

[BIR REGULATIONS NO. 12-98, August 14, 1998]

AMENDING SEC. 2.57.2 OF REVENUE REGULATIONS NO. 2-98

SECTION 1. *Scope* — Pursuant to the provisions of Section 244, in relation to Section 57 (B) of the National Internal Revenue Code of 1997, these regulations are hereby promulgated in order to streamline and make more efficient the collection of the creditable withholding tax on income payments to medical practitioners.

SECTION 2. Amendment — Section 2.57.2, Sub-section (I) of Revenue Regulations No. 2-98, is hereby amended to read as follows:

"Sec. 2.57.2. Income payments subject to creditable withholding tax and rates prescribed thereon. — Except as herein 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

"(I) Professional fees paid to medical practitioners — Any amount collected for and paid to medical practitioners by hospitals and clinics or paid by patients to the medical practitioners through the hospital or clinic — Ten Percent (10%)."

"(a) It shall be the duty and responsibility of the hospital or clinic to collect from any patient admitted by such hospital or clinic, the professional fee of the attending medical practitioner and to withhold the tax herein prescribed. It is the intent of these Regulations that the hospital or clinic shall, at all times, collect the professional fee for and in behalf of the medical practitioner and to withhold therefrom the tax herein prescribed.

"(i) In general — It shall be presumed that the hospital or clinic has collected the professional fee of the said medical practitioner and shall, accordingly, be liable for the withholding of the tax vis-a-vis each and every patient admitted into the hospital or clinic under the care of the said medical practitioner.

"(ii) Exception — The withholding tax herein prescribed shall not apply whenever there is proof that no professional fee has in fact been charged by the medical practitioner and paid by his patient, Provided, however, that this fact is shown in a sworn declaration (ANNEX A hereof) jointly executed by