REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 20, 2011

REVENUE REGULATIONS NO. 11-2011

SUBJECT: Revenue Regulations Defining Gross Receipts for Common Carrier's Tax for International Carriers pursuant to Section 118 of the Tax Code amending Sec 10 of Revenue Regulations No. 15-2002

TO: All Revenue Officials, Employees and Others Concerned

Section 1. Section 10 of Revenue Regulations No. 15-2002 is hereby amended to read as follows:

"SEC.10. COMMON CARRIER'S TAX LIABILITY OF INTERNATIONAL CARRIERS. - For purposes of determining the Common Carrier's Tax liability of International airline companies pursuant to Section 118 of the National Internal Revenue Code, **gross receipts shall include, but shall not be limited to, the total amount of money or its equivalent representing the contract or ticket price, excess baggage fees, freight/cargo fees, mail fees, rentals, penalties, deposits applied as payments, advance payments and other service charges and fees actually or constructively received during the taxable quarter from the passage of persons, excess baggage, cargo and/or mail, originating from the Philippines in a continuous and uninterrupted flight, irrespective of the place of sale or issue and the place of payment of the passage documents**.

Provided, that tickets revalidated, exchanged and/or indorsed to another international airline shall likewise form part of the gross receipts if the passenger boards a plane in a port or point in the Philippines.

Provided, further, that for a flight which originates from the Philippines, but where transhipment of passenger takes place at any port outside the Philippines on another airline, only the aliquot portion of the cost of the ticket corresponding to the leg flown from the Philippines to the point of transhipment shall form part of the Gross Receipts."

Section 2. Effectivity. These Revenue Regulations shall take effect after fifteen (15) days following its publication in any newspaper of general circulation.

(Original Signed)
CESAR V. PURISIMA
Secretary of Finance

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