REVENUE REGULATIONS NO. 12-2013 issued on July 12, 2013 further amends Section 2.58.5 of Revenue Regulations (RR) No. 2-98, as amended, to read as follows:

“Section 2.58.5 Requirements for Deductibility. – Any income payment which is otherwise deductible under the Code shall be allowed as a deduction from the payor’s gross income only if it shown that the income tax required to be withheld has been paid to the Bureau in accordance with Secs. 57 and 58 of the Code.

No deduction will also be allowed notwithstanding payments of withholding tax at the time of the audit investigation or reinvestigation/reconsideration in cases where no withholding of tax was made in accordance with Secs. 57 and 58 of the Code.”