REVENUE REGULATIONS NO. 29-2002 issued on December 20, 2002 prescribes the updated policies and procedures for the advance payment of Value-Added Tax (VAT) on the sale of refined sugar.

The VAT on the sale of refined sugar shall be paid in advance by the owner/seller to the BIR, through the Authorized Agent Banks (AABs), or to the Revenue Collection Officers (RCOs) or deputized City or Municipal Treasurers, in places where there are no AABs.

The proprietor or operator of a sugar mill/refinery shall not allow any withdrawal of refined sugar from its premises without the advance payment of the VAT made by the owners/sellers and submission of proof of advance payment, unless the said owner or seller presents proof to the sugar mill/refinery that it is exempt from the VAT.

The amount of advance payment shall be determined by applying the VAT rate of 10% on the applicable base price, prescribed in the Regulations, per 50 kilogram bag of refined sugar.

The amount of advance payments made by sellers of refined sugar shall be allowed as credit against their output tax on the actual gross selling price of refined sugar.

Persons or firms engaged in the production and manufacturing of refined sugar for their own account shall be allowed a presumptive input tax, which is creditable against the output tax, equivalent to one and one-half percent of the gross value in money of their purchases of primary agricultural products (limited to sugarcane and other agricultural products used as main raw materials for the production of sugar).

The advance payment shall be made to any AAB or RCO or deputized City or Municipal Treasurer of the Revenue District Office having jurisdiction of the physical location of the sugar mill/refinery before the withdrawal of refined sugar from the refinery. However, if the owner of the refined sugar to be withdrawn is under the jurisdiction of the Large Taxpayers Service or Large Taxpayers District Office, the payment shall only be made to an AAB to ensure proper crediting of the payment.