

# Withholding Tax Information for Dentists and Doctors

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This document contains information about withholding tax rates and details for individuals engaged in the practice of their profession. This is only a part of the full document retrieved from the BIR site. If you want to view the full document, please [click here](#) .

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  
December 12, 2003  
REVENUE REGULATIONS NO. 30-2003

SECTION 3. INCOME PAYMENTS SUBJECT TO CREDITABLE  
WITHHOLDING TAX. - Sec. 2.57.2 of Revenue Regulations No. 2-98, as amended, is  
hereby further amended to read as follows:

“Sec.2.57.2. Income payments subject to creditable withholding  
tax and rates prescribed thereon. - xxx xxx

(A) Professional fees, talent fees, etc., for services rendered by  
individuals. — On the gross professional, promotional and talent fees or any  
other form of remuneration for the services of the following individuals -  
Fifteen percent (15%), if the gross income for the current year exceeds  
P720,000; and Ten percent (10%), if otherwise;

(1) Those individually engaged in the practice of professions or callings;  
lawyers; certified public accountants; doctors of medicine; architects;  
civil, electrical, chemical, mechanical, structural, industrial, mining,  
sanitary, metallurgical and geodetic engineers; marine surveyors;  
doctors of veterinary science; dentist; professional appraisers;  
connoisseurs of tobacco; actuaries; interior decorators, designers and all  
other profession requiring government licensure examinations and/or  
regulated by the Professional Regulations Commission, Supreme Court,  
etc.

(2) Professional entertainers, such as, but not limited to, actors and  
actresses, singers, lyricist, composers and emcees;

(3) Professional athletes, including basketball players, pelotaris and  
jockeys;

(4) All directors and producers involved in movies, stage, radio, television  
and musical productions;

(5) Insurance agents and insurance adjusters;

(6) Management and technical consultants;

(7) Bookkeeping agents and agencies;

(8) Other recipient of talent fees;

(9) Fees of directors who are not employees of the company paying such  
fees, whose duties are confined to attendance at and participation in the  
meetings of the board of directors.

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Furthermore, in order to determine the applicable tax rate (10% or  
15%) to be applied/withheld by the withholding agent, every individual  
professional/talent/corporate directors herein enumerated, shall periodically  
disclose his gross income for the current year to the Bureau of Internal

Revenue (BIR) by submitting a notarized sworn declaration attached as Annex "A" hereof in three (3) copies (two (2) copies for the BIR and one (1) copy for the taxpayer), copy furnished all the current payors of the declaration duly stamped received by the BIR (Collection Division of the Regional Office having jurisdiction over the place where the income earner is registered/Large Taxpayers Collection Division for large taxpayers in Metro Manila/ LTDO for large taxpayers outside Metro-Manila).

Sworn declaration may likewise be filed by the income payor on behalf of the professionals/talents/directors whose services were being rendered exclusively to the aforesaid payor.

The disclosure should be filed on June 30 of each year or within fifteen (15) days after the end of the month the professional/talent/director's income reaches P720,000, whichever comes earlier.

In case his total gross income is less than P720,000 as of June 30, he/she shall submit a second disclosure within fifteen (15) days after the end of the month that his/her gross income for the current year to date reaches P720,000. The payee &ndash; professional/talent/director shall furnish each payor a copy of the BIR duly stamped received sworn declaration not later than five (5) days from the date of receipt by the BIR. In case of failure to submit the June 30 annual declaration/disclosure to the BIR, and to furnish the payor/s a copy thereof, the payor shall withhold the tax at the rate of 15%.

The Collection Division/Large Taxpayers Collection Division/LTDO shall transmit one (1) copy of the duly submitted notarized sworn declaration, to the Withholding Tax Division within five (5) days from receipt thereof. The remaining copy shall be the file copy of the concerned Regional Office/Large Taxpayer Service/LTDO for monitoring purposes.

