

6 OCT -3 P403

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 108

Submitted by the Committee on Ways & Means on 03 OCT 2006.

Re: House Bill No. 5742

Recommending its approval without amendment.

Sponsor: Senator Ralph G. Recto

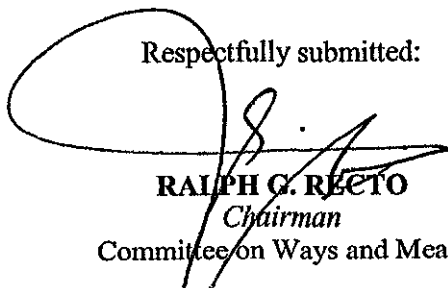
MR. PRESIDENT:

The Committee on Ways and Means to which was referred House Bill No. 5742, introduced by Rep. Singson, *et al*, entitled:

**“AN ACT
AMENDING SECTION 110 (B) OF THE NATIONAL INTERNAL REVENUE
CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES”,**

has considered the same and has the honor to report the bill back to the Senate with the recommendation that it be approved without amendments.

Respectfully submitted:



RALPH G. RECTO
Chairman

Committee on Ways and Means

JOKER P. ARROYO
Vice-Chairman

Members:

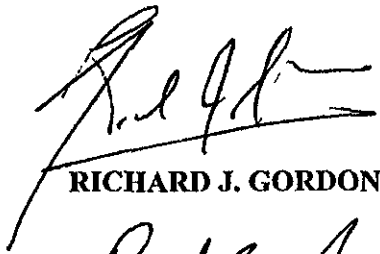


JUAN PONCE ENRILE

EDGARDO J. ANGARA

FRANKLIN M. DRILON

RAMON B. MAGSAYSAY, JR.




RICHARD J. GORDON



M A R ROXAS



COMPAÑERA PIA S. CAYETANO



RAMON "Tong" REVILLA, JR.

RODOLFO G. BIAZON

SERGIO R. OSMEÑA III



ALFREDO S. LIM



PANFILO M. LACSON

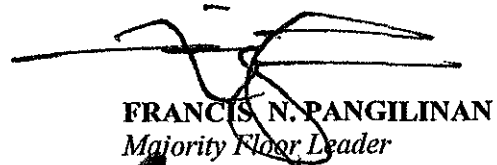


JINGGOY EJERCITO ESTRADA

Ex-Officio Members:



JUAN M. FLAVIER
Pro-Tempore President



FRANCIS N. PANGILINAN
Majority Floor Leader



AQUILINO Q. PIMENTEL, JR.
Minority Floor Leader

HON. MANNY VILLAR
Senate President
Pasay City



HOUSE OF REPRESENTATIVES

H. No. 5742

BY REPRESENTATIVES SINGSON, JAVIER, PABLO, VALDEZ, NOEL, TEVES,
MADAMBA, CODILLA, GIDAYA, VILLANUEVA AND VILLAFUERTE, PER
COMMITTEE REPORT NO. 1907

AN ACT AMENDING SECTION 110(B) OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER
PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 SECTION 1. Section 110(B) of the National Internal Revenue Code of
2 1997, as amended, is hereby further amended to read as follows:

3 “(B) *Excess Output or Input Tax.* – If at the end of any
4 taxable quarter the output tax exceeds the input tax, the excess
5 shall be paid by the VAT-registered person. If the input tax
6 exceeds the output tax, the excess shall be carried over to the
7 succeeding quarter or quarters: [*Provided, That the input tax*
8 inclusive of input VAT carried over from the previous quarter

1 that may be credited in every quarter shall not exceed seventy
2 percent (70%) of the output VAT:] *Provided, however, That any*
3 *input tax attributable to zero-rated sales by a VAT-registered*
4 *person may at his option be refunded or credited against other*
5 *internal revenue taxes, subject to the provisions of Section 112.”*

6 *SEC. 2. Implementing Rules and Regulations.* – The Secretary of
7 Finance shall, upon the recommendation of the Commissioner of Internal
8 Revenue, promulgate the necessary rules and regulations for the effective
9 implementation of this Act.

10 *SEC. 3. Repealing Clause.* – All laws, decrees, executive orders, rules
11 and regulations or parts thereof which are contrary to or inconsistent with
12 this Act are hereby repealed, amended or modified accordingly.

13 *SEC. 4. Effectivity.* – This Act shall take effect fifteen (15) days after
14 its publication in the *Official Gazette* or in any two newspapers of general
15 circulation, whichever comes earlier.

Approved,

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