

(d) Uniform and Clothing allowance not exceeding P4,000.00 per annum;

xxx

xxx

xxx”

Section 2. Section 2.33(C) of RR 398, as last amended by RR 10-2000, is hereby further amended to read as follows:

“Sec. 2.33. Special Treatment of Fringe Benefits.

(A) Imposition of Fringe Benefits Tax – xxx xxx

xxx

xxx

xxx

(B) Definition of Fringe Benefit – xxx xxx

xxx

xxx

xxx

(C) **Fringe Benefits Not Subject to Fringe Benefit Tax** – In general, the fringe benefit tax shall not be imposed on the following fringe benefits:

xxx

xxx

xxx

The term “DE MINIMIS” benefits which are exempt from the fringe benefit tax shall, in general, be limited to facilities or privileges furnished or offered by an employer to his employees that are of relatively small value and are offered or furnished by the employer merely as a means of promoting the health, goodwill, contentment, or efficiency of his employees such as the following:

(a) xxx xxx xxx

xxx xxx xxx

(c) Rice subsidy of P1,500.00 or one (1) sack of 50 kg. rice per month amounting to not more than P1,500.00;

(d) Uniform and Clothing allowance not exceeding P4,000.00 per annum;

xxx

xxx

xxx”

Section 3. Transitory Provisions. – The benefits herein provided shall apply to income earned starting the year 2008.

Section 4. Repealing Clause. - All existing rules and regulations or parts thereof which are inconsistent with the provisions of these regulations are hereby revoked, repealed or modified accordingly.

Section 5. Effectivity Clause. – These Regulations shall take effect after fifteen (15) days following its publication in any newspaper of general circulation.

(Original Signed)
MARGARITO B. TEVES
Secretary of Finance

Recommending Approval:

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue