

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

September 9, 2002

REVENUE REGULATIONS NO. 14-2002

SUBJECT : Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as amended.

TO : All Internal Revenue Officers, Employees, Withholding Agents and Others Concerned.

SECTION 1. Scope. – Pursuant to the provisions of Section 244, in relation to Sections 57(B), 58, 114, 116 and other pertinent Sections, all of the National Internal Revenue Code of 1997 (Tax Code), in relation to P.D. 1354 and R.A. 9010, these Regulations are hereby promulgated to further amend portions of Revenue Regulations No. 2-98, as last amended by Revenue Regulations No 12-2001, providing for additional income payments to be subjected to withholding tax and clarifying pertinent provisions in relation thereto.

SECTION. 2. Income payments subject to creditable withholding tax and rates prescribed thereon. Section 2.57.2 of Revenue Regulations No. 2-98, as amended, is hereby further amended to read as follows:

“Sec. 2.57.2.– Except as herein otherwise provided, there shall be withheld a creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:

xxx

xxx

xxx

(C) Rentals

(1) Real properties. – On gross rental for the continued use or possession of real property used in business which the payor or obligor has not taken or is not taking title, or in which he has no equity – Five percent (5%);

(2) Personal properties. – On gross rental or lease in excess of Ten Thousand Pesos (P10,000.00) per payment for the continued use or possession of personal property used in business which the payor or obligor has not taken or is not taking title, or in which he has no equity which include, but not limited to the following: land transport equipment, water transport equipment, air transport equipment, industrial equipment, commercial equipment, scientific equipment, agricultural machinery and equipment, construction/civil engineering machinery and equipment, telecommunication equipment, office furniture/machines/equipment, main frame computer and all

