

Simplified Tax for Micro and Small Enterprises (MSEs)

Hotel Jen, Pasay City
July 16-18, 2018



Bureau of Internal Revenue



COMPLIANCE REQUIREMENTS

SMEs

- 1 Register the business in one day**
- 2 Issue registered receipts/invoices**
- 3 Keep books of accounts and other accounting records**
- 4 File applicable tax returns and pay tax liabilities**



HOW TO REGISTER YOUR BUSINESS

SMEs

Steps:

1

Apply for Registration

- Submit complete documentary requirements.

2

Pay Annual Registration Fee

3

Get Certificate of Registration and Authority to Print receipts/invoices



HOW TO FILE & PAY YOUR RETURNS

SMEs

1

File Electronically



2

Pay Online or use Mobile Payment





INCOME TAX RATE

SMEs

For Individual

1

8% Income Tax Rate

- on gross sales or receipts and other non-operating income in excess of P250,000.00 in lieu of the graduated income tax rates under Section 24(A) and the percentage tax under Section 116 all under the Tax Code, as amended
- No allowable deduction

OR

2

Graduated Income Tax Rates

- 0% to 35%
- Optional Standard Deductions of 40% or itemized allowable deductions



INCOME TAX RATE

SMEs

For Non-Individual

①

30% Corporate Income Tax



BUSINESS TAXES

SMEs

1

Percentage Tax

Persons, who are not VAT-registered, who sell goods, properties or services, whose annual gross sales and/or receipts do not exceed three million pesos (Php3,000,000.00) and are exempt from value-added tax (VAT) under Section 109 (BB) of the NIRC, as amended by Republic Act (RA) No. 10963

2

Value-Added Tax

Any person or entity who, in the course of his trade or business, sells, barter, exchanges, leases goods or properties and renders services subject to VAT, if the aggregate amount of actual gross sales or receipts exceed Three Million Pesos (Php3,000,000.00)



TAX INCENTIVES

SMEs

1

Barangay Micro Business Enterprises (BMBE) (Republic Act No. 9178)

Exemption from payment of income tax for income arising from the operations of the enterprise

2

BOI-Registered Enterprises

Income Tax Holiday

3

Economic Zones Registered

Income Tax Holiday/Special tax rates



SIMPLIFIED FORM OF TAXATION

SMEs

- 1 Streamlined registration processes and requirements
- 2 Flat Rate of 8% Income Tax Rate Option for individuals (Train Law)
- 3 Simplification of Tax Returns
- 4 Reduced frequency of filing Percentage Tax
 - Quarterly filing only
- 5 File and pay anywhere online



SALAMAT SA'YO!

TIMM B. RENOMERON

Chief, Regional investigation Division
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