

**[ BIR REVENUE REGULATIONS NO. 3-2004, March 01, 2004 ]**

**SUSPENDING THE IMPLEMENTATION OF WITHHOLDING TAX ON INCOME PAYMENTS MADE TO SUPPLIERS OF AGRICULTURAL PRODUCTS UNDER SECTION 2.57.2(S) OF REVENUE REGULATIONS 2-98, AS AMENDED BY RR 17-2003, FURTHER AMENDED BY RR 30-2003 AND 1-2004**

*Section 1. Scope* - Pursuant to the provisions of Section 244, in relation to Section 57(B) of the Tax Code of 1997, these regulations are hereby promulgated to suspend the implementation of Section 2.57.2 (S) of Revenue Regulations No. 2-98, as amended by Revenue Regulations Nos. 17-2003, 30-2003, and 1-2004, which provides as follow:

"(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, hardwares, 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, forest and marine food and non-food products, livestock and poultry of a kind generally used as, or yielding or producing foods for human consumption; and breeding stock and genetic materials therefore. "Livestock" shall include cows, bulls and calves, pigs, sheep, goats and other animals similar thereto. "Poultry" shall include fowls, ducks, geese, turkey and others similar thereto. "Marine products" shall include fish and crustaceans, such as but not limited to, eels, trout, lobsters, shrimps, prawns, oysters, mussels and clams, shells and other aquatic products.

Meat, fruits, fish, vegetables and other agricultural and marine food products, even if they have undergone the simple processes of preparation or preservation for the market, such as freezing, drying, salting, smoking or stripping, including those using advanced technological means of packaging, such as shrink wrapping in plastics, vacuum packing, tetra-pak and other similar packaging method, shall still be covered by this subsection.