

BDB Law

DU-BALADAD AND ASSOCIATES

ADVISORY

SERIES OF 2025

Imposition of Creditable Withholding
Tax on Top Withholding Agents

IMPOSITION OF CREDITABLE WITHHOLDING TAX
ON TOP WITHHOLDING AGENTS

I. General Rule

Income payments made by any top withholding agent shall be subject to the following rates:

- Supplier of goods – 1%
- Supplier of services – 2%

II. Exceptions

Gross payments to manufacturers/importers for the following goods intended for wholesale shall be subject to **½% creditable withholding tax** rate:

- Motor vehicles in completely built units or semi-knockdown units, motor vehicle parts, and accessories;
- Medicine/pharmaceutical products; and
- Solid or liquid fuels and related products.

III. Effectivity

It shall take effect on October 10, 2025 (or 15 days from publication in the Official Gazette or the BIR official website).

Source:
Revenue Regulations No. 24-2025
September 25, 2025

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