REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Date: July 12, 2013

REVENUE REGULATIONS NO. 12-2013

SUBJECT : Amending Section 2.58.5 of Revenue Regulations No. 2-98, as amended, Relative to the Requirements for Deductibility of Certain Income Payments

TO : All Internal Revenue Officers and Others Concerned

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**SECTION 1. Scope.** — Pursuant to the provisions of Sections 34(K) and 244, in relation to Section 245 of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are hereby promulgated to amend provisions of Revenue Regulations (RR) No. 2-98, as amended.

**SECTION 2. Amendment.** — Section 2.58.5 of RR 2-98, as amended, is hereby further amended to read as follows:

> "*Sec. 2.58.5. Requirements for Deductibility.* — Any income payment which is otherwise deductible under the Code shall be allowed as a deduction from the payor's gross income only if it is shown that the income tax required to be withheld has been paid to the Bureau in accordance with Secs. 57 and 58 of the Code.
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> No deduction will also be allowed notwithstanding payments of withholding tax at the time of the audit investigation or reinvestigation/reconsideration in cases where no withholding of tax was made in accordance with Secs. 57 and 58 of the Code."

**SECTION 3. Repealing Clause.** — Any rules and regulations or parts thereof inconsistent with the provisions of these Regulations are hereby repealed, amended, or modified accordingly.

**SECTION 4. Effectivity.** —The provisions of these Regulations shall take effect after fifteen (15) days following publication in any newspaper of general circulation.

CESAR V. PURISIMA
Secretary of Finance

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Recommending Approval:

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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