HOUSE OF REPRESENTATIVES

H. No. 5742

BY REPRESENTATIVES SINGSON, JAVIER, PABLO, VALDEZ, NOEL, TEVES, MADAMBA, CODILLA, GIDAYA, VILLANUEVA AND VILLAFUERTE, PER COMMITTEE REPORT NO. 1907

AN ACT AMENDING SECTION 110(B) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

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

1   SECTION 1.   Section 110(B) of the National Internal Revenue Code of

2   1997, as amended, is hereby further amended to read as follows:

3   "(B) *Excess Output or Input Tax.* – If at the end of any

4   taxable quarter the output tax exceeds the input tax, the excess

5   shall be paid by the VAT-registered person.   If the input tax

6   exceeds the output tax, the excess shall be carried over to the

7   succeeding quarter or quarters: [*Provided*, That the input tax

8   inclusive of input VAT carried over from the previous quarter

1   that may be credited in every quarter shall not exceed seventy

2   percent (70%) of the output VAT:] *Provided, however,* That any

3   input tax attributable to zero-rated sales by a VAT-registered

4   person may at his option be refunded or credited against other

5   internal revenue taxes, subject to the provisions of Section 112."

6   SEC. 2. *Implementing Rules and Regulations.* – The Secretary of

7   Finance shall, upon the recommendation of the Commissioner of Internal

8   Revenue, promulgate the necessary rules and regulations for the effective

9   implementation of this Act.

10   SEC. 3. *Repealing Clause.* – All laws, decrees, executive orders, rules

11   and regulations or parts thereof which are contrary to or inconsistent with

12   this Act are hereby repealed, amended or modified accordingly.

13   SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after

14   its publication in the *Official Gazette* or in any two newspapers of general

15   circulation, whichever comes earlier.

Approved,

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