

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

January 16, 2003

REVENUE MEMORANDUM ORDER NO. 1-2003

SUBJECT: Creation of Alphanumeric Tax Codes (ATC) of Selected Revenue Sources Subject to Expanded Withholding Tax Per Revenue Regulations No. 14-2002

TO : All Collection Agents, Revenue District Officers and Other Internal Revenue Officers Concerned

I. Objective :

To facilitate the proper identification and monitoring of additional income payments subject to withholding tax based on BIR Form No. 1601E (Monthly Remittance Return of Creditable Income Tax Withheld – Expanded) and BIR Form No. 2307 (Certificate of Creditable Taxes Withheld at Source), and for Integrated Tax System (ITS) purposes, the following ATCs are hereby created:

KIND OF TAXES	ISSUANCE/ LEGAL BASIS/ REASONS	ATC
For Taxes on Net Income and Profit – Creditable Withholding Tax on:		
1. Commissions of independent and exclusive distributors, medical/technical and sales representatives & marketing agents of multi-level marketing companies <ul style="list-style-type: none">• Individual (10% tax rate)• Corporate (10% tax rate)	RR 14 – 2002	WI 515 WC 515
2. Gross payments to embalmers by funeral parlors (1% tax rate)	RR 14 – 2002	WI 530

KIND OF TAXES	ISSUANCE/ LEGAL BASIS/ REASONS	ATC
3. Payments made by pre-need companies to funeral parlors	RR 14 – 2002	
• Individual (1% tax rate)		WI 535
• Corporate (1% tax rate)		WC 535
4. Tolling fee paid to refineries	RR 14 – 2002	
• Individual (5% tax rate)		WI 540
• Corporate (5% tax rate)		WC 540

As amended by Sec. 2 of RR No. 14 – 2002, the scope of income payments subject to creditable withholding tax from rentals of real property was extended to rentals of personal properties; poles, satellites and transmission facilities; and billboards. No separate ATC shall be created for this purpose, instead the existing ATCs for rentals of real property (per RMO No. 14 – 1999) will be assigned and shall read as follows:

KIND OF TAXES	ISSUANCE/ LEGAL BASIS/ REASONS	ATC
I. Tax on Income		
xxx	Xxx	xxx
B. Taxes Withheld		
xxx	Xxx	xxx
2. Withholding at Source		
a) Subject to creditable withholding tax		
2) Rentals – on gross for the continued use or possession of real property, personal properties, poles, satellites & transmission facilities, and billboards used in business which the payor or obligor has not taken or is not taking title or in which has no equity	Sec. 2.57.2(C) of RR No. 2-98 as amended by Sec.2 of RR No. 14-2002.	
• Individual (5%)		WI 100
• Corporate (5%)		WC 100

II. Repealing Clause :

This Revenue Memorandum Order revises portions of all other issuances inconsistent herewith.

III. Effectivity :

This Revenue Memorandum Order shall take effect immediately.

(Original Signed)

GUILLERMO L. PARAYNO, Jr.
Commissioner of Internal Revenue