

[KRI REVENUE REGULATIONS NO. 8-90, October 15, 1990]

AMENDMENTS TO SECTIONS 1, 2, and 9 OF REVENUE REGULATIONS NO. 6-85

Pursuant to the provisions of Section 245, in relation to Section 50(b), both of the National Internal Revenue Code, these regulations are issued to amend the Sections 1, 2, and 9 of Revenue Regulations No. 6-85, as amended.

SECTION 1. Section 1 of Revenue Regulations No. 6-85 is hereby amended to read as follows:

"Section 1. 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:

"(c) Rentals.

(i) *Business Property* – Where the gross rental paid or payable for the continued use or possession of real property to which the payor or obligor has not taken or is not taking title or in which he has no equity amounts to at least five hundred pesos (P500.00) – **five per centum (5%);**

(ii) *Non-Business/Residential Property* – Where the gross monthly rental paid or payable by the lessee for the use or possession of real property amounts to at least ten thousand pesos (P10,000.00) – **five per centum (5%);**

"(k) Gross selling price or total amount of consideration or its equivalent paid or payable to the seller/owner for the sale, exchange or transfer of motor vehicles, whether brand new or second hand – **two percent (2%).** However, if the motor vehicle sold, exchange or transferred is of 1978 or earlier model and sold for P50,000 or less, no withholding tax shall be imposed thereon."

SECTION 2. Section 2(a) of Revenue Regulations No. 6-85 is hereby amended to read as follows:

"Section 2. Persons Required to Deduct and Withhold. The following persons are hereby constituted as withholding agents for purposes of the tax required to be withheld on income payments enumerated in the preceding section:

"(a) An individual, with respect to payments made in connection with his trade or business. However, in the following transactions, an individual