

# Tax Alert No. 37

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## Modification of Alphanumeric Tax Code (ATC) for Percentage Taxes in BIR Form Nos. 2551M/2551Q Pursuant to the Implementation of Republic Act (RA) No. 10963, also known as Tax Reform for Acceleration and Inclusion (TRAIN) Law

Existing (per ATC Handbook)					Modified/ New
ATC	Description	Tax Rate	BIR Form No.	Legal Basis	BIR Form No.
PT010	Persons exempt from value-added tax (VAT) under Sec. 109(BB) (Sec. 116)	3%	2551M	RA No. 10963	2551M/ 2551Q
PT040	Domestic carriers and keepers of garages (Sec. 117)	3%			
PT041	International carriers (Sec. 118)	3%			
PT060	Franchises on gas and water utilities (Sec. 119)	2%			
PT070	Franchises on radio/television broadcasting companies whose annual gross receipts do not exceed P10M (Sec. 119)	3%			
	Tax on banks and non-bank financial intermediaries performing quasi-banking functions: 1. On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived				
PT105	a. Maturity period is five (5) years or less	5%			
PT101	b. Maturity period is more than five (5) years	1%			
PT102	2. On dividends and equity shares and net income of subsidiaries	0%			
PT103	3. On royalties, rentals of property, real or personal, profits from exchange and all other gross income	7%			
PT104	4. On net trading gains within the taxable year on foreign currency, debt securities, derivatives and other financial instruments	7%			
	Tax on other non-bank financial intermediaries not performing quasi-banking functions: 1. On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived				
PT113	a. Maturity period is five (5) years or less	5%			
PT114	b. Maturity period is more than five (5) years	1%			
PT115	2. From all other items treated as gross income under the code	5%			
PT120	Life insurance premium	5%			
	Agents of foreign insurance companies:				
PT130	a. Insurance agents	10%			
PT132	b. Owners of property obtaining insurance directly with foreign insurance companies	5%			

