

BIR releases 4 revenue regulations under TRAIN

By MARY GRACE PADIN

The Bureau of Internal Revenue (BIR) has issued four revenue regulations (RRs) containing some implementing rules and regulations (IRR) of the recently enacted tax reform law.

In the BIR's website, Internal Revenue Commissioner Caesar Dulay released Revenue Regulations 1, 3, 4 and 5, series of 2018, pertaining to tax adjustments on coal and mineral products, tobacco products, documentary stamp tax, and automobiles, respectively.

These RRs form part of the series of issuances to be released by the BIR, which will contain the implementing rules and regulations of the Tax Reform for Acceleration and Inclusion Act (TRAIN).

Revenue Regulation 1, for

its part, prescribes the new tax rates on mineral products, pursuant to the TRAIN law.

According to the RR, domestic and imported coal will now have an excise tax rate of P50 per metric ton starting Jan. 1, 2018. By Jan. 1 next year, this will increase to P100 per metric ton, and by 2020, to P150 per metric ton.

"Coal produced under the Coal Operation Contract entered into by the government pursuant to Presidential Decree 972 as well as those exempted from excise tax on mineral products under other laws shall now be subject to the applicable rates beginning Jan. 1, 2018," the RR read.

Meanwhile, all imported locally-extracted metallic and nonmetallic minerals will now be levied a tax of four percent.

Revenue Regulation 3, for

its part, states that the excise tax of tobacco products has increased to P32.50 per pack starting Jan. 1, 2018. This will further increase to P35 per pack by the second half of the year, P37.50 by 2020, and P40 by 2022.

"Effective Jan. 1, 2024, the specific tax rate shall be increased by four percent every year thereafter," the revenue regulator stated.

Revenue Regulation 4 also prescribed the documentary stamp tax rates on shares of stocks, debt instruments, life insurance policies, pre-need plans, warehouse receipts, and other sources of passive income.

Lastly, Revenue Regulation 5 adjusts the excise tax on automobiles. It also exempts purely electric vehicles from the excise tax.

Earlier, Dulay said the BIR

is targeting to complete by the end of January the implementing rules and regulations of TRAIN, in coordination with the Department of Finance.

Euvimil Nina Asuncion, a member of the BIR Legal Group and the drafting committee of the IRR, said the bureau has so far identified about ten BIR revenue regulations, which would contain the guidelines for the TRAIN Law.

Republic Act 10963 or the TRAIN Act, which contains Package 1A of the DOF's Comprehensive Tax Reform Program (CTRP), simplifies the country's tax system by lowering personal income tax rates.

It also adjusts excise taxes of fuel, automobile, coal and sugar-sweetened beverages, and expands the tax base by removing value-added tax exemptions.

* TAX REFORM FOR ACCELERATION AND INCLUSION