



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
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MAR 31 2015
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Date: March 31, 2015

REVENUE REGULATIONS NO. 7-2015

SUBJECT : Amending Further the Provision of Section 2.57.2 of Revenue Regulations No. 2-98, as amended, particularly Subsection (AA) as introduced by Revenue Regulations No. 11-2014, Relative to the Income Payments on Locally Produced Raw Sugar and Other Matters

TO : All Internal Revenue Officials, Employees and Others Concerned

SECTION 1. SCOPE. – Pursuant to the provisions of Section 244, in relation to Section 57(B) of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to further amend the provisions of Section 2.57.2 of Revenue Regulations (RR) No. 2-98, as amended, particularly Subsections (AA) on income payments on locally produced raw sugar.

SEC. 2. AMENDMENTS. – Section 2.57.2 (AA) of RR No. 2-98, as amended, is hereby further amended to read as follows:

“(AA) Income payments on sugar. – On gross payments on purchases of sugar - One percent (1%)

1. Proprietors or operators of sugar mills/refineries on their mill share, and buyers of Quedans or Molasses Storage Certificates from the sugar planters on locally produced raw cane sugar, raw sugar and molasses shall withhold the creditable income tax and remit the same to the BIR based on the following, subject, however, to adjustment, when deemed necessary by the Commissioner, depending on the prevailing market price of raw cane sugar, raw sugar and molasses:
 - 1.1 For locally produced raw cane sugar and raw sugar - base price of ONE THOUSAND PESOS (P1,000.00) per FIFTY (50) kilogram (kg.) bag or actual selling price, whichever is higher.
 - 1.2 For Molasses- base price of FOUR THOUSAND PESOS (P4,000.00) per metric ton or actual selling price, whichever is higher.
2. Buyers of refined sugar, whether locally produced or imported, shall withhold the creditable income tax based on the actual selling price thereof.

For purposes of this subsection, the following terms shall have the following meaning:

xxx xxx xxx

(ix) sugar – refers to raw cane sugar, raw sugar and refined sugar.

The Regional Director/Revenue District Officer, which has jurisdiction over the physical location of the sugar mills/refineries, shall issue the Authority to Release Locally Produced Raw Sugar/Raw Cane Sugar/Molasses (Annexes “A” or “B”, or “C” as applicable) or Authority to Release Locally Refined Sugar (Annexes “D” or “E” as applicable) to the proprietors or operators, for purposes of allowing the

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transfer/withdrawal of their mill share, or to the buyers of Quedans or Molasses Storage Certificates on the locally produced sugar; Provided, however, That, copies of proofs of payment of the creditable withholding tax due thereon (i.e., duly validated Monthly Remittance Return of Creditable Income Taxes Withheld (Expanded) [BIR Form No. 1601-E] and Bank Payment/Deposit Slip/Revenue Official Receipt [BIR Form No. 2524]) shall have been submitted and attached to the written request for said authorization.

xxxxxxxxx"


SEC. 3. REGISTRATION AND BOOKKEEPING RULES FOR SUGAR OWNERS WHO ARE SMALL SUGAR PLANTERS. - Any sugar owners who plants their own sugar whose gross receipts for a year does not exceed Three Hundred Thousand Pesos (PHP 300,000.00) shall be required to comply with the following simplified rules of registration and bookkeeping:

- a. Exemption from the payment of registration fee as prescribed under Section 236(B) of the NIRC upon registration with the BIR after submission of the following minimal basic documentary requirements:
 - i. Sworn Statement of Income for the year, and
 - ii. NSO Certified Birth Certificate.
- b. Exemption from compliance with the issuance of registered receipts or sales/commercial invoices prescribed under Section 237 of the NIRC;
- c. Exemption from the requirement of maintenance of books of accounts;
- d. Exemption from attaching Financial Statements of Account Information Form to the filed Income Tax Return;
- e. Exemption from filing of monthly percentage tax, the advance Percentage Tax collected from the sale of their sugar shall be considered substantial compliance for the filing of the monthly percentage tax required under the NIRC.

Provided, however, the said sugar owner are required to file their Income Tax Return on the date required under the NIRC.

SEC. 4. REPEALING CLAUSE. - All existing rules and regulations or parts thereof which are inconsistent with the provisions of these Regulations are hereby modified, amended, revoked or repealed accordingly.

