

Available Tax Reliefs under Bayanihan to Recover as One Act (Bayanihan II)

[Republic Act (RA) No. 11494 and Revenue Regulations (RR) Nos. 23 to 29 - 2020]

This **Tax Briefer** is prepared to inform all concerned taxpayers on the available tax relief/ exemptions as provided under the Bayanihan to Recover as One Act (RA 11494) or Bayanihan II, as implemented in RR Nos. 23 to 29-2020.

Transactions	Tax Relief	Effectivity / Period Covered	Reference/ Basis										
Sale or exchange of shares of stocks in closely held corporations through Initial Public Offering (IPO)	- Tax on Initial Public Offering (IPO) of shares of stocks is repealed.	Upon effectivity of the Bayanihan II on September 15, 2020	RR No. 23-2020										
Loan term extensions and credit restructuring pursuant to grant of grace period for loans falling due on or before December 31, 2020 (including micro-lending such as those obtained from pawnshops, and extensions thereof)	- Exempt from documentary stamp tax (DST)	From September 15, 2020 until the next adjournment of the 18 th Congress on December 19, 2020	RR No. 24-2020										
Net operating loss from taxable years 2020 and 2021	- Carry-over as a deduction from gross income for the next five (5) consecutive taxable years following the year of loss For corporate taxpayers who are on fiscal year accounting period, taxable year 2020 and 2021 shall include all those corporations with fiscal years ending on or before June 30, 2021, and June 30, 2022, respectively. The NOLCO shall be separately shown in the taxpayer's income tax return while the unused NOLCO shall be presented in the notes to financial statements in detail. The NOLCO for the taxable years 2020 and 2021 shall be presented in the notes to financial statements separately from the NOLCO for other taxable years. Failure to comply with the reporting requirement will disqualify the taxpayer from claiming the NOLCO.	Upon effectivity of the Bayanihan II on September 15, 2020 and will remain in effect even after expiration of the said law	RR No. 25-2020										
Donations of personal computers, laptops, tablets, or similar equipment (i.e. mobile phone, printer) for use in teaching and learning in public schools	- Exempt from donor's tax - Deductible from gross income, subject to limitations under Section 34(H) of the Tax Code and certain conditions - Exempt from value added tax (VAT) on importation, if imported by the Department of Education (DepEd), Commission on Higher Education (CHED), or Technical Education and Skills Development Authority (TESDA). If importer/ consignee is other than CHED or TESDA, the importer should present Deed of Donation duly accepted by these agencies for the importations to be VAT exempt. Moreover, the importation shall not be subject to the issuance of Authority to Release Imported Goods (ATRIG) but may be subject to post audit investigation. - Donations of equipment originally intended for sale or for use in the course of business by the donor shall not be treated as transactions deemed sale subject to VAT. Any input tax attributable to the purchase of donated equipment shall still be creditable against any output tax.	From September 15, 2020 until the next adjournment of the 18 th Congress on December 19, 2020	RR No. 26-2020										
Filing for VAT refund claims	- Further extension of due dates for filing of VAT refund, as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Taxable quarter</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td>Calendar quarter ending September 30, 2018</td> <td>December 31, 2020</td> </tr> <tr> <td>Fiscal quarter ending October 31, 2018</td> <td>January 15, 2021</td> </tr> <tr> <td>Fiscal quarter ending November 30, 2018</td> <td>January 31, 2021</td> </tr> <tr> <td>Calendar quarter ending December 31, 2018</td> <td>February 15, 2021</td> </tr> </tbody> </table> In areas where the Enhanced Community Quarantine (ECQ) or the Modified Enhanced Community Quarantine (MECQ) is in force after December 19, 2020, deadlines for the filing of VAT refund claims falling within the period of ECQ or MECQ shall be extended to 30 days after the lifting of the ECQ or MECQ. Also, the 90-day period of processing of VAT refund claims shall be suspended and shall resume only after 30 days from lifting of ECQ/MECQ. The suspension of the 90-day period shall apply also in case of temporary closure of office until the last day of quarantine period.	Taxable quarter	Deadline	Calendar quarter ending September 30, 2018	December 31, 2020	Fiscal quarter ending October 31, 2018	January 15, 2021	Fiscal quarter ending November 30, 2018	January 31, 2021	Calendar quarter ending December 31, 2018	February 15, 2021	Upon effectivity of the Bayanihan II on September 15, 2020 and after December 19, 2020 for those under ECQ and MECQ	RR No. 27-2020
Taxable quarter	Deadline												
Calendar quarter ending September 30, 2018	December 31, 2020												