These requirements shall likewise apply to taxable juridical persons (sworn declaration shall be executed by the president/managing partner of the corporation/company), partners of general professional partnerships and medical practitioners stated under sub-sections (B), (H) and (I) hereof.

Notwithstanding the foregoing, if an individual recipient receives professional fees/talent fees/directors fees in addition to salaries from the same payor, the said fees shall be considered as supplemental compensation and, thus be subject to the withholding tax on compensation.

(B) Professional fees, talent fees, etc., for services of taxable juridical persons. &ndash; On the gross professional, promotional and talent fees, or any other form of remuneration enumerated in the preceding subparagraph for the services of taxable juridical persons &ndash; Fifteen percent (15%), if the gross income for the current year exceeds P720,000; and Ten percent (10%), if otherwise;

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(H) Income payments to partners of general professional partnerships. &ndash; Income payments made periodically or at the end of the taxable year by a general professional partnership to the partners, such as drawings, advances, sharings, allowances, stipends, etc. - Fifteen percent (15%), if the income payments to the partner for the current year exceeds P720,000; and Ten percent (10%), if otherwise;

(I) Professional fees paid to medical practitioners. &ndash; Any amount collected for and paid to medical practitioners (includes doctors of medicine, doctors of veterinary science and dentists) by hospitals and clinics, or paid directly to the medical practitioners by patients who were &lsquo;admitted and confined&rsquo; to such Hospitals or Clinics, or paid directly to such medical practitioners by health maintenance organizations (HMOs) and/or similar establishments which is likewise covered by Section 2.57.2(A)(1) - Fifteen percent (15%), if the income payments to the medical practitioner for the current year exceeds P720,000; and Ten percent (10%), if otherwise.

a) It shall be the duty and responsibility of the hospital, clinic or HMO to remit taxes withheld from the following:

1. Professional fees paid by HMOs to medical practitioners
2. Professional fees paid by patients to medical practitioners thru the hospitals or clinics.
3. Professional fees paid by patients directly to medical practitioners where the 10% or 15% expanded withholding tax, whichever is applicable, shall in turn be given by medical practitioners directly to the Accounting Office of the hospitals or clinics

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(ii) Medical practitioners whose professional fee was paid to them directly by the patients and the 10% or 15% withholding tax, whichever is applicable, was given by such practitioners to the Accounting Office of the hospital or clinic

(iii) Medical practitioners whose professional fee was paid to them directly by the patients but the 10% or 15% withholding tax, whichever is applicable, was not given by such practitioners to the Accounting Office of the hospital or clinic.

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(e) Hospitals and clinics shall be responsible for the accurate computation of taxes to be withheld on professional fees paid by patients thru the hospitals and clinics, in the same way that HMOs shall be responsible for the computation of taxes to be withheld from the professional fees paid by them to the medical practitioners, and timely remittance of the 10% or 15% expanded withholding tax, whichever is applicable.

The list of all income recipients-payees in this Subsection shall be included in the Alphabetical List of Payees Subject to Expanded Withholding Tax attached to BIR Form No. 1604-E (Annual Information Return of Creditable Income Taxes Withheld (Expanded)/Income Payments Exempt from Withholding Tax).

Likewise, the hospitals, clinics or HMOs shall issue a Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) to medical practitioners who are subjected to withholding, every 20th day following the close of the taxable quarter or upon request of the payee.

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**SECTION 6. REPEALING CLAUSE.** - All existing revenue regulations and other issuances or portions thereof which are inconsistent herewith are hereby revoked, repealed or amended accordingly.

**SECTION 7.. TRANSITORY PROVISIONS** &ndash; Accrued income earned prior to January 1, 2004 shall be based on the prevailing withholding tax rate at the time of accrual and must be withheld and remitted at the time the income accrues.

**SECTION 8. EFFECTIVITY.** &ndash; These regulations shall take effect on January 1, 2004.

(Original Signed)

JUANITA T. AMATONG

Secretary of Finance

Recommending Approval:

(Original Signed)

GUILLERMO L. PARAYNO, JR.

Commissioner of Internal Revenue

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