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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

January 5, 2015

REVENUE REGULATIONS NO. 1-2015

SUBJECT : **Further Amendments to Revenue Regulations Nos. 2-98 and 3-98, as Last Amended by Revenue Regulations Nos. 5-2008, 5-2011 and 8-2012, with Respect to "De Minimis Benefits"**

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

Pursuant to Sections 4 and 244 in relation to Section 33 of the Tax Code of 1997, these Regulations are hereby promulgated to further amend Revenue Regulations (RR) No. 2-98, as last amended by RR Nos. 5-2008, 5-2011 and 8-2012, with respect to "De Minimis" benefits which are exempt from income tax on compensation as well as from fringe benefit tax.

SECTION 1. Section 2.78.1 (A) (3) of RR 2-98, as last amended by RR 8-2012, is hereby further amended to read as follows:

"Sec. 2.78.1. Withholding Tax on Compensation Income. –

(A) . . .

xxx xxx xxx

(3) Facilities and privileges of relatively small value. –

xxx xxx xxx

(k) Benefits received by an employee by virtue of a collective bargaining agreement (CBA) and productivity incentive schemes provided that the total annual monetary value received from both CBA and productivity incentive schemes combined do not exceed ten thousand pesos (Php 10,000.00) per employee per taxable year;

xxx xxx xxx"

xxx xxx xxx"

SECTION 2. Section 2.33 (C) of RR 3-98, as last amended by RR 8-2012, is hereby further amended to read as follows:

"Sec. 2.33. Special Treatment of Fringe Benefits. –

xxx xxx xxx

(C) Fringe Benefits Not Subject to Fringe Benefit Tax. –

xxx xxx xxx

(k) Benefits received by an employee by virtue of a collective bargaining agreement (CBA) and productivity incentive schemes provided that the total annual monetary value received from both CBA and productivity incentive schemes combined, do not exceed ten thousand pesos (Php 10,000.00) per employee per taxable year;

xxx xxx xxx"

SECTION 3. Repealing Clause. – All existing rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of these Regulations are hereby modified, amended or revoked accordingly.

SECTION 4. Effectivity. – These Regulations shall take effect immediately upon publication.

CESAR V. PURISIMA
Secretary of Finance

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Recommending Approval:

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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