SEC. 5. EFFECTIVITY. - These Regulations shall take effect immediately upon publication in any newspaper of general circulation.


CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

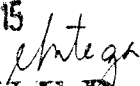
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

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ANNEX "A"

Revenue Region No. _____
 Revenue District Office No. _____

SN _____

**AUTHORITY TO RELEASE
 LOCALLY PRODUCED RAW CANE SUGAR/RAW SUGAR/MOLASSES
 (For Miller of Sugar Cane)**

Date _____

The President

Sir/Madam:

With reference to your letter dated _____ requesting for the issuance of clearance allowing the release of your mill share on the locally produced raw cane sugar/raw sugar/molasses paid to you by _____ (name of sugar planter) _____ (TIN) _____ (address) _____, please be informed that since you have already remitted the creditable income tax withheld of _____ (amount in words) _____ (P _____) you are hereby authorized to transfer/withdraw the _____ (quantity in words) _____ (_____)bags (in 50 kgs.) of the said locally produced raw cane sugar/raw sugar/(_____) metric ton/s of molasses covered by Quedan No. _____/ Molasses Storage Certificate No. _____ issued by _____ (name of sugar mill/refinery) _____.

Particulars	Drawee Bank	Number	Date	Amount
Cash				
Check				
Bank Debit Memo				

Name of AAB _____
 Name of RCO/DC/MT _____
 Date of Payment _____

 Signature over Printed Name
 of Approving Officer

- Original : Sugar Mill/Refinery
- Duplicate : Sugar Planter
- Triplicate : Payor-Withholding Agent (Buyer/Operator or Proprietor of Sugar Mill/Refinery)
- Quadruplicate : Home RDO/LTS Office where the Sugar Refinery is registered
- Quintuplicate : Home RDO/LTS Office where the Sugar Planter is registered
- Sextuplicate : Issuing Revenue District Officer

Revenue Region No. _____
 Revenue District Office No. _____

SN _____

**AUTHORITY TO RELEASE
 LOCALLY PRODUCED RAW CANE SUGAR/RAW SUGAR/MOLASSES
 (For Direct Buyer of Quedan or Molasses Storage Certificate)**

Date _____

The President

Sir/Madam:

With reference to your letter dated _____ of _____ (buyer of quedan or molasses storage certificate) _____, _____ (TIN) _____, (address) _____ requesting for the issuance of clearance allowing the release of the locally produced raw cane sugar/raw sugar/molasses owned by _____ (name of sugar planter) _____, _____ (TIN) _____, _____ (address) _____, please be informed that since _____ (buyer of quedan or molasses storage certificate certificate) _____ have already remitted the creditable income tax withheld of _____ (amount in words) _____ (P _____) you are hereby authorized to transfer/withdraw the _____ (quantity in words) _____ (_____)bags (in 50 kgs.) of the said locally produced raw cane sugar/raw sugar/(_____) metric ton/s of molasses covered by Quedan No. _____ / Molasses Storage Certificate No. _____ issued by _____ (name of sugar mill/refinery) _____.

Particulars	Drawee Bank	Number	Date	Amount
Cash				
Check				
Bank Debit Memo				

Name of AAB _____

Name of RCO/DC/MT _____

Date of Payment _____

 Signature over Printed Name
 of Approving Officer

- Original : Sugar Mill/Refinery
- Duplicate : Sugar Planter
- Triplicate : Payor-Withholding Agent (Buyer/Operator or Proprietor of Sugar Mill/Refinery)
- Quadruplicate : Home RDO/LTS Office where the Sugar Refinery is registered
- Quintuplicate : Home RDO/LTS Office where the Sugar Planter is registered
- Sextuplicate : Issuing Revenue District Officer

Revenue Region No. _____
Revenue District Office No. _____

SN _____

AUTHORITY TO RELEASE
LOCALLY PRODUCED RAW CANE SUGAR/RAW SUGAR/MOLASSES
*(For Direct Buyer of Quedan on Raw Cane Sugar/Raw Sugar
or Molasses Storage Certificate on Molasses Owned by Tax-Exempt Person)*

Date _____

The President

Sir/Madam:

