



Republic of the Philippines  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
**OFFICE OF THE SECRETARY**  
Manila

097.13 DPWH

10-16-2020

OCT 14 2020

DEPARTMENT ORDER )  
)  
NO. 95 )  
SERIES OF 2020 )  
(10.16.2020)

**SUBJECT : Amendment to Department  
Order No. 03 s. 2011  
(Updated Consultancy  
Billing Guidelines)**

In view of the implementation of the Train Law, the applicable rates of withholding taxes on consultancy contracts shall be increased pursuant to Section 2.57.2 of Revenue Regulation (RR) No. 14-2018 dated March 28, 2018, as follows:

*Section 2.57.2 Income Payments Subject to Creditable Withholding Tax and Rates Prescribed Thereon – Except as herein otherwise provided, there shall be withheld a creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:*

(A) *Professional fees, talent fees, etc. for services rendered- On the gross professional, promotional, and talent fees or any other form of remuneration for the services rendered by the following:*

Individual payee:

<i>If gross income for the current year did not exceed ₱3M</i>	<i>Five percent (5%)</i>
<i>If gross income is more than ₱3M or VAT Registered regardless of amount</i>	<i>Ten percent (10%)</i>

Non-individual payee:

<i>If gross income for the current year did not exceed ₱720,000</i>	<i>Ten percent (10%)</i>
<i>If gross income exceeds ₱720,000</i>	<i>Fifteen percent (15%)</i>

Payees/consultants subject to withholding tax under the foregoing section and availing to be exempt from the prescribed withholding tax rates must submit a Sworn Declaration of Gross Receipts/Sales, sample hereto attached. In case of failure, the maximum withholding tax rate of 15% shall apply.

For this purpose, Sections 9, 10, 12, and 13 of Department Order No. 03, s. 2011 (Updated Consultancy Billing Guidelines) which provide for the computation of withholding taxes and Value-Added Tax in the preparation of summary of charges and disbursement vouchers are hereby superseded accordingly.

This Order takes effect immediately and covers all ongoing consultancy contracts.

**MARK A. VILLAR**  
Secretary

Department of Public Works and Highways  
Office of the Secretary



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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  
Quezon City

BUREAU OF INTERNAL REVENUE  
RECORDS MGT. DIVISION  
2:00 P.M.  
APR 05 2018  
*Integr*  
**RECEIVED**

March 28, 2018

REVENUE REGULATIONS NO. 14-2018

**SUBJECT** : **Amending the Provisions of Revenue Regulations No. 11-18, Particularly Sections 2 and 14**

**TO** : **All Internal Revenue Officers and Others Concerned**

**SECTION 1. SCOPE** - Pursuant to the provisions of Section 244 in relation to Section 245 of the National Internal Revenue Code of 1997 (Tax Code of 1997) as amended, these Regulations are hereby promulgated to amend certain provisions of Revenue Regulations (RR) No. 11-2018.

**SECTION 2. AMENDATORY PROVISIONS** - The provisions of Sections 2 and 14 of RR 11-2018, are hereby amended as follows:

“SECTION 2. Certain items of Section 2.57.2 of RR No. 2-98 is hereby renumbered and further amended to read as follows:

**SECTION 2.57.2. Income Payments Subject to Creditable Withholding Tax and Rates Prescribed Thereon.** – Except as herein otherwise provided, there shall be withheld a creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:

**(A) Professional fees, talent fees, etc. for services rendered** – On the gross professional, promotional, and talent fees or any other form of remuneration for the services rendered by the following:

Individual payee:

If gross income for the current year did not exceed ₱3M - Five percent (5%);

If gross income is more than ₱3M or VAT Registered regardless of amount - Ten percent (10%)

Non-individual payee:

If gross income for the current year did not exceed ₱720,000-Ten percent (10%);

If gross income exceeds ₱720,000 - Fifteen percent (15%)

xxx

xxx

xxx

**SECTION 14. TRANSITORY PROVISIONS.** Income recipient/payee subject to withholding tax under Section 2 (Section 2.57.2) hereof and availing to be exempt from the prescribed withholding tax rates, shall submit on or before **April 20, 2018** a duly accomplished “Income Payee’s Sworn Declaration of Gross Receipts/Sales”, together with a copy of the Certificate of Registration (COR) to his/her income payor/withholding agent.

The income payor/withholding agent who/which received the "Income Payee's Sworn Declaration of Gross Receipts/Sales" and the copy of the payee's COR shall submit on or before **April 30, 2018**, a duly accomplished "Income Payor/Withholding Agent's Sworn Declaration", together with the List of Payees who have submitted "Income Payee's Sworn Declaration of Gross Receipts/Sales" and copies of CORs.


Any income tax withheld by the income payor/withholding agent in excess of what is prescribed in these regulations shall be refunded to the payee by the said income payor/withholding agent. The income payor/withholding agent shall reflect the amount refunded as adjustment to the remittable withholding tax due for the first quarter withholding tax return. The adjusted amount of tax withheld shall also be reflected in the Alphabetical List of Payees to be attached in the said first (1<sup>st</sup>) quarter return. The said list of payees, who are subject to refund either due to the change of rates of withholding or due to the qualification to avail of exemption from withholding tax (e.g. income recipient/payee submitted "Income Payee's Sworn Declaration of Gross Receipts/Sales" and copy of COR), shall likewise be attached in the said return which shall be filed on or before **April 30, 2018**.

In case the Certificate of Tax Withheld at Source (BIR Form No. 2307) has already been given to the payee, the same shall be returned by the payee to the payor upon receipt of the amount refunded by the income payor/withholding agent, together with the corrected BIR Form No. 2307, if still applicable. Otherwise, the said certificate to be given to the payee on or before the twentieth (20<sup>th</sup>) day after the close of the first (1<sup>st</sup>) quarter must reflect the corrected amount of tax withheld.

In no case shall income payee use BIR Form No. 2307 twice for the same amount of income payment from the same income payor/withholding agent and for the same period."

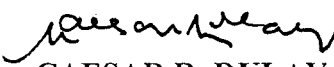
**SECTION 3. REPEALING CLAUSE.** All existing rules and regulations or parts thereof which are inconsistent with the provisions of these regulations are hereby revoked.


**SECTION 4. EFFECTIVITY.** These regulations shall take effect immediately.

  
CARLOS G. DOMINQUEZ  
Secretary of Finance  
APR 03 2018

002185

Recommending Approval:

  
CAESAR R. DULAY  
Commissioner of Internal Revenue  
015320

BUREAU OF INTERNAL REVENUE  
RECORDS MGT. DIVISION  
2:10 P.M.  
APR 05 2018  
  
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