

BUSINESS TAXES

8/23/13

1. VAT

Vatiable taxes

1. Sale of goods
2. Sale of services
3. lease of properties
4. importation of goods

* characteristics:

1. indirect
2. shifting feature
3. proportional

OV - Sale
- diem sale

1. consumption
2. dacion en pago
3. property dividends
4. consignment beyond 60 days
5. ending invty.

"12.1."

- Sale of goods (Gross selling price (100%), VAT (12.1%) = invoice (112.1%) $\times \frac{100}{112.1}$ = OV
- Sale of services (Gross receipt) - ALL
- importation (landed cost) = value of imported article + necessary exp. for

"O rated"

goods	services	importation
1. export	1. export	none
a shipment outside Phil.		
b sales in favor of export oriented enterprise		
- 70% annual production shipped		
c. sale of gold BSP		
d. sale of omnibus investment code		
2. foreign currency denominated transactions		
3. Special laws "effective zero rated transaction"		
4. sale of receivable essay		
5. international carriage		

2. EXCISE "privilege tax"

manufacturer/importer of "SIN" product

- a. distilled spirit
- b. fermented liquor
- c. wines
- d. cigars
- e. cigarettes
- f. tobacco product - specific - number - ad valorem - value
- g. automobiles
- h. manufacturing oils/fuels
- i. non-essential goods
- j. minerals

3. OTHER PERCENTAGE TAXES

Sec-116
exempt from VAT

- g. 3% on GR; AGR < 1,919,500
- sec. 117 - common carriers 3%
- sec. 118 - intl carrier 3%
- sec. 119 - franchise tax
- H₂O Gas 2% AGR < 6M
- TV & radio 3%

Sec. 120 - overhead communication tax (10%) - IDD, PDD 12%

- sec. 121 - banks - ST 5% < 2 yrs.
- MT 3% - 2-5 yrs.
- LT 1% - 5-7 yrs.
- 0% - 7 yrs.

Sec. 122 - Finance Co. - Pawnshop - MT 3%

Insurance Co.

"life" insurance - 5% OPT
Marine/fire/allied 12% VAT

Sec. 124 - agent of foreign insurance Co.

Sec. 125 - amusement tax

- Cockpit/Cabaret 18% GR
- basketball 15%
- boxing 10%
- (except, world championship Jai alai, race horse 30%)

Sec. 126 - winning tax

- race horse, winner 4%
- betting 10% - net of ticket cost
- special but 4%

Sec. 127 - stock transaction tax

- Sale of share of stock

CORONA

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