

REVENUE REGULATIONS NO. 8-2021 issued on June 11, 2021 amends certain provisions of Revenue Regulations (RR) No. 4-2021, which implemented the Value-Added Tax (VAT) and Percentage Tax provisions under Republic Act (RA) No. 11534 (Corporate Recovery and Tax Incentives for Enterprises [CREATE] Act).

Section 2, sub-section 4.109-1(B)(p)(4) of RR No. 4-2021 is amended to read as follows:

"xxx xxx xxx

Provided, That beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business; sale of real property utilized for socialized housing as defined by Republic Act (RA) No. 7279, as amended, and, sale of house and lot, and other residential dwellings with selling price of not more than Two Million Pesos (₱2,000,000.00), **as adjusted to ₱ 3,199,200.00 in 2011 using the 2010 Consumer Price Index values**; *Provided, further*, That every three (3) years thereafter, the amount stated herein shall be adjusted to its present value using the Consumer Price Index as published by the Philippine Statistics Authority (PSA).

xxx xxx xxx"

Section 2, sub-section 4.109-1(B)(p)(bb) of RR No. 4-2021 is amended to read as follows:

"xxx xxx xxx

The importation of items under (i), (ii) and (iii) hereof shall not be subject to the issuance of the Authority to Release Imported Goods (ATRIG) under Revenue Memorandum Order (RMO) No. 35-2002, as amended, and may be released by the Bureau of Customs (BOC) without the need of an ATRIG.

The exemption claimed under this subsection shall be subject to post audit by the Bureau of Internal Revenue (BIR) or the Bureau of Customs (BOC), as may be applicable.

xxx xxx xxx"

Excess Percentage Tax payments as a result of the decrease of tax rate from 3% to 1% starting July 1, 2020 until the effectivity of RR No. 4-2021 may be carried forward to the succeeding taxable quarters. This carry-over portion is intended for Percentage Taxpayers who are regularly filing the returns and are expected to have overpaid taxes as a result of the retroactive application of the CREATE. Tax refund, however, is still allowed in the event that the taxpayer shifted from non-VAT to VAT-registered status, or the taxpayer has opted to avail of the eight percent (8%) Income Tax rate at the beginning of TY 2021. Hence, Section 3(2)(b) of RR No. 4-2021 is amended to read as follows:

"xxx xxx xxx

Percentage taxpayers who have overpaid taxes as a result of the decrease of tax rate from 3% to 1% starting July 1, 2020 until the effectivity of RR No. 4-2021 are allowed for a tax refund in the event that:

- a. **The taxpayer shifted from non-VAT to VAT-registered status; or**
- b. **The taxpayer has opted to avail the eight percent (8%) income tax rate at the beginning of TY 2021.**

xxx

xxx

xxx.”