

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

October 22, 2009

**REVENUE REGULATIONS NO. 8-2009**

**SUBJECT** : Amending Further Secs. 2.57.2 and 2.57.3 of Revenue Regulations No. 2-98, as amended, Subjecting to Creditable Withholding Tax the Income Payments Made by Political Parties and Candidates of Local and National Elections of All Their Campaign Expenditures and Income Payments Made by an Individual or Juridical Person Forming Part of Their Campaign Contributions to Candidates of Local and National Elections and to Political Parties

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

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**SECTION 1. OBJECTIVE** – It is anticipated that candidates for electoral offices in the national and local elections, their political parties and political supporters will incur substantial campaign expenditures. The candidates have the civic duty of assisting in nation building which can be attained with them being involved in complying with their tax obligations. These regulations are promulgated to ensure that the purchases of goods and services for the campaign and election activities of the candidates and their contributors and supporters shall be subject to withholding of tax.

**SECTION 2. AMENDMENTS TO SECTION 2.57.2 OF REVENUE REGULATIONS NO. 2-98, AS AMENDED.** – Sec. 2.57.2 of Revenue Regulations No. 2-98, as amended, is hereby further amended, to read as follows:

*“Sec.2.57.2 Income payments subject to creditable 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:*

xxx                      xxx                      xxx

*“ (W) Income payments made by political parties and candidates of local and national elections of all their campaign expenditures, and income payments made by individuals or juridical persons for their purchases of goods and services intended to be given as campaign contribution to political parties and candidates - Five percent (5%).*

**SECTION 3. AMENDMENTS TO SECTION 2.57.3 OF REVENUE REGULATIONS NO. 2-98, AS AMENDED.** – Sec. 2.57.3 of Revenue Regulations No. 2-98, as amended, is hereby further amended, to read as follows:

*“Sec.2.57.3 Persons required to deduct and withhold – The following persons are hereby constituted as withholding agents for purposes of the creditable tax required to be withheld on income payments enumerated in Section 2.57.2:*

xxx                      xxx                      xxx

*“(D) All individuals, juridical persons and political parties, with respect to their income payments made as campaign expenditures and/or purchase of goods and services intended as campaign contributions.*

**SECTION 4. REPEALING CLAUSE.** – The provisions of any revenue regulations, revenue memorandum orders or circulars or any other revenue issuance inconsistent herewith are hereby repealed, amended, or modified accordingly.

**SECTION 5. EFFECTIVITY CLAUSE.** – These Regulations shall take effect fifteen (15) days following publication in a newspaper of general circulation.

(Original Signed)  
**MARGARITO B. TEVES**  
Secretary of Finance

Recommending Approval:

(Original Signed)  
**SIXTO S. ESQUIVIAS IV**  
Commissioner of Internal Revenue