With reference to the letter dated _____ of _____ (buyer of quedan/molasses storage certificate on raw cane sugar/raw sugar sugar/molasses _____, _____ (TIN) _____, _____ (address) _____ requesting for the issuance of clearance allowing the release of the locally produced raw cane sugar/raw sugar/molasses owned by _____ (tax-exempt owner of quedan/molasses storage certificates on raw cane sugar/raw sugar sugar/molasses) _____, _____ (TIN) _____, _____ (address) _____, without the payment of the creditable income tax withheld on the ground that the seller-owner of quedan on raw cane sugar/raw sugar/molasses is tax-exempt by virtue of _____ (indicate legal basis of exemption, including control number and date of BIR ruling) _____, you are hereby authorized to withdraw the _____ (quantity in words) _____ (_____)bags (in 50 kgs.) of the said locally produced raw cane sugar/raw sugar/molasses covered by Quedan No(s). _____ issued by _____ (name of miller/sugar refinery) _____.

Signature over Printed Name
of Approving Officer

- Original : Sugar Refinery
- Duplicate : Owner of Quedan on Raw Cane Sugar/Raw Sugar
- Triplicate : Payor-Withholding Agent (Buyer of Quedan on Raw Cane Sugar/Raw Sugar)
- Quadruplicate : Home RDO/LTS Office where the Sugar Refinery is registered
- Quintuplicate : Home RDO/LTS Office where the Owner of Quedan on Raw Cane Sugar/Raw Sugar is registered
- Sextuplicate : Issuing Revenue District Officer

Revenue Region No. _____
 Revenue District Office No. _____

SN _____

AUTHORITY TO RELEASE LOCALLY REFINED SUGAR
(For Buyer of Quedan on Locally Refined Sugar Subject to Creditable Withhold Tax)

Date _____

The President

Sir/Madam:

With reference to the letter dated _____ of _____ (buyer of quedan on refined sugar),
 _____ (TIN), _____ (address) requesting for the issuance of a clearance
 allowing the release of the locally produced refined sugar owned by _____ (owner of quedan on refined sugar),
 _____ (TIN), _____ (address), please be informed that since _____ (buyer of quedan on refined
 sugar) has already remitted the creditable income tax withheld of _____ (amount in words)
 (P _____), you are hereby authorized to withdraw the _____ (quantity in
 words) _____ (bags) (in 50 kgs.) of the said locally produced refined sugar covered by
 Quedan No(s). _____ issued by _____ (name of sugar refinery).

Particulars	Drawee Bank	Number	Date	Amount
Cash				
Check				
Bank Debit Memo				

Name of AAB _____

Name of RCO/DC/MT _____

Date of Payment _____

 Signature over Printed Name
 of Approving Officer

- Original : Sugar Refinery
- Duplicate : Owner of Quedan on Refined Sugar
- Triplicate : Payor-Withholding Agent (Buyer of Quedan on Refined Sugar)
- Quadruplicate : Home RDO/LTS Office where the Sugar Refinery is registered
- Quintuplicate : Home RDO/LTS Office where the Owner of Quedan on Refined Sugar is registered
- Sextuplicate : Issuing Revenue District Officer

Revenue Region No. _____
Revenue District Office No. _____

SN _____

**AUTHORITY TO RELEASE
LOCALLY PRODUCED REFINED SUGAR**
(For Buyer of Quedan on Locally Produced Refined Sugar Owned by Tax-Exempt Person)

Date _____

The President

Sir/Madam:

With reference to the letter dated _____ of _____ (buyer of quedan on refined sugar _____, _____ (TIN) _____, _____ (address) _____) requesting for the issuance of clearance allowing the release of the locally produced refined sugar owned by _____ (tax-exempt owner of quedan on refined sugar) _____ (TIN) _____, _____ (address) _____, without the payment of the creditable income tax withheld on the ground that the seller-owner of quedan on refined sugar is tax-exempt by virtue of _____ (indicate legal basis of exemption, including control number and date of BIR ruling) _____, you are hereby authorized to withdraw the _____ (quantity in words) _____ (_____) bags (in 50 kgs.) of the said locally produced refined sugar covered by Quedan No(s). _____ issued by _____ (name of sugar refinery) _____.

Signature over Printed Name
of Approving Officer

Original : Sugar Refinery
Duplicate : Owner of Quedan on Refined Sugar
Triplicate : Payor-Withholding Agent (Buyer of Quedan on Refined Sugar)
Quadruplicate : Home RDO/LTS Office where the Sugar Refinery is registered
Quintuplicate : Home RDO/LTS Office where the Owner of Quedan on Refined Sugar is registered
Sextuplicate : Issuing Revenue District Officer