

[BIR REVENUE REGULATIONS NO. 5-2008, April 17, 2008]

FURTHER AMENDMENTS TO REVENUE REGULATIONS NOS. 2-98 AND 3-98, AS LAST AMENDED BY REVENUE REGULATIONS NO. 10-2000, WITH RESPECT TO "DE MINIMIS BENEFITS"

Pursuant to Sections 4 and 244 in relation to Section 33 of the Tax Code of 1997, these Regulations are hereby promulgated to further amend Revenue Regulations (RR) Nos. 2-98 and 3-98, as last amended by RR No. 10-2000, with respect to "De Minimis" benefits which are exempt from income tax on compensation as well as from fringe benefit tax.

SECTION 1. Section 2.78.1 (A)(3)(c) and (d) of RR 2-98, as last amended by RR 10-2000 is hereby further amended to read as follows:

"Sec. 2.78.1 Withholding of Income Tax on Compensation Income.

(A) xxx xxx xxx

(1) xxx xxx xxx

xxx xxx xxx

(3) Facilities and privileges of relatively small value. -

xxx xxx xxx

The following shall be considered as "de minimis" benefits not subject to income tax as well as withholding tax on compensation income of both managerial and rank and file employees:

(a) xxx xxx xxx

xxx xxx xxx

(c) Rice subsidy of P1,500.00 or one (1) sack of 50 kg. rice per month amounting to not more than P1,500.00;

(d) Uniform and Clothing allowance not exceeding P4,000.00 per annum;
xxx xxx xxx"

SECTION 2. Section 2.33(C) of RR 3-98, as last amended by RR 10-2000, is hereby further amended to read as follows:

"Sec. 2.33. Special Treatment of Fringe Benefits.