

[**BIR Revenue Regulations No. 7-2015, March 31, 2015**]

AMENDING FURTHER THE PROVISION OF SECTION 2.57.2 OF REVENUE REGULATIONS NO. 2-98, AS AMENDED, PARTICULARLY SUBSECTION (AA) AS INTRODUCED BY REVENUE REGULATIONS NO. 11-2014, RELATIVE TO THE INCOME PAYMENTS ON LOCALLY PRODUCED RAW SUGAR AND OTHER MATTERS

Adopted: 31 March 2015

Date Filed: 23 April 2015

SECTION 1. SCOPE – Pursuant to the provisions of Section 244, in relation to Section 57(B) of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to further amend the provisions of Section 2.57.2 of Revenue Regulations (RR) No. 2-98, as amended, particularly Subsections (AA) on income payments on locally produced raw sugar.

SEC. 2. AMENDMENTS. – Section 2.57.2 (AA) of RR No. 2-98 as amended, is hereby further amended to read as follows:

“ **Income payments of sugar.** – On gross payments on purchases of (AA)sugar - One percent (1%).

1. Proprietors or operators of sugar mills/refineries on their mill share, and buyers of Quedans or Molasses Storage Certificates from the sugar planters on locally produced raw cane sugar, raw sugar and molasses shall withhold the creditable income tax and remit the same to the BIR based on the following, subject, however, to adjustment, when deemed necessary by the Commissioner, depending on the prevailing market price of raw cane sugar raw sugar and molasses:

1.1 For locally produced raw cane sugar and raw sugar – base price of ONE THOUSAND PESOS (P1,000.00) per FIFTY (50) kilogram (kg.) bag or actual selling price, whichever is higher.

1.2 For Molasses – base price of FOUR THOUSAND PESOS (P4,000.00) per metric ton or actual selling price, whichever is higher.

2. Buyers of refined sugar, whether locally produced or imported, shall withhold the creditable income tax based on the actual selling price thereof.

For purposes of this subsection, the following terms shall have the following meaning: