

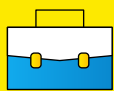


TAX GUIDE FOR PROFESSIONALS

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



A **PROFESSIONAL** is a self-employed individual who is engaged in the practice of profession or calling, with or without license under a regulatory board or body.

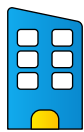
Steps and Requirements for BIR Registration

1

Secure checklist & accomplish BIR Form No. 1901 (2018 version) (Application for Registration). Submit this form to the New Business Registrant Counter (NBRC) together with the following requirements:

- Any government-issued ID (e.g Birth Certificate, passport, driver's license, Community Tax Certificate) that shows the name, address and birthdate of the applicant, in case of professionals not regulated by PRC
- Valid PRC ID, in case practice is regulated by the Professional Regulation Commission (PRC)
- 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

Where to Register



At the New Business Registrant Counter (NBRC) of the Revenue District Office (RDO) having jurisdiction over the place of business if there is a physical business address or RDO having jurisdiction over the place of residence.

When to Register



On or before the first sale transaction occurred, or within thirty (30) days from the issuance of Mayor's Permit/Professional Tax Receipt.

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

2

Pay the following to the Revenue Collection Officer (RCO) through the NBRC:

- Annual Registration Fee of ₱500.00 (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) - ₱30.00
- 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

3

Receive the following:

- BIR Certificate of Registration (COR)
- Received copy of BIR Form No. 1901
- 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 or books of accounts (journal, ledger, columnar). These must show all transactions and results of operations, so that all taxes due may readily and accurately be determined any time of the year. These 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 filed after the deadline, 10 years from the date of the filing of the return for the taxable year when the last entry was made in the books of accounts.

Books and/or records shall be kept in hard copies for the first 5 years and thereafter, may be converted to electronic copies and stored in an electronic storage system.

Schedules of Filing and Payment of Taxes

I. INCOME TAX

Period	BIR Form	Deadline
1st Qtr (Jan to March)	1701Q	May 15
2nd Qtr (April to June)	1701Q	August 15
3rd Qtr (July to Sept)	1701Q	November 15
Annual	1701/1701A	April 15

II. VALUE ADDED TAX (for persons whose gross sales and/or receipts reached PhP 3 Million and those who opted to register as VAT taxpayer)

Period	BIR Form	Deadline
Monthly	2550M	20th day following the close of the month*
1st Qtr (Jan to March)	2550Q	April 25
2nd Qtr (April to June)	2550Q	July 25
3rd Qtr (July to Sept)	2550Q	October 25
4th Qtr (Oct to Dec)	2550Q	January 25 of the ff. year

*For eFPS deadlines, refer to RR No. 26-2002.

III. PERCENTAGE TAX (for persons whose gross sales and/or receipts do not exceed P 3 Million and who are not VAT-registered)

Period	BIR Form	Deadline
1st Qtr (Jan to March)	2551Q	April 25
2nd Qtr (April to June)	2551Q	July 25
3rd Qtr (July to Sept)	2551Q	October 25
4th Qtr (Oct to Dec)	2551Q	January 25 of the ff. year

The Graduated Income Tax Rates

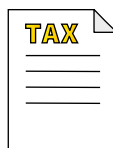
Taxable Income		Tax Due		
Over	Not Over	Basic Amount	Additional Rate	Of the Excess Over
-	250,000	-	-	-
250,000	400,000	-	20%	250,000
400,000	800,000	30,000	25%	400,000
800,000	2,000,000	130,000	30%	800,000
2,000,000	8,000,000	490,000	32%	2,000,000
8,000,000	-	2,410,000	35%	8,000,000

Reports/Forms to Submit, If Applicable

- **SAWT (Summary Alphalist of Withholding Tax)** – through eSubmission when claiming Creditable Withholding Tax upon filing of: 1701, 1701A, 1701Q, 2550M, 2550Q & 2551Q
- **SLSP (Summary List of Sales and Purchases)** – through eSubmission as attachment to 2550Q (RMO 4-2003)
- **0619E Monthly Remittance Form for Creditable Income Taxes Withheld (Expanded)** – Deadline: 10th day of the month following the month when the withholding was made; for eFPS, refer to RR No. 26-2002
- **1601EQ Quarterly Remittance Return of Creditable Income Taxes Withheld (Expanded)** - Deadlines: April 30, July 31, October 31 & January 31;
- **QAP (Quarterly Alphalist of Payees)** – must be submitted as attachment to 1601EQ
- **1604E (Annual Alphalist of Payees regardless of number of payees to be filed through eSubmission)** - Deadline: on or before March 1 of the year following the calendar year
- **1601C Monthly Remittance Return of Income Taxes Withheld on Compensation** – Deadlines:
 - For manual filer:
 - For the months of January to November - on or before the tenth (10th) day of the following month in which withholding was made
 - For the month of December - on or before January 15 of the following year
 - For eFPS filers: refer to RR No. 26-2002

- **1604C Annual Alphalist of Employees** - file through eSubmission (Deadline: January 31 of the following year) regardless of number of employees

The 3 Different Ways to File Tax Returns



Manual – file hard copies of tax returns (plus any attachments) at the Authorized Agent Banks (AABs) or Revenue Collection Officers (RCOs). Senior Citizens and Persons With Disability who are filing their own returns can file manually.



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



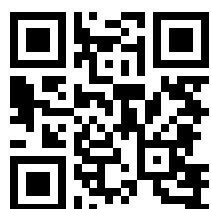
eFPS or Electronic Filing & Payment System – file tax returns (plus any attachments) electronically, and pay taxes due online

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.

How to avail the 8% income tax rate

- **For First 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).



PAYMENT OPTIONS

Manual
Authorized Agent Banks (AABs) or Revenue Collection Officers (RCOs)

ePayment - <http://bit.ly/BIRePay>
Landbank, Development Bank of the Philippines, UnionBank, GCash, PESONet, & PayMaya

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

Or follow us at: **birgovph** **birgovphl**