

**[ REPUBLIC ACT NO. 8761, February 15, 2000 ]**

**AN ACT IMPOSING THE VALUE-ADDED TAX ON CERTAIN SERVICES BEGINNING JANUARY 1,2001, AMENDING FOR THE PURPOSE SECTION 5 OF REPUBLIC ACT NO. 8424 AND FOR OTHER PURPOSES**

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

SECTION 1. Section 5 of Republic Act No. 8424 is hereby amended to read as follows:

"Sec. 5. *Transitory Provisions - Effectivity of the Imposition of VAT on Certain Services.* - The imposition of the value-added tax on the following services shall take effect on January 1,2001:

"(a) Services performed in the exercise of profession or calling subject to the professional tax as provided for under Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and professional services performed by registered general professional partnerships; actors, actresses, talents, singers and emcees; radio and television broadcasters, choreographers; musical, radio, movie, television and stage directors; and professional athletes;

"(b) Services rendered by banks, non-bank financial intermediaries, finance companies, and other financial intermediaries not performing quasi-banking functions; and

"(c) Services rendered by stock, real estate, commercial, customs and immigration brokers: *Provided*, That, for the year beginning January 1 up to December 31,2000, the aforementioned brokers shall, in lieu of the value-added tax prescribed under Title IV of the National Internal Revenue Code of 1997, be subject to a tax equivalent to seven percent (7%) based on gross receipts from brokering services which shall be paid in the manner and in accordance with the provisions of Title V of the said Code: *Provided, further*, That beginning January 1, 2001, the aforementioned brokers shall be subject to the value-added tax, in lieu of the seven percent (7%) tax.

"The taxpayers rendering services mentioned under paragraphs (a) and (b) hereof, shall pay the applicable taxes prescribed under the pertinent provisions of the National Internal Revenue Code, as amended."

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.