REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

AUG 2 7 2019

REVENUE REGULATIONS NO. 9-2019

SUBJECT: Amending Sections 2, 3 and 7 of Revenue Regulations (RR) No. 05-2017, Relative to Rules and Regulations Implementing Republic Act No. 10754, entitled "An Act Expanding the Benefits and Privileges of Persons with Disability (PWD)" Relative to the Tax Privileges of Persons with Disability and Tax Incentives for Establishments Granting Sales Discount, and Prescribing the Guidelines for the Availment Thereof, Amending Revenue Regulations No. 1-2009.

TO : All Internal Revenue Officials, Employees and Others Concerned

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SECTION 1. Scope. Pursuant to the provisions of Sections 244 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated to amend Sections 2, 3 and 7 of Revenue Regulations (RR) No. 05-2017.

SECTION 2. Amendment. – New paragraphs to be known as paragraph 2.8 and 2.9 are hereby inserted at the end of Section 2 of RR No. 05-2017 which shall read as follows:

"Section 2. Definitions. - For purposes of these Regulations, the following terms and phrases shall be defined as follows:

xxx xxx xxx

2.8 Basic Necessities – are goods vital to the needs of consumers for their sustenance and existence. For purposes of these Regulations, basic necessities shall include:

1. *All kinds and variants of rice*
2. *Corn*
3. *All kinds of bread (Pastries and cakes not included)*
4. *Fresh, dried and canned fish and other marine products (including frozen and in various modes of packaging)*
5. *Fresh pork, beef and poultry meat*
6. *All kinds of fresh eggs (excluding quail eggs)*
7. *Potable water in bottles and containers*
8. *Fresh and processed milk (excluding milk labelled as food supplement)*
9. *Fresh vegetables including root crops*
10. *Fresh fruits*
11. *Locally manufactured instant noodles*
12. *Coffee and coffee creamer*
13. *All kinds of sugar (excluding sweetener)*

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14. *All kinds of cooking oil*
15. *Salt*
16. *Powdered, liquid, bar laundry and detergent soap*
17. *Firewood*
18. *Charcoal*
19. *All kinds of candles*
20. *Household liquefied petroleum gas, not more than 11 kgs. LPG content once every five (5) months bought from LPG dealers*
21. *Kerosene, not more than 2 liters per month.*

2.9 Prime commodities – are goods not considered as basic necessities but are essential to consumers. For purposes of these Regulations, commodities shall include:

1. *Flour*
2. *Dried, processed and canned pork, beef and poultry meat*
3. *Dairy products not falling under the definition of basic necessities*
4. *Onions and garlic*
5. *Vinegar, patis and soy sauce*
6. *Toilet/Bath soap*
7. *Fertilizer*
8. *Pesticides*
9. *Herbicides*
10. *Poulty feeds, livestock feeds and fishery feeds*
11. *Veterinary products*
12. *Paper, school supplies*
13. *Nipa shingle*
14. *Sawali*
15. *Cement, clinker, GI sheets*
16. *Hollowblocks*
17. *Plywood*
18. *Plyboard*
19. *Construction nails*
20. *Batteries (excluding cellphone and automotive batteries)*
21. *Electrical supplies and light bulbs*
22. *Steel wires*

Section 3 of RR No. 5-2017, is hereby amended to include a new paragraph to be read as follows:

"SECTION 3. SALES DISCOUNTS WHICH MAY BE CLAIMED BY QUALIFIED PERSONS WITH DISABILITY (PWD).

xxx xxx xxx

All other goods and services sold by the foregoing establishments not included in the above enumeration expressly provided by law shall not be considered for the 20% discount privilege notwithstanding that the same are for the exclusive use

and enjoyment or availment of the PWD. However, every PWD shall enjoy a special discount of five percent (5%) of the regular retail price, without exemption from the value-added tax (VAT), of basic necessities and prime commodities enumerated under Sec. 2 (2.8) and (2.9) hereof. The total amount of said purchase shall not exceed the amount of One Thousand Three Hundred Pesos (Php 1,300.00) per calendar week without carry-over of the unused amount. Provided, that said amount shall be spent on basic necessities and prime commodities commensurate to his/her personal exclusive consumption and/or enjoyment within the calendar week. Provided, further that said amount shall be spent on at least four kinds of items listed as basic necessities and prime commodities.

Section 7.1 of Section 7 of RR No. 5-2017, is hereby amended to be read as follows:

"SECTION 7. EXEMPTION FROM VALUE-ADDED TAX (VAT) ON SALE OF GOODS OR SERVICES TO QUALIFIED PERSONS WITH DISABILITY.

*7.1 Sales of any goods and services under Section 3 of these Regulations to PWD, **except sale of basic necessities and prime commodities** enumerated under Sec. 2 (2.8) and (2.9) hereof, shall be exempt from the value-added tax. xxx xxx xxx*

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

SECTION 4. Effectivity. — These Regulations shall take effect fifteen (15) days immediately following publication in the Official Gazette or in any two newspaper of general circulation, whichever comes earlier.

CARLOS G. DOMINGUEZ III
Secretary of Finance
AUG 08 2019

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Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue
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