



TAX GUIDE FOR ONLINE SELLERS

Steps and Requirements for Registration, Filing, & Payment

Prepared by:
Public Information & Education Division under the supervision of the Client Support Service, Bureau of Internal Revenue

This tax guide is for all online sellers doing business and earning income in any manner or form, specifically those who are into digital transactions through the use of any electronic platforms, except non-resident foreign companies. These shall include partner sellers/merchants and stakeholders involved, such as the payment gateways, delivery channels, internet service providers, and other facilitators.

Steps and Requirements for BIR Registration

1 Secure checklist & accomplish BIR Form No. 1901 if individual, or 1903 if non-individual (Application for Registration). Submit this form to the New Business Registrant Counter, together with the following requirements:

For Individuals:

- Any government-issued ID (i.e. Birth Certificate, passport, driver's license, Community Tax Certificate) that shows the name, address and birthdate of the applicant
- Additional Documents, if applicable:
 - If with business name - DTI Certificate
 - If transacting through a representative - Special Power of Attorney (SPA) executed by taxpayer-applicant, and any government-issued ID of authorized representative

For Domestic Corporations:

- SEC Certificate of Incorporation
- Articles of Incorporation

For Partnerships:

- SEC Certificate of Recording;
- Articles of Partnership

For Foreign Corporations:

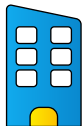
- License to Do Business in the Philippines
- Articles of Incorporation or Articles of Partnership

Additional Documents, if transacting through a representative:

- Board Resolution indicating the purpose and the name of authorized representative; or Secretary's Certificate;
- Any government-issued ID of the authorized representative.

For other additional documents, see the BIR Citizen's Charter through this link: <http://bit.ly/BIRCitizensCharter>

Where to Register



At the New Business Registrant Counter (NBRC) of the Revenue District Office (RDO) having jurisdiction over the place of business.

When to Register



On or before the first sale transaction, or before payment of any tax due, or within thirty (30) days from the issuance of:

- Mayor's Permit/Professional Tax Receipt - for individual
- Mayor's Permit or Certificate of Registration issued by SEC, whichever comes earlier - for non-individual

Newly Registered Taxpayers are encouraged to attend the Taxpayer's Briefing at the Revenue District Office (RDO).

2 Pay the following through the NBRC:

- Annual Registration Fee of ₱500 (for every head office and/or branch);
 - To be paid every January 31 of each year, after registration through any of the following:
 - Authorized Agent Banks (AABs)
 - ePayment Channels
- Documentary Stamp Tax (DST) - ₱30
- BIR Printed Receipt/Invoice (BPR/BPI) - available for purchase. If the taxpayer wants their own receipt/invoice printed, they must apply for an Authority to Print (ATP), together with the final and clear sample of their own principal/supplementary receipt/invoice.

3 Receive the following:

- BIR Certificate of Registration (COR)
- Received copy of BIR Form No. 1901 for individual, or 1903 for non-individual
- Notice to Issue Receipt/Invoice (NIRI), BPR/BPI or ATP (whichever is applicable)
- Proof of payments

Reminders

● **On Posting** — The Certificate of Registration, proof of payment of ARF, and NIRI must be visibly displayed in the business establishment.

● **On Books of Accounts** — Taxpayers are required to keep and use relevant and appropriate sets of bookkeeping records.

Books of accounts must be registered before the deadline for filing of the first quarterly Income Tax Return or Annual Income Tax Return – whichever comes earlier.

Those with annual sales, earnings, and receipts exceeding ₱3,000,000 shall have their Books of Accounts audited by a Certified Public Accountant (CPA).

● **On Preservation of Books and Other Records** — Books of accounts and other accounting records shall be preserved for a period of 10 years from the day following the deadline in filing a return; or if return was filed after the deadline, 10 years from the date of filing of the return.

The taxpayer must keep hardcopies for the first 5 years. Afterwards, the taxpayer may convert hardcopies to electronic copies and store them in an electronic storage system.

● **On the issuance of Official Receipts or Sales Invoices** — Every sale and/or transfer of merchandise or for services rendered valued at One Hundred Pesos (₱100) or more, must be issued a duly registered receipt or sale or commercial invoice.

Schedules of Filing and Payment of Taxes

I. SELF-EMPLOYED INDIVIDUALS

Period	Income Tax		Value Added Tax & Percentage Tax*		
	BIR Form	Deadline	BIR Form		Deadline
			VAT	Percentage Tax	
Monthly			2550M		20th day following the close of the month**
1st Q	1701Q	May 15	2550Q	2551Q	April 25
2nd Q	1701Q	Aug 15	2550Q	2551Q	July 25
3rd Q	1701Q	Nov 15	2550Q	2551Q	Oct 25
4th Q			2550Q	2551Q	Jan 25 of the following year
Annual	1701/1701A	April 15			

***VAT** - for persons whose gross sales and/or receipts reached ₱3 million and those who opted to register as VAT taxpayer

Percentage Tax - for persons whose gross sales and/or receipts do not exceed ₱3 million and who are not VAT-registered

** **Deadlines for eFPS filers**, refer to RR No. 26-2002.

II. CORPORATIONS, PARTNERSHIPS, & OTHER NON-INDIVIDUALS

The 3 Different Ways to File Tax Returns

Period	Income Tax		Value Added Tax & Percentage Tax		
	BIR Form	Deadline	BIR Form		Deadline
			VAT	Percentage Tax	
Monthly			2550M		20th day following the close of the month (whether Calendar or Fiscal Year)*
1st Q	1702Q	60 days following the close of each taxable quarter (whether Calendar or Fiscal Year)	2550Q	2551Q	25th day following the close of each taxable quarter (whether Calendar or Fiscal Year)
2nd Q	1702Q		2550Q	2551Q	
3rd Q	1702Q		2550Q	2551Q	
4th Q		2550Q	2551Q		
Annual	1702 RT/EX/MX	15th day of the 4th month following the close of the taxable year (whether Calendar or Fiscal Year)			

*Deadlines for eFPS filers, refer to RR No. 26-2002.

