

## ADVISORY ON WITHHOLDING OF TAX ON CERTAIN EXPENSES

PAGE NOS.

BIR REVENUE MEMORANDUM  
CIRCULAR NO. 60-2024

1

Clarification on the Effect on Tax Audits of  
the Repeal of the Requirement of  
Withholding on the Deductibility of  
Expenses

20/F Chatham House  
Valero cor. Rufino Sts.



Salcedo Village  
Makati 1227



[www.bdbl.com.ph](http://www.bdbl.com.ph)  
[info@bdbl.com.ph](mailto:info@bdbl.com.ph)



T: (632) 8403-2001



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**Effect on Tax Audits of the Repeal of the Requirement  
of Withholding on the Deductibility of Expenses**

*I. Ongoing Audit Covering Taxable Period Prior to January 1, 2024*

- Expenses subject to withholding shall be allowed as deduction **only if** the corresponding tax required to be withheld have been paid.
- The Revenue Officer shall recommend for the issuance of an assessment notice both on income and withholding tax.

*II. Taxable Year Covering January 1, 2024*

- Expenses shall be allowed as deduction even if no tax was withheld provided the other requirements for deductibility have been met.
- Taxpayer shall still be liable for the payment of the corresponding withholding tax.

Source:  
BIR Revenue Memorandum Circular No. 60-2024