

REVENUE REGULATIONS NO. 3-2024 issued on April 11, 2024, implements the amendments introduced by RA No. 11976 (Ease of Paying Taxes [EOPT] Act), on the relevant provisions of Title IV – Value-Added Tax (VAT) and Title V – Percentage Tax of the Tax Code of 1997, as amended.

The EOPT Act adopts the accrual basis of recognizing sales for both sales of goods and services, including transactions to government or any of its political subdivisions, instrumentalities or agencies, and government-owned or -controlled corporations (GOCCs). Hence, all references to “gross selling price”, “gross value in money”, and “gross receipts” shall now be referred to as the **“GROSS SALES”**, regardless of whether the sale is for goods under Section 106, or for services under Section 108 of the Tax Code.

Inasmuch as there is a shift from cash basis to accrual basis for sale of service, the EOPT Act mandates a single document for both sales of goods and services. Hence, all references to **Sales/Commercial Invoices or Official Receipts** shall now be referred to as **“INVOICE”**.

With the shift from cash basis to accrual basis for sale of service, all references to **receipts or payments** which was previously the basis for the recognition of sales of service under Title IV (Value-Added Tax) and Title V (Percentage Tax) of the Tax Code, shall now be referred to as **“BILLING”** or **“BILLED”**, whichever is applicable.

The EOPT Act re-introduced the regular updating of the VAT-exempt threshold every three (3) years pursuant to Section 109(CC), in relation to Section 116 of the Tax Code. Hence, all provisions mentioning the VAT-exempt threshold of three million pesos (₱3,000,000.00) shall now be read as **“the amount of VAT threshold herein stated shall be adjusted to its present value every three (3) years using the Consumer Price Index (CPI), as published by the Philippine Statistics Authority (PSA)”**.

The filing of tax return shall be done **electronically** in any of the available electronic platforms. However, in case of unavailability of the electronic platforms, manual filing of tax returns shall be allowed. For tax payment with corresponding due dates, the same shall be made **electronically** in any of the available electronic platforms or **manually** to any Authorized Agent Banks and Revenue Collection Officers.

The Specific Amendments to Sale or Exchange of Service Under Section 108 of the Tax Code, Specific Amendments to VAT-Exempt Transactions, Specific Amendments to Tax Credits, and Specific Amendments to Claims for Refund/Tax Credit Certificate of Input Tax are provided in these Regulations.

These Regulations shall apply to sale of services that transpired upon its effectivity. Hence, for outstanding receivables on services on account that are rendered prior to the effectivity of these Regulations, the corresponding output VAT shall be declared once it has been collected. In case of collection, the sales and corresponding output VAT therefrom shall be declared in the quarterly VAT return when the collection was made and shall be supported with an Invoice following the transitory provisions contained in the RR intended for invoicing requirements to implement the EOPT Act or the new BIR-approved set of Invoices, whichever is applicable.

For purposes of Section 4.110-9 of these Regulations, claim of output tax credit on uncollected receivables shall only apply to transactions that transpired upon the effectivity of these

Regulations. No output tax credit shall be allowed for outstanding receivables from sale of goods on account prior to the effectivity of these Regulations.