Deadline of Withholding

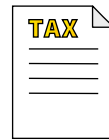
- **0619E (Monthly Remittance Form for Creditable Income Taxes Withheld [Expanded])** – On or before the 10th day of the month following the month when the withholding was made for the first two (2) months of the calendar quarter. FOR EFPS USER, refer to RR No. 26-2002.
- **0619F (Monthly Remittance Form for Final Income Taxes Withheld)** – On or before the 10th day of the month following the month when the withholding was made for the first two (2) months of the calendar quarter. FOR EFPS USER, refer to RR No. 26-2002.
- **1601C (Monthly Remittance Return of Income Taxes Withheld on Compensation)** – For the months of January to November - on or before the 10th day of the month following the month when the withholding was made; and for the month of December - on or before January 15 of the following year; FOR EFPS USER, refer to RR No. 26-2002
- **1601EQ (Quarterly Remittance Return of Creditable Income Taxes Withheld [Expanded])** - Not later than the last day of the month following the close of the calendar quarter
- **1601FQ (Quarterly Remittance Return of Final Income Taxes Withheld)** – Not later than the last day of the month following the close of the calendar quarter
- **1603Q (Quarterly Remittance Return of Final Income Taxes Withheld On Fringe Benefits Paid to Employees Other than Rank and File)** - Not later than the last day of the month following the close of the calendar quarter
- **1604C (Annual Information Return of Income Taxes Withheld on Compensation)** – On or before January 31 of the following year
- **1604F (Annual Information Return of Income Payments Subjected to Final Withholding Taxes)** – On or before January 31 of the following year
- **1604E (Annual Information Return of Creditable Income Taxes Withheld [Expanded]/Income Payments Exempt from Withholding Tax)** – On or before March 1 of the following year

See the required reports/forms to submit/file through this link:

<http://bit.ly/BIRForms>

ePayment - <http://bit.ly/BIRePay>

For more information, visit www.bir.gov.ph or call 89817419 and 89817542



Manual – file hard copies of tax returns (plus any attachments) at the Authorized Agent Banks (AABs) or Revenue Collection Officers (RCOs).



eBIRForms or Electronic BIR Forms Platform – use the latest downloadable eBIRForms Package to prepare and file tax returns



eFPS or Electronic Filing & Payment System – file tax returns (plus any attachments) electronically, and pay taxes due online

8% INCOME TAX RATE option under the TRAIN Law is available to:

- **Self-employed individuals earning income purely from self-employment/business and/or practice of profession**, whose gross sales and/or receipts and other non-operating income does not exceed the Value-Added Tax (VAT) threshold of ₱3 Million.
- **Mixed Income Earners** or individuals earning income both from compensation and from self-employment (business or practice of profession) whose gross sales/receipts and other non-operating income do not exceed the VAT threshold but may choose Graduated Income Tax Rates. But remember that:
 - The compensation income shall be subject to graduated income tax rates
 - If the gross sales/receipts and other non-operating income exceeds the VAT threshold, these individuals shall be subject to the graduated income tax rates.

Self Employed Individuals must signify its intention to avail of the 8% Income Tax rate:

- **For 1st year of Operation**
 - Upon registration using BIR Form No. 1901
 - On the initial quarter return (BIR Form No. 2551Q and/or 1701Q) of the taxable year after the commencement of a new business/practice of profession.
- **For Subsequent Years**
 - Filing of BIR Form 1905 (Application for Registration Information Update) at the beginning of the taxable year, to end-date the form type of quarterly percentage tax
 - Filing of 1st Quarterly Percentage Tax Return or Income Tax Return (otherwise, graduated income tax rates will apply).

Individual Income Tax Rates (Jan. 1, 2018 to Dec. 31, 2022)

Taxable Income		Tax Due		
Over	Not Over	Basic Amount	Additional Rate	Of the Excess Over
-	250,000	-	-	-
250,000	400,000	-	20%	250,000
400,000	800,000	30,000	25%	400,000
800,000	2,000,000	130,000	30%	800,000
2,000,000	8,000,000	490,000	32%	2,000,000
8,000,000	-	2,410,000	35%	8,000,000

Corporate Income Tax Rates

Description	Tax Rate	Tax Base
DOMESTIC CORPORATION		
1. a. In General	30%	Taxable Income from All Sources
b. Minimum Corporate Income Tax	2%	Gross Income
RESIDENT FOREIGN CORPORATION		
1. a. In General	30%	Taxable Income from within the Philippines
b. Minimum Corporate Income Tax	2%	Gross Income

