

**THE 2 THINGS YOU CANNOT  
ESCAPE IN LIFE:**

# 1. DEATH

# 1. TAXES

# IMPORTANT PROVISION OF RA 9646

## **SECTION 32**

b) Divisions or departments of partnerships and corporations engaged in marketing or selling any real estate development project in the regular course of business must be headed by full-time registered and licensed real estate brokers.

(c) Branch offices of real estate brokers, appraisers or consultants must be manned by a duly licensed real estate broker, appraiser or consultant as the case may be.

& Subject to the provisions of the Labor Code, a corporation or partnership may hire the services of registered and licensed real estate brokers, appraisers or consultants on commission basis to perform real estate services and the latter shall be deemed **independent contractors and not employees** of such corporations.

¶ EXISTENCE OF AN EMPLOYER-EMPLOYEE RELATIONSHIP  
**(subject to the provisions of the Labor Code)**

- ¶ 4 REQUIREMENTS OF EMPLOYER-EMPLOYEE RELATIONSHIP;
  - ¶ (1) SELECTION AND ENGAGEMENT OF THE EMPLOYEE
  - ¶ (2) PAYMENT OF WAGES
  - ¶ (3) POWER OF DISMISSAL
  - ¶ (4) POWER TO CONTROL THE EMPLOYEE'S CONDUCT

THIS PROVISION IMPLIES

- ☒ RMC No. 105-2019 issued on 9 October 2019
- ☒ ►• The workers availing of the maternity leave period and benefits must receive their full pay.
- ☒ • Employers from the private sector shall be responsible for payment of the salary differential between the actual cash benefits received from the SSS by the covered female workers and their average weekly or regular wages for the duration of the maternity leave.
- ☒ • The salary differential is considered as a benefit exempt from Income and Withholding Taxes.

REAL ESTATE SALESPERSONS MAY  
FALL  
UNDER THIS CATEGORY

- ❑ THE APPLICATION FOR A TIN
  - ❑ SUBMISSION OF THE BIR REQUIREMENTS
  - ❑ PREPARATION OF YOUR INCOME TAX RETURN
  - ❑ BASICALLY, YOU WILL JUST SIGN ON THESE BIR FORMS
  - ❑ THIS APPLIES TO GOVERNMENT AND PRIVATE AGENCIES
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- ❑ ---> MAKE SURE THAT THE AMOUNT PAID IN THE GROSS INCOME IN THE COMMUNITY TAX CERTIFICATE IS EQUAL TO THE GROSS INCOME OF YOUR INCOME TAX RETURN

¶ **Revenue Regulations No. 1-2020 issued on 9 January 2020**

¶ • Section 8 of RR No. 11-2018, which lays down the procedure for filing of Application for Registration for **Individuals Earning Compensation Income** (BIR Form No. 1902), is amended by directing all employers to require only employees with no existing TIN numbers to accomplish in triplicate, BIR Form No. 1902, and to submit the original to the RDO and the duplicate to the employer

THE APPLICATION FOR A TIN  
SUBMISSION OF THE BIR REQUIREMENTS (INCLUDING  
BUSINESS PERMIT)  
ATTEND A SEMINAR, USUALLY 2 HOURS  
PREPARATION OF YOUR INCOME TAX RETURN  
CERTIFICATION ISSUED THAT YOU ATTENDED THE SEMINAR  
SECURE A CERTIFICATE OF REGISTRATION P500(EVERY YEAR)  
LEDGER  
ASK A RECEIPT STICKER, AUTHORITY TO PRINT OFFICIAL  
RECEIPTS

& GROSS SALES  
& QUARTERLY  
& ITR

& issued on June 6, 2013 amends several Revenue Regulations, and RR No. 14-2002 as regards income **payments to certain brokers and agents.**

& Section 2.57.2(A)(1) of RR No. 2-98, as last amended by RR No. 30-2003, is hereby

& further amended to read as follows:

# REVENUE REGULATIONS 10-2013

- ¶ “Section 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 P 720,000; and Ten percent (10%), if otherwise:

- ¶ “Section 2.57.2. – Income payments subject to creditable withholding
- ¶ tax and rates prescribed thereon. - xxx xxx
- ¶ xxx xxx xxx
- ¶ (G) Income payments to **certain brokers and agents.** - On gross commissions of customs, insurance, stock, immigration and commercial brokers, fees of agents of professional entertainers and real estate service practitioners(RESPs), (i. e. real estate consultants, real estate appraisers and real estatebrokers) who failed or did not take up the licensure examination given by and not registered with the Real Estate Service under the Professional Regulations Commission. – Ten percent (10%).

& REAL ESTATE AGENT (requirements) in reality, Developer may or may not be strict on this, then look for a Licensed real Estate Broker

TOTAL CONTRACT PRICE (TCP) ---- P1,000,000

DEVELOPER'S CHARGE /misc. X 12%  
120,000

NET TOTAL CONTRACT PRICE ----- 880,000

COMMISSION X 3%

## GROSS COMMISSION 26,400

X 8%

## MINUS(-) 2,112

net: 24,288 / PER UNIT

& RMO No. 23-2018 dated 21 May 2018

& To avail of the 8% Income Tax Rate option for individuals earning from self-employment and/or practice of professions

## Options

- ¶ a. Graduated income tax rates as provided under Section 24 (A)(2)(a) of the National Internal Revenue Code (NIRC), as amended; or
- ¶ b. Eight percent (8%) tax on gross sales or receipts and other non-operating income in excess of Two Hundred Fifty Thousand Pesos (₱ 250,000.00) in lieu of the graduated Income Tax rates and Percentage Tax under Section 116 of the NIRC, as amended

- ¶ The following criteria must be satisfied in order to qualify and avail the 8% income tax rate option:
  - ¶ 1. The individual is earning from self-employment and/or practice of profession;
  - ¶ 2. The gross sales/receipts and other non-operating income do not exceed the P3,000,000.00 VAT threshold during the taxable year;

- ¶ 3. The taxpayer is registered and subject only to percentage tax under Section 116 of the Tax Code, or is exempt from VAT or other percentage taxes; and,
- ¶ 4. The taxpayer must have signified his intention to elect the 8% income tax rate by filing any of the following:
  - ¶ • New Business Registrant
  - ¶ a. Upon registration using BIR Form No. 1901 and/or 1701Q; or
  - ¶ b. On the initial quarter return (BIR Form No. 2551Q and/or 1701Q) of the taxable year after the commencement of a new business/practice of profession

& IF YOU ARE VERY BUSY, HIRE  
AN ACCOUNTANT

& YOU WILL PAY HIM/HER A  
MONTHLY FEE BASED ON  
YOUR AGREEMENT

& THERE ARE MORE  
ADVANTAGES THAN  
DISADVANTAGES

& ADVICE:

& visit this website: [www.bir.gov.ph](http://www.bir.gov.ph)