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

January 29, 2004

# REVENUE MEMORANDUM ORDER NO. 3-2004

SUBJECT : **Creation and Modification of Alphanumeric Tax Code (ATC) of Selected Revenue Sources Subject to Withholding Taxes**

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

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**I. Objective :**

To facilitate the proper identification and monitoring of Withholding Taxes pursuant to Revenue Regulations No. 30-2003 and for Integrated Tax System (ITS) purposes, the following ATCs are hereby modified/created:

| KIND OF TAXES | | ISSUANCE/ LEGAL BASIS/ REASONS | ATC |
|---|---|---|---|
| **Income Payment Subject to Creditable Withholding Taxes** | | | |
| **Existing Description** | **New Description** | | |
| Professionals (lawyers, CPAs, engineers, etc) | Professionals (lawyers, CPAs, engineers, etc)<br>- If the current year's gross income is ₱720,000 and below (10%)<br>- If the currents year's gross income exceeds ₱720,000 (15%) | RR No. 30- 2003 Sec. 3 (A) (1) | <br>WI010<br>WI011 |
| Professional talent fees paid to juridical persons (5%) | Professional talent fees paid to juridical persons<br>- If the current year's gross income is ₱720,000 and below (10%)<br>- If the currents year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (B) | <br>WC010<br>WC011 |

| KIND OF TAXES | | ISSUANCE/ LEGAL BASIS/ REASONS | ATC |
|---|---|---|---|
| **Income Payment Subject to Creditable Withholding Taxes** | | | |
| **Existing Description** | **New Description** | | |
| Professional entertainers;<br>- If the current year's gross income exceeds ₱720,000 (20%) | Professional entertainers such as, but not limited to, actors and actresses, singers, lyricist, composers and emcees<br>- If the currents year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3(A) (2) | WI021 |
| Professional athletes including basketball players, pelotaris and jockeys<br>- If the current year's gross income exceeds ₱720,000 (20%) | Professional athletes including basketball players, pelotaris and jockeys<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (3) | WI031 |
| Movie, stage, radio, television and musical directors<br>- If the current year's gross income exceeds ₱720,000 (20%) | Movie, stage, radio, television and musical directors and producers<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (4) | WI041 |
| Insurance agents and insurance adjusters (10%) | Insurance agents and insurance adjusters<br>- If the current year's gross income is ₱720,000 and below (10%)<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (5) | WI070<br>WI071 |
| Management and technical consultants (10%) | Management and technical consultants<br>- If the current year's gross income is ₱720,000 and below (10%)<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (6) | WI050<br>WI051 |
| Business and Bookkeeping agents and agencies (10%) | Business and Bookkeeping agents and agencies<br>- If the current year's gross income is ₱720,000 and below (10%)<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (7) | WI060<br>WI061 |

| KIND OF TAXES | | ISSUANCE/ LEGAL BASIS/ REASONS | ATC |
|---|---|---|---|
| **Income Payment Subject to Creditable Withholding Taxes** | | | |
| **Existing Description** | **New Description** | | |
| Other recipient of talent fees<br>- If the current year's gross income exceeds ₱720,000 (20%) | Other recipient of talent fees<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (8) | WI081 |
| Fees of directors who are not employees of the company (10%) | Fees of directors who are not employees of the company<br>- If the current year's gross income is ₱720,000 and below (10%)<br>- If the current year's gross income exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (A) (9) | WI090<br>WI091 |
| Payment to partners in general professional partnerships (10%) | Payment to partners in general professional partnerships<br>- If the current year's income payments for the partner is ₱720,000 and below (10%)<br>- If the current year's income payments for the partner exceed ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (H) | WI52<br>WI153 |
| Payments for medical/ dental/ veterinary services thru Hospitals/Clinics/Health Maintenance Organizations , including direct payments to service providers (10%) | Payments for medical/ dental/ veterinary services thru Hospitals/Clinics/Health Maintenance Organizations , including direct payments to service providers<br>- If the current year's income payments for the medical/dental/ veterinary services is ₱720,000 and below (10%)<br>- If the current year's income payments for medical/dental/ veterinary services exceeds ₱720,000 (15%) | RR No. 30-2003 Sec. 3 (I) | WI151<br>WI150 |

| KIND OF TAXES | | ISSUANCE/ LEGAL BASIS/ REASONS | ATC |
|---|---|---|---|
| **Income Payment Subject to Creditable Withholding Taxes** | | | |
| **Existing Description** | **New Description** | | |
| Income payments made by the government to its local/resident suppliers of goods and services<br>(i) Individual<br>2%<br><br>(ii) Corporate<br>2% | Income payments made by the government to its local/resident suppliers of goods and services<br>(i) Individual<br>• Supplier of Goods<br>1%<br>• Supplier of Services<br>2%<br>(ii) Corporate<br>• Supplier of Goods<br>1%<br>• Supplier of Services<br>2% | RR No. 30-2003<br>Sec. 3 (N) | <br><br><br><br>WI640<br>WI157<br><br>WC640<br>WC157 |

**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