REVENUE MEMORANDUM CIRCULAR NO. 75-2012 issued on November 23, 2012 clarifies Section 109(1)(R) of the National Internal Revenue Code of 1997, as amended, on the VAT exemption of the sale, importation, printing or publication of books, newspapers, magazines, reviews or bulletins.

In order to be exempted from VAT, a newspaper, magazine, review or bulletin must be: (i) printed or published at regular intervals; (ii) available for subscription and sale at fixed prices; and (iii) are not principally devoted to the publication of paid advertisements.

The terms “book”, “newspaper”, “magazine”, “review” and ”bulletin”, as used in the said provision, refer to printed materials in hard copies. They do not include those in digital or electronic format or computerized versions, including but not limited to e-books, e-journals, electronic copies, online library sources, CDs and software.