

Advisory on COVID-19 Donations

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**BIR REVENUE REGULATION NO. 09-2020
Tax Treatment of Donations Given for the
Sole and Exclusive Purpose of Combatting
COVID-19 During the Period of the State
of National Emergency**

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BENEFITS ON DONATIONS DURING THE PERIOD OF THE ECQ

This provides for the guidelines for the exemption from donor's tax and full deductibility from gross income of certain gifts or donations.

What are the covered gifts or donations?

The following gifts or donations, when given for the sole and exclusive purpose of combatting COVID-19 during the period of the state of national emergency may be exempted from donor's tax and fully deductible from gross income:

1. Cash donations;
2. Donations of all critical or needed healthcare equipment or supplies;
3. Relief goods; and
4. Use of property, whether real or personal.

Gifts or donations exempted:

A. Under the Tax Code

Covered gifts or donations made to the following are exempt from donor's tax and shall enjoy full deductibility from gross income:

Donee-Recipient	Supporting Document
National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government including fully owned government corporations	Deed of Donation
<u>Accredited</u> non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization, trust or philanthropic organization or research institution or organization	Certificate of Donation (BIR Form 2322)

Further, the following are NOT required to be complied to enjoy the abovementioned tax benefits:

1. Inclusion in the National Economic and Development Authority's annual priority plan; and
2. Notice of Donation

B. Donor's Tax Exemption under the Bayanihan to Heal as One Act

Covered gifts or donations made to the following are exempt from donor's tax and shall enjoy full deductibility from gross income:

Donee-Recipient	Supporting Document	
	for Donee-Recipient	for Donor
<p><u>Accredited</u> non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization, trust or philanthropic organization or research institution or organization</p>	Liquidation Report	<ol style="list-style-type: none"> 1. Sworn certification; and 2. BIR-registered Acknowledgment Receipt of the template for an acknowledgment receipt
<p>Non-stock, non-profit educational and/or charitable, religious, cultural or social welfare corporation, institution, foundation, non-government organization (<u>even if not accredited</u>), to include those organized and operated exclusively for health purposes such as private hospitals, trust or philanthropic organization and/or research institution or organization</p>		

Donee-Recipient	Supporting Document	
	for Donee-Recipient	for Donor
Local private corporations or international organizations/institutions who partner to serve as conduit with accredited NGOs and/or national government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government	<ol style="list-style-type: none"> 1. Liquidation Report; 2. Certificate of Donation (BIR Form 2322) or Deed of Donation 	<ol style="list-style-type: none"> 1. Certificate of Donation (BIR Form 2322) or Deed of Donation duly issued by the accredited NGO or government institution, respectively in the name of the donor-corporation/individual; 2. Proof of purchase (if in kind); and 3. BIR-registered Acknowledgment Receipt of the template for an acknowledgment receipt

Submission of the above documentary requirements shall be made within sixty (60) days from the lifting of the ECQ to the Revenue District Office where the donor and the donee-recipient are registered. Templates of the above documentary requirements are provided for in the RR.

Value-added tax treatment of donations in kind

Donations of all critical or needed healthcare equipment or supplies and relief goods shall not be treated as transaction deemed sale under Section 106(B) of the 1997 NIRC, as amended. Further, any input VAT attributable to such purchase of goods shall be creditable against any other output tax.

Source:
Revenue Regulation No. 9-2020