



Bureau of Internal Revenue  
Republic of the Philippines

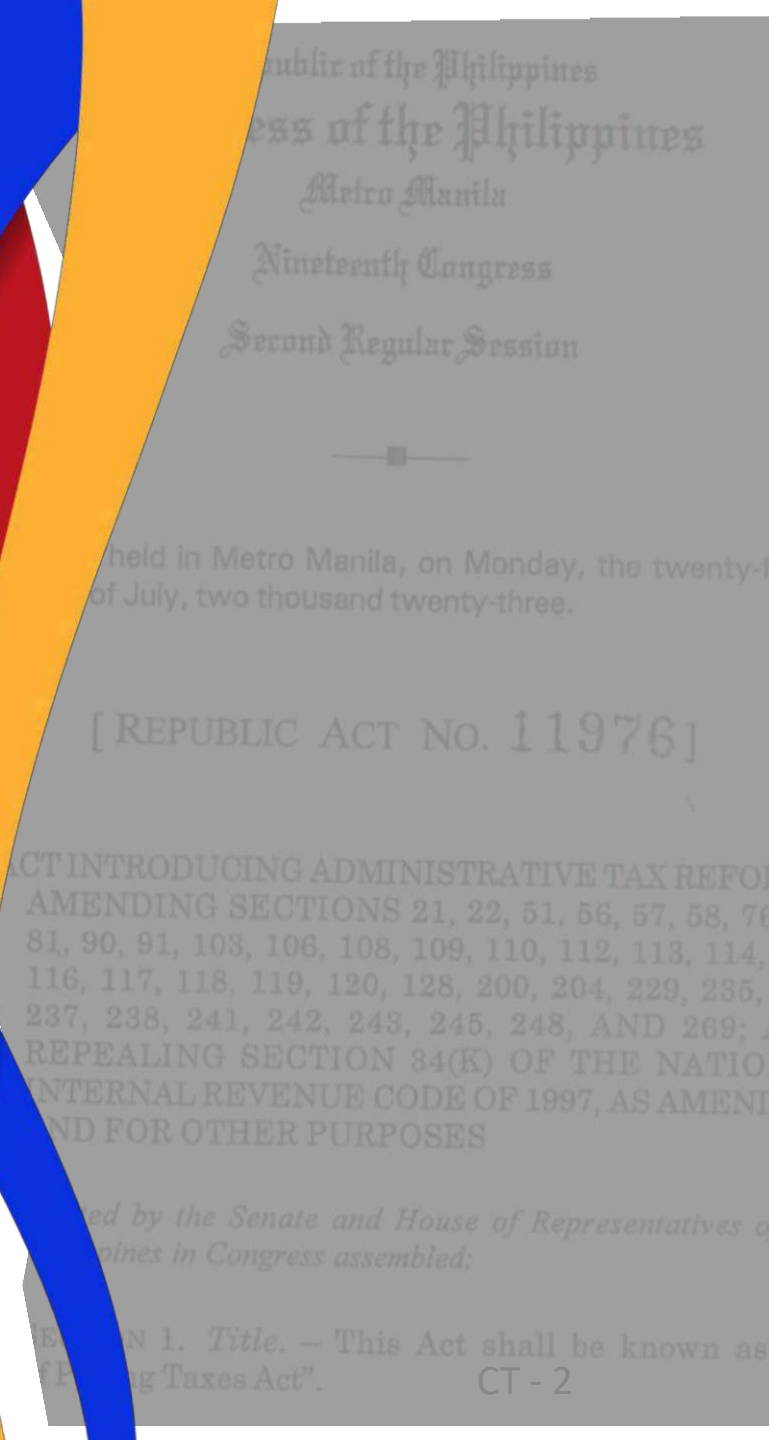
# Ease of Paying Taxes Act

Republic Act No. 11976



# Revenue Regulations No. 8-2024

Implementing Section 21(b) of the National Internal Revenue Code of 1997, as Amended by Republic Act No. 11976, otherwise known as the “Ease of Paying Taxes Act”, on the **Classification of Taxpayers**



# SECTION 2.

## Coverage and Classification of Taxpayers

Taxpayers shall be classified, and be covered by these regulations, as follows:

- A. Micro Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is less than Three Million Pesos (₱3,000,000.00).
  
- B. Small Taxpayer** – shall refer to a taxpayer whose gross sales for a taxable year is Three Million Pesos (₱3,000,000.00) to less than Twenty Million Pesos (₱20,000,000.00).

# SECTION 2.

## Coverage and Classification of Taxpayers

- C. Medium Taxpayer** - shall refer to a taxpayer whose gross sales for a taxable year is Twenty Million Pesos (₱20,000,000.00) to less than One Billion Pesos (₱1,000,000,000.00).
  
- D. Large Taxpayer** - shall refer to a taxpayer whose gross sales for a taxable year is One Billion Pesos (₱1,000,000,000.00) and above.

# SECTION 2.

## Coverage and Classification of Taxpayers

For purposes of classification of taxpayers under these Regulations, gross sales shall refer to total sales revenue, net of VAT, if applicable, during the taxable year, without any other deductions.

Gross sales shall refer to business income, excluding **compensation income** earned under employer-employee relationship, **passive income** under Sections 24, 25, 27 and 28, and income excluded under Section 32(B), all of the Tax Code.

Business income shall include income from the conduct of trade or business or the exercise of a profession.

# SECTION 3.

## Initial Classification of Taxpayers

Taxpayers who will register to engage in business or practice of profession upon the effectivity of these Regulations shall initially be classified based on its declaration in the **Registration Forms** starting from the year they registered, and shall remain as such unless reclassified.

The concerned taxpayer shall be reclassified in accordance with the threshold values as stated under Section 2 of these Regulations.



# SECTION 5. Transitory Provisions

Taxpayers registered in 2022 and prior years shall be classified on the basis of their gross sales for taxable year 2022.

For taxpayers registered in 2022 and prior years but without any submitted information on their gross sales for taxable year 2022, and taxpayers registered in 2023 or in 2024 before the effectivity of these Regulations, they shall initially be classified as MICRO, except VAT-registered taxpayers, who shall be classified as SMALL.