REVENUE MEMORANDUM ORDER NO. 4-2004 issued on February 2, 2004 defines the guidelines relating to registration of agricultural suppliers as marginal income earners and their exemption from the 1% Creditable Withholding Tax on payments made by hotels, restaurants, resorts, caterers, food processors, canneries, supermarkets, livestock, poultry, fish and marine product dealers, hardwares, factories, furniture shops and all other establishment.

Agricultural suppliers who are marginal income earners but not yet registered with the BIR as such, shall register with the Revenue District Officer (RDO) having jurisdiction over the place where they are resident of or are doing their income producing activities. If said agricultural suppliers have previously registered as marginal income earners with the BIR, they shall update their registration with the RDO having jurisdiction over the place where they are resident of or are doing their income producing activities. If they are previously registered with an RDO (previous RDO) different from where they are currently updating their registration (current RDO), they should surrender their Certificate of Registration to the current RDO. The current RDO shall notify the previous RDO of the fact of update of registration, transmitting the copy of the old Certificate of Registration for its proper cancellation.

Buyers of agricultural products from agricultural suppliers who are registered as marginal income earners shall not withhold 1% Creditable Withholding Tax from their income payments, provided such agricultural suppliers present a copy of their Certificate of Registration showing that they are registered as marginal income earner.