

REVOKING REVENUE REGULATIONS (RR) NO. 12-2013 THEREBY REINSTATING THE PROVISIONS OF SECTION 2.58.5 OF RR NO. 14-2002, AS AMENDED BY RR NO. L7-2003

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/7d5502d4a800/>

Adopted: 20 November 2017

Date Filed: 26 January 2018

SECTION 1. SCOPE. - Pursuant to the provisions of Section 244, in relation to Section 34(K) of the National Internal Revenue Code of 1997, as amended, these regulations are hereby promulgated to revoke RR No. 12-2013, relative to the requirements for deductibility of certain expenses, thereby reinstating the provisions of Section 2.58.5 of RR No. 14-2002, as amended by RR No. 17-2003.

SECTION 2. REQUIREMENTS FOR DEDUCTIBILITY OF CERTAIN EXPENSES. - RR No. 12-2013 is hereby revoked, in effect, reinstating the provisions stated under RR No. 14-2002, as amended by RR No. 17-2003 to read as follows:

“Sec. 2.58.5. Requirements for Deductibility. - Any income payment which is otherwise deductible under the Code shall be allowed as a deduction from the payor’s gross income only if it is shown that the income tax required to be withheld has been paid to the Bureau in accordance with Secs. 57 and 58 of the Code.

A deduction will also be allowed in the following cases where no withholding of tax was made:

(A) The payee reported the income and pays the tax due thereon and the withholding agent pays the tax including the interest incident to the failure to withhold the tax, and surcharges, if applicable, at the time of the audit/investigation or reinvestigation/reconsideration.

(B) The recipient/payee failed to report the income on the due date thereof, but the withholding agent/taxpayer pays the tax, including the interest incident to the failure to withhold the tax, and surcharges, if applicable, at the time of audit/investigation or reinvestigation/reconsideration.

(C) The withholding agent erroneously underwithheld the tax but pays the difference between the correct amount and the amount of tax withheld including the interest, incident to such error, and surcharges, if applicable, at the time of the audit/investigation or reinvestigation/ reconsideration.

Items of deduction representing return of capital such as those pertaining to purchases of raw materials forming part of finished product or purchases of goods for resale, shall be allowed as deductions upon withholding agent’s payment of the basic withholding tax and penalties incident to non- withholding or underwithholding.”

SECTION 3. REPEALING CLAUSE. - All existing rules and regulations or any revenue issuances or parts thereof which are inconsistent with the provisions of these Regulations are hereby revoked or amended accordingly.

SECTION 4. EFFECTIVITY. - These Regulations shall take effect after fifteen (15) days following publication in any newspaper of general circulation.

(SGD) CARLOS G. DOMINGUEZ

Secretary of Finance

Recommending Approval:

(SGD) CAESAR R. DULAY

Commissioner of Internal Revenue

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.