REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

July 4, 2007

REVENUE REGULATIONS NO. 9-2007

SUBJECT : Prescribing the Updated Minimum Monthly/Quarterly Gross Receipts in Computing the Percentage Tax of Domestic Carriers and Keepers of Garages.

TO : All Internal Revenue Officers and Others Concerned.

SECTION 1. SCOPE. - Pursuant to Section 244 of the National Internal Revenue Code of 1997 (Code), in relation to Section 128 of the same Code which provides the Commissioner the power to prescribe the minimum amount of gross receipts, sales, and taxable base of persons subject to other percentage taxes under Title V of the Code, after taking into account the sales, receipts or other taxable base of other persons engaged in similar businesses under similar situations or circumstances, or after considering other relevant information, these Regulations are hereby promulgated to update the minimum monthly/quarterly gross receipts of domestic carriers and keepers of garages subject to the three percent (3%) percentage tax imposed under Section 117 of the Code, as amended by RA 9337, and further amended by RA 9361.

SEC. 2. MINIMUM GROSS RECEIPTS OF DOMESTIC LAND CARRIERS AND KEEPERS OF GARAGES. – Cars for rent or hire driven by the lessee; transportation contractors, including persons who transport passengers for hire, and other domestic carriers by land for the transport of passengers (except owners of animal-drawn two-wheeled vehicle), and keepers of garages shall pay a tax equivalent to three percent (3%) of their quarterly gross receipts.

Using the average consumer price index (CPI) for the transportation and communication sector in Year 2006, it is apparent that the minimum gross receipts per unit of carrier set under Section 117 of the Code, which figures were originally fixed in Year 1978, are no longer reflective of the true value of the minimum gross receipts that are being derived by domestic land carriers, as shown in the sample computation illustrated below:

(a) Average Consumer Price Indices where Year 2000 is considered as the international base year:

(1)	Year 1978	-	P 6.38
(2)	Year 2000	-	P100.00
(3)	Year 2006	-	P174.60

(b) Using the average consumer price index (CPI) provided in item (a) above, the formula to arrive at the present value is as follows:

$$\text{2006 Gross Receipts} = \frac{\text{1978 Gross Receipts x CPI 2006}}{\text{CPI 1978}}$$

(c) Sample Computation :

Jeepneys in Manila and Other Cities -

$$\text{2006 Gross Receipts} = \frac{\text{P2,400 x P174.60}}{\text{P6.38}}$$

= P 65,680.25 ~ P 65,700.00

Thus, after considering the foregoing relevant information, the updated minimum gross receipts per unit of carrier for purposes of computing the percentage tax provided in Section 117 of the Code as of year 2006 price index shall be as follows:

DOMESTIC CARRIERS	Year 1978 Old Minimum Gross Quarterly Receipts	Year 2006 Updated Minimum Gross Quarterly Receipts	Year 2006 Updated Minimum Gross Monthly Receipts
Jeepney for hire -			
1. Manila and other cities	P2,400.00	P65,700.00	P21,900.00
2. Provincial	1,200.00	32,900.00	10,967.00
Public Utility Bus -			
Not exceeding 30 passengers	P3,600.00	P98,600.00	P32,867.00
Exceeding 30 passengers but not exceeding 50 passengers	6,000.00	164,200.00	54,733.00
Exceeding 50 passengers	7,200.00	197,100.00	65,700.00
Taxis -			
1. Manila and other cities	P3,600.00	P98,600.00	P32,867.00
2. Provincial	2,400.00	65,700.00	21,900.00
Car for hire (with chauffeur)	P3,000.00	P82,100.00	P27,367.00
Car for hire (without chauffeur)	P1,800.00	P49,300.00	P 16,434.00

For clarification, common carriers which ply the routes from/to Metro Manila and/or other cities in the country shall be covered by the prescribed minimum gross receipts for Manila and other cities.

SEC. 3. EFFECTIVITY CLAUSE. - These Regulations shall take effect beginning August 1, 2007, or after fifteen (15) days following complete publication in a newspaper of general circulation, whichever comes later.

(Original Signed)
MARGARITO B. TEVES
Secretary of Finance

Recommending Approval:

(Original Signed)
LILIAN B. HEFTI
OIC-Commissioner of Internal Revenue