

**[BIR REVENUE REGULATIONS NO. 14-2013,
October 01, 2013]**

**AMENDING PERTINENT PROVISIONS OF REVENUE
REGULATIONS NO. 02-98, AS LAST AMENDED BY REVENUE
REGULATIONS NO. 30-2003 AND REVENUE REGULATIONS NO.
17-2003**

SECTION 1. Scope. Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code of 1997, as amended, these Regulations are hereby promulgated to further amend certain provisions of Revenue Regulations (RR) No. 02-98, as last amended by RR Nos. 30-03 and 17-03.

SECTION 2. Amendment. Sec. 2.57.2 of Revenue Regulations No. 2-98, as amended, is hereby further amended to read as follows:

"Sec. 2.57.2. 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:

xxx xxx xxx

(I) Professional fees paid to medical practitioners. – **Any amount collected for and paid to medical practitioners (includes doctors of medicine, doctors of veterinary science and dentists) by hospitals and clinics or paid directly to the medical practitioners by health maintenance organizations (HMOs) and/or similar establishments** – Fifteen percent (15%), if the income payments to the medical practitioner for the current year exceeds P720,000; and Ten percent (10%), if otherwise.

a) It shall be the duty and responsibility of the hospitals, clinics, HMOs and similar establishments to withhold and remit taxes due on the professional fees of their respective accredited medical practitioners, paid by patients who were admitted and confined to such hospitals and clinics. Hospitals, clinics, HMOs and similar establishments must ensure that correct taxes due on the professional fees of their medical practitioners have been withheld and timely remitted to the Bureau of Internal Revenue (BIR). For this purpose, hospitals and clinics shall not allow their medical practitioners to receive payment of professional fees directly from patients who were admitted and confined to such hospital or clinic and, instead, must include the