

**[BIR REVENUE REGULATIONS NO. 1-2004,
January 13, 2004]**

**AMENDING FURTHER SEC. 2.57.2(S) OF REVENUE REGULATIONS
NO. 2-98, AS LAST AMENDED BY REVENUE REGULATIONS NO.
30-2003, EXEMPTING MARGINAL INCOME EARNERS FROM
CREDITABLE WITHHOLDING TAX ON PAYMENTS MADE BY
HOTELS, RESTAURANTS, RESORTS, CATERERS, FOOD
PROCESSORS, CANNERIES, SUPERMARKETS, LIVESTOCK,
POULTRY, FISH AND MARINE PRODUCT DEALERS, HARDWARES,
FACTORIES, FURNITURE SHOPS, AND ALL OTHER
ESTABLISHMENTS**

SECTION 1. SCOPE. - Pursuant to the provisions of Section 244, in relation to Sections 57(A) and (B) of the Tax Code of 1997, these regulations are hereby promulgated to further amend portions of Revenue Regulations No. 2-98, as last amended by Revenue Regulations No. 30-2003, exempting marginal income earners from creditable withholding tax on payments made by hotels, restaurants, resorts, caterers, food processors, canneries, supermarkets, livestock, poultry, fish and marine product dealers, hardware, factories, furniture shops, and all other establishments.

SECTION 2. INCOME PAYMENTS SUBJECT TO CREDITABLE WITHHOLDING TAX. - Sec. 2.57.2(S) 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. --

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(S) Income payments made to suppliers of agricultural products. - Income payments made to agricultural suppliers such as those, but not limited to, payments made by hotels, restaurants, resorts, caterers, food processors, canneries, supermarkets, livestock, poultry, fish and marine products dealers, hardware, factories, furniture shops and all other establishments, except for income payments to marginal income earners which, as defined in Revenue Regulations 11-2000 dated December 12, 2000; refer to individuals not otherwise deriving compensation as an employee under an employee-employer relationship, but who are self-employed and deriving gross sales/receipts not exceeding P100,000.00 during any 12-month period. - One percent (1%)

The term "agricultural suppliers" refers to suppliers/sellers of agricultural,