Fiscal quarter ending October 31, 2018	January 15, 2021												
Fiscal quarter ending November 30, 2018	January 31, 2021												
Calendar quarter ending December 31, 2018	February 15, 2021												
Importation of critical products, essential goods, equipment or supplies needed to contain and mitigate COVID-19, including equipment for waste management approved by DENR, DOH and other concerned regulatory agencies	- Exempt from value added tax (VAT), duties, excise tax and other fees due on importation. Taxpayers availing of exemption must present a certification from Department of Trade and Industry that the imported equipment and supplies are not locally available or of insufficient quality and preference. - Exempt from the Authority to Release Imported Goods (ATRIG) requirement but may be subject to post audit investigation. - Exempt from donor's tax if the imported articles are donated to or for use of the national government, any entity created by its agencies which is not conducted from profit or to any of its political subdivision, but subject to ordinary rules on deductibility. - VAT on all covered and qualified shipments/importations that may have been paid from June 25, 2020 up to September 14, 2020 shall be refunded pursuant to Section 204(C) of the Tax Code in accordance with the existing procedures for refund of VAT on importation, provided that the input tax on the importations have not been previously claimed in the VAT returns.	From June 25, 2020 until the next adjournment of the 18 th Congress on December 19, 2020	RR No. 28-2020										
Sale of inputs, raw materials and equipment necessary for the manufacture of essential goods of medical grade related to containment and mitigation of COVID-19, as determined by Food and Drug Administration — Department of Health (FDA-DOH), whether locally sourced or imported by a registered manufacturer	- Exempt from VAT To avail of the exemption, suppliers shall submit the following: <ul style="list-style-type: none"> • Certified true copy of "License to Operate", issued to the manufacturer-buyer by the FDA-DOH; and • "Sworn Declaration" from the manufacturer-buyer that the items shall be used for the manufacture of essential goods of medical grade related to containment and mitigation of COVID-19 	From June 25, 2020 until the next adjournment of the 18 th Congress on December 19, 2020	RR No. 28-2020										
Payment of the following: <ol style="list-style-type: none"> a. Retirement benefits by officials and employees of private firms b. COVID-19 Special Risk Allowance to both private and public health workers directly catering to or in contact with COVID-19 patients c. Actual Hazard Duty Pay to Human Resources for Health (HRH) or any person temporarily hired to complement or supplement the current health workforce d. Compensation amounting to P15,000 to P1,000,000 to private and public health workers who have contracted COVID-19 in the line of duty or dies while fighting COVID-19 	- Excluded from gross income and not subject to income tax - Exclude from gross estate of the decedent who died due to COVID-19 - For retirement benefits, exemption will apply if the amount received is in accordance with a retirement plan duly registered with the BIR and the retiring employee or official is not re-employed by the same firm or its related parties within the succeeding 12-month period. The conditions will not apply for retirement benefits received pursuant to Section 2.78.1(B)(1) of RR 02-98, as amended. - If the re-employment will occur in 2020, the withholding tax due on the retirement pay will be recovered by adjusting the withholding tax for taxable year 2020. However, if the re-employment will happen in 2021 and within the 12 month period, the concerned employee shall pay the taxes due on the retirement benefits received within thirty (30) days from date of reemployment, or on the due date for the payment of the second installment payment of 2020 income tax (October 15, 2021), whichever comes later, without penalties Reportorial Requirements: The income payments shall be included in the Alphabetical List of Employees being submitted annually. A list of recipients shall be submitted not later than January 15, 2021 to the RDO or LTS having jurisdiction over the employer/ implementing government agency which include the names, TIN, nature of income paid, amount and date of payment attested by the authorized official of the employer/implementing government agency. Moreover, a list of employees who received retirement benefits but are re-employed within the 12-month period should be submitted by the concerned employers within 30 days from close of taxable quarters for the year 2021.	For Item (a) – From June 5, 2020 to December 31, 2020 For Items (b) and (c) – During the state of national emergency due to COVID-19 For Item (d) – From February 1, 2020 and during the state of national emergency due to COVID-19	RR No. 29-2020										