 RDO Code	
7 Taxpayer's Name (STATE of Last Name, First Name, Middle Name)			
ESTATE OF			
8 Residence of Decedent at the time of death			
9 Non-Resident Alien? <input type="checkbox"/> Yes <input type="checkbox"/> No			
10 Name of Executor / Administrator (Last Name, First Name, Middle Name for individual OR Registered Name for Non-individual)			
11 Address of Executor / Administrator			
11A ZIP Code			
12 TIN of Executor / Administrator		13 Contact Number	
14 Email Address			
<b>Part II - Total Tax Payable</b>			
Particulars	A. Exclusive	B. Conjugal/Communal	C. Total
15 Real Properties excluding Family Home (From Schedule 1)			*
16 Family Home (From Schedule 1A)			*
17 Personal Properties (Total of Schedule 2 and 3)			*
18 Taxable Transfer (From Schedule 4)			*
19 GROSS ESTATE <small>(Sum of items 15 to 18)</small>			*
20 Less: Ordinary Deductions <small>(From Schedule 5)</small>			*
21 Estate after Deductions <small>(Item 19 less Item 20)</small>			*
22 Less: Share of Surviving Spouse (Item 21 divided by 2) (if applicable)			*
23 Estate of the Decedent (Item 21 less Item 22)			*

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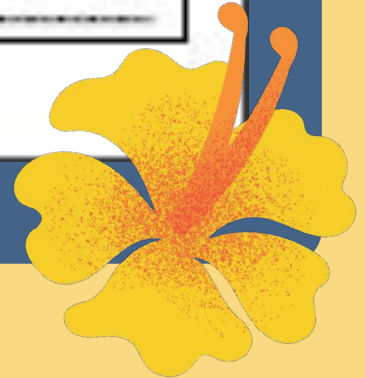


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<b>24 Less: Special Deductions</b>					
24A Family Home (if applicable)					+
24B Standard Deduction (if applicable)					+
24C Medical Expenses (if applicable)					+
24D Total Special Deductions (Sum of items 24A to 24C)					+
<b>25 NET TAXABLE ESTATE (Item 23 less item 24C)</b>					+
26 Less: Net Taxable Estate per Previously Filed Estate Tax Return/Estate Tax Amnesty Return (if applicable)					+
<b>27 NET TAXABLE ESTATE FOR AMNESTY (Item 25 less item 26)</b>					+
28 Applicable Tax Rate				6	+
<b>29 ESTATE TAX DUE (Item 27 Multiplied by Item 28)</b>					+
30 Minimum Amnesty Amount (if applicable)					+
<b>31 Amnesty Estate Tax Payable</b>					+
<p><b>Sworn Declaration:</b>          I/We declare under the penalties of perjury that this certificate has been made in good faith, verified by me/us, and to the best of my/our knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. Further, I/we give my/our consent to the processing of my/our information as contemplated under the "Data Privacy Act of 2012 (R.A. No. 10173) by me/us and my/our successors, if signed by an Authorized Representative, attach Special Power of Attorney.</p>					
<p>Signature Over Printed Name of Executor/Administrator/Heir/Authorized Representative          (Indicate office/location and TIN)</p>					
Tax Agent Accreditation No./ Attorney's Roll No. (if applicable)		Date of Issue (MM/DD/YYYY)		Date of Expiry (MM/DD/YYYY)	
MICLE Compliance No.					
<b>Part III - Details of Payment</b>					
Paid thru:					
<input type="checkbox"/> AAB (specify) _____		Branch Location _____		Date (MM/DD/YYYY) _____	
<input type="checkbox"/> ROC (specify name) _____				Date (MM/DD/YYYY) _____	


NOTE: The BIR Data Privacy Policy is in the BIR website ([www.bir.gov.ph](http://www.bir.gov.ph))

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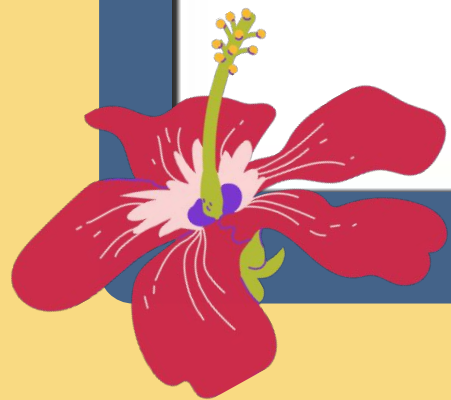
BIR Form No. <b>2118-EA</b> July 2021 (ENC5) Page 2		<b>Estate Tax Amnesty Return</b> Pursuant to Republic Act (R.A.) No. 11213, as amended by R.A. No. 11688				 <small>2118-EA.00121 ENC5 P2</small>		
TIN 0 0 0 0 0		Taxpayer's Name						
Part IV - Schedules								
DETAILS OF PROPERTY								
Schedule 1 - REAL PROPERTIES (Attach additional sheet/s, if necessary, using the same format of this Schedule with Sworn Declaration (see page 1))								
OCT/ TCT/ OCT No.	Tax Declaration (TD) No.	Location	Class <sup>a</sup>	Area	Zonal Value (ZV) (FMV per BIR)	Fair Market Value (FMV per TD)	FMV whichever is higher CONJUGAL   EXCLUSIVE	
TOTAL (To Part II Item 15)								
Schedule 1A - Family Home								
OCT/ TCT/ OCT No.	Tax Declaration (TD) No.	Location	Class <sup>a</sup>	Area	Zonal Value (ZV) (FMV per BIR)	Fair Market Value (FMV per TD)	FMV whichever is higher CONJUGAL   EXCLUSIVE	
TOTAL (To Part II Item 16)								
Schedule 2 - Personal Properties (SHARES OF STOCK) (Attach additional sheet/s if necessary)								
Name of Corporation	Stock Cert. No.	No of Shares	Fair Market Value per Share	Amount				
				CONJUGAL	EXCLUSIVE			
TOTAL (To Part II Item 17)								
Schedule 3 - Other Personal Properties (Attach additional sheet/s if necessary)								
Particulars				Amount				
				CONJUGAL	EXCLUSIVE			
TOTAL (To Part II Item 18)								

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Schedule 4 – Taxable Transfers (Attach additional sheet/s if necessary)		
Particulars	Amount	
	CONJUGAL	EXCLUSIVE
<b>TOTAL (To Part II Item 19)</b>		
Schedule 5 – Ordinary Deductions (Whichever is applicable)		
Particulars	Amount	
	CONJUGAL	EXCLUSIVE
Actual or Allowable Funeral Expenses		
Judicial Expenses of the Testamentary or Intestate Proceedings/Administration Expenses		
Claims against the Estate		
Claims against Insolvent Persons		
Property Previously Taxed (Vanishing Deduction)		
Transfers for Public Use		
Others (specify) _____		
<b>TOTAL (To Part II Item 20)</b>		

\* RR-Residential Regular    CR-Condominium Regular    CL-Cemetery Lot    GL-Government Lot    A-Agricultural    I-Institutional  
RC-Residential Condominium    CC-Commercial Condominium    PS-Parking Slot    GP-General Purpose    I-Industrial    APD-Area for Priority Development

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**TULONG-TULONG SA PAGBANGON  
KAPIT KAMAY SA PAG-AHON**  
BUWIS NA WASTO ALAY PARA SA PILIPINO

"If everyone is moving forward together. success takes care of itself."

-Henry Ford





THANK YOU

AND

HAVE A WONDERFUL DAY

