REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

May 2, 2013

REVENUE REGULATIONS No. 10-2013

SUBJECT : Amending Further Pertinent Provisions of Revenue Regulations (RR) No. 2-98, as Last Amended by Revenue Regulations No. 30-2003, Providing for the Inclusion of Real Estate Service Practitioners (i. e. Real Estate consultant, Appraiser and Broker) Who Passed the Licensure Examination given by the Real Estate Service under the Professional Regulations Commission as defined in Republic Act No. 9646, "The Real Estate Service Act of the Philippines" as Among Those Professionals Falling Under Section 2.57.2(A)(1) of RR 2-98, as Amended, and RR 14-2002 as Regards Income Payments to Certain Brokers and Agents

TO : All Internal Revenue Officers, Employees and Others Concerned.

SECTION 1. SCOPE. – Pursuant to the provisions of Section 244, in relation to Section 57(B) of the Tax Code of 1997, these regulations are hereby promulgated to further amend portions of Revenue Regulations No. 2-98 as last amended by Revenue Regulations No. 30-2003, providing for the inclusion of Real Estate Service Practitioners who passed the licensure examination given by the Real Estate Service pursuant to RA 9646, "The Real Estate Service Act of the Philippines" as among those professionals falling under Section 2.57.2(A)(1) of Revenue Regulations No. 2-98, as amended, subject to the 10% or 15% creditable (expanded) withholding tax and to amend Section 2.57.2(G) of RR 14-2002 to include real estate practitioners who did not pass or did not take up licensure examinations given by the Real Estate Service.

SECTION 2. Section 2.57.2(A)(1) of RR 2-98, as last amended by RR 30-2003, is hereby further amended to read as follows:

"***Section 2.57.2. Income payments subject to creditable withholding tax and rates prescribed thereon. - xxx xxx***

(A) Professional fees, talent fees, etc., for services rendered by individuals. – On the gross professional, promotional and talent fees or any other form of remuneration for the services of the following individuals – Fifteen percent (15%), if the gross income for the current year exceeds P720,000; and Ten percent (10%), if otherwise:

(1) Those individually engaged in the practice of profession or callings: xxx designers, real estate service practitioners (RESPs), (i. e. real estate consultants, real estate appraisers and real estate brokers) requiring government licensure examination given by the Real Estate Service pursuant to Republic Act No. 9646 and all other profession

requiring government licensure examination regulated by the Professional Regulations Commission, Supreme Court, etc. xxx"

SECTION 3. Section 2.57.2(G) of RR 2-98, as last amended by RR 14-2002, is hereby further amended to read as follows:

"***Section 2.57.2. – Income payments subject to creditable withholding tax and rates prescribed thereon. -*** *xxx* *xxx*

xxx xxx xxx

(G) Income payments to certain brokers and agents. - On gross commissions of customs, insurance, stock, immigration and commercial brokers, fees of agents of professional entertainers and real estate service practitioners (RESPs), (i. e. real estate consultants, real estate appraisers and real estate brokers) who failed or did not take up the licensure examination given by and not registered with the Real Estate Service under the Professional Regulations Commission. – Ten percent (10%).

xxx xxx xxx"

SECTION 4. REPEALING CLAUSE. – All existing revenue regulations and other issuances or portions thereof which are inconsistent herewith are hereby revoked, repealed or amended accordingly.

SECTION 5. EFFECTIVITY. - These regulations shall take effect June 1, 2013 and shall cover income payments to be paid or payable starting June 1, 2013 which are required to be remitted within the month of July, 2013

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

Recommending Approval:

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

J-2/jnb
proposed rr on amendment of rr 30-2003 and 14-2002