

AN ACT REQUIRING THE GOVERNMENT OR ANY OF ITS POLITICAL SUBDIVISIONS, INSTRUMENTALITIES OR AGENCIES INCLUDING GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS (GOCCS) TO DEDUCT AND W...

REPUBLIC ACT NO. 7649, April 06, 1993

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/d80a69146518/>

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

SECTION 1. Section 110 of the National Internal Revenue Code, as amended by Republic Act No. 7643, is hereby further amended by adding a new paragraph (c) thereunder to read as follows:

"(c) Withholding of Creditable Value-Added Tax. - The Government or any of its political subdivisions, instrumentalities or agencies, including government-owned or controlled corporations (GOCCs) shall, before making payment on account of its purchase of goods from sellers and services rendered by contractors which are subject to the value-added tax imposed in Sections 100 and 102 of this Code, deduct and withhold the value-added tax due at the rate of three percent (3%) of the gross payment for the purchase of goods and six percent (6%) on gross receipts for services rendered by contractors on every release or installment payment which shall be creditable against the value-added tax liability of the seller or contractor.

"The value-added tax withheld under this section shall be remitted within ten (10) days following the end of the month the withholding was made."

SEC. 2. The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SEC. 3. All laws, decrees, orders, rules and regulations, and other issuances inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved, April 6, 1993.

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.