

**[ BIR REVENUE REGULATIONS NO. 3-99, January 22, 1999 ]**

**FURTHER AMENDING SECTION 2 OF REVENUE REGULATIONS NO. 12-98**

*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, these regulations further amends Section 2 of Revenue Regulations No. 12-98 to streamline and make more efficient the collection of the creditable withholding tax on income payments to medical practitioners.

*SECTION 2. Amendments.* — Section 2 of Revenue Regulations No. 12-98, is hereby further amended to read as follows:

"SECTION 2. Amendment. — Income payments subject to creditable withholding tax and rates prescribed thereon. — Except as otherwise provided, there shall be withheld a creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:

"xxx xxx xxx

"1. Professional fees paid to medical practitioners. — Any amount collected for and paid to medical practitioners by hospitals and clinics or paid directly to the medical practitioners by patients who were admitted and confined to such Hospitals or Clinics.

"a) It shall be the duty and responsibility of the hospital or clinic to remit taxes withheld from the following:

"1. Professional fees paid directly to Hospitals or Clinics by patients.

"2. Professional fees paid by patients directly to medical practitioners where the 10% expanded withholding tax shall in turn be given by medical practitioners directly to the Accounting Office of the Hospitals or Clinics.

"b) Exception — The withholding tax herein prescribed shall not apply whenever no professional fee has been charged by the medical practitioner and paid by his patient.

"c) Hospitals and Clinics shall submit the names and addresses of medical practitioners in the following classifications, every 15th day after the end of each calendar quarter, to the Collection Division of the Revenue Region where such Hospital or Clinic is located, using "Annex A":