

**[ REPUBLIC ACT NO. 9361, November 21, 2006 ]**

**AN ACT AMENDING SECTION 110(B) OF THE NATIONAL  
INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR  
OTHER PURPOSES**

*Be it enacted by the Senate and House of Representative of the Philippines in assembled:*

SECTION 1. Section 110(B) of the National Internal Revenue Code of the 1997, as amended, is hereby further amended to read as follows:

“(B) *Excess Output or Input Tax.* – If at the end of any taxable quarter the output tax exceeds the input tax, the excess shall be paid by the VAT-registered person. If the input tax exceeds the output tax, the excess shall be carried over to the succeeding quarter or quarters: *Provided, however,* That any input tax attributable to zero-rated sales by a VAT-registered person may at his option be refunded or credited against other internal revenue taxes, subject to the provisions of Section 112.”

SEC. 2. *Implementing Rules and Regulations.* – The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 3. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or parts thereof which are contrary to or inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any two newspapers of general circulation, whichever comes earlier.

Approved,

**(Sgd.) JOSE DE VENECIA JR.**

*Speaker of the House of Representatives*

**(Sgd.) MANNY VILLAR**

*President of the Senate*

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on September 26, 2006 and October 9, 2006, respectively.

**(Sgd.) ROBERTO P. NAZARENO**

*Secretary General  
House of Representatives*

**(Sgd.) OSCAR G. YABES**

*Secretary of the Senate*