REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

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REVENUE REGULATIONS NO. 8-2024

SUBJECT : Implementing Section 21(b) of the National Internal Revenue Code of 1997, as Amended by Republic Act No. 11976, otherwise known as the "Ease of Paying Taxes Act", on the Classification of Taxpayers

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. ***Scope.*** – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended (Tax Code), in relation to Section 47 of Republic Act (RA) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT) Act", these Regulations are hereby promulgated to implement Section 21(b) of the Tax Code on the classification of taxpayers.

SECTION 2. ***Coverage and Classification of Taxpayers.*** – Taxpayers shall be classified, and be covered by these Regulations, as follows:

A. **Micro Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is less than Three Million Pesos (₱3,000,000.00).

B. **Small Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is Three Million Pesos (₱3,000,000.00) to less than Twenty Million Pesos (₱20,000,000.00).

C. **Medium Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is Twenty Million Pesos (₱20,000,000.00) to less than One Billion Pesos (₱1,000,000,000.00).

D. **Large Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is One Billion Pesos (₱1,000,000,000.00) and above.

For purposes of classification of taxpayers under these Regulations, gross sales shall refer to total sales revenue, net of VAT, if applicable, during the taxable year, without any other deductions.

Gross sales shall only cover business income, excluding compensation income earned under employer-employee relationship, passive income under Sections 24, 25, 27 and 28, and income excluded under Section 32(B), all of the Tax Code.

Business income shall include income from the conduct of trade or business or the exercise of a profession.

SECTION 3. ***Initial Classification of Taxpayers.*** - Taxpayers who will register to engage in business or practice of profession upon the effectivity of these Regulations shall initially be classified based on its declaration in the Registration Forms starting from the year they registered, and shall remain as such unless reclassified.

The concerned taxpayer shall be reclassified in accordance with the threshold values as stated under Section 2 of these Regulations.

SECTION 4. ***Notification on the Classification/Reclassification.*** – Taxpayers shall be duly notified by the BIR of their classification or reclassification, as may be applicable, in a manner or procedure to be prescribed in a revenue issuance to be issued separately.

SECTION 5. ***Transitory Provisions.*** - Taxpayers registered in 2022 and prior years shall be classified on the basis of their gross sales for taxable year 2022.

For taxpayers registered in 2022 and prior years but without any submitted information on their gross sales for taxable year 2022, and taxpayers registered in 2023 or in 2024 before the effectivity of these Regulations, they shall initially be classified as MICRO, except VAT-registered taxpayers, who shall be classified as SMALL.

SECTION 6. ***Separability Clause.*** – If any of the provisions of these Regulations is subsequently declared invalid or unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 7. ***Repealing Clause.*** – All other issuances and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of these Regulations are hereby repealed, amended or modified accordingly.

SECTION 8. ***Effectivity.*** – These Regulations shall take effect fifteen (15) days following its publication in the Official Gazette or the BIR official website, whichever comes first.

RALPH G. RECTO
Secretary of Finance
APR 08 2024

Recommending Approval:

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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