

**Table J.1.a.**  
**2020 INVESTMENT TAX EXPENDITURES, BY TYPE OF TAX INCENTIVES, FY 2019-2021**  
(in thousand pesos)

Type of tax incentive	2019		2020		2021
	Programmed <sup>1</sup>	Actual <sup>2</sup>	Programmed <sup>3</sup>	Actual	Projections <sup>4</sup>
<b>I. Incentives on income tax</b>	<b>129,123,409</b>	<b>134,808,517</b>	<b>134,686,379</b>	<b>66,596,035</b>	<b>66,650,160</b>
a. Income tax holiday (ITH) <sup>5</sup>	66,133,035	68,400,127	68,329,783	19,963,388	19,979,613
b. Special income tax rate <sup>6</sup>	62,990,374	66,408,390	66,356,596	46,632,647	46,670,548
<b>II. Incentives on importation</b>	<b>370,095,033</b>	<b>314,697,399</b>	<b>269,380,974</b>	<b>365,081,918</b>	<b>365,815,753</b>
a. Customs duties	60,597,380	47,586,088	40,733,691	71,934,126	72,078,717
b. Import VAT (gross)	309,497,653	267,111,311	228,647,282	293,147,793	293,737,036
<b>Total</b>	<b>499,218,442</b>	<b>449,505,916</b>	<b>404,067,353</b>	<b>431,677,953</b>	<b>432,465,913</b>
<b>III. Incentives of cooperatives<sup>7</sup></b>	<b>41,540,283</b>	<b>32,195,834</b>	<b>32,174,276</b>	<b>22,190,293</b>	<b>22,208,328</b>
a. Income tax incentives	1,826,457	14,474,608	14,457,164	3,384,065	3,386,816
b. Local VAT	39,061,256	16,343,014	16,337,747	17,372,188	17,386,307
c. Percentage tax	652,570	1,378,212	1,379,365	1,434,039	1,435,205
<b>Total including CDA incentives</b>	<b>540,758,725</b>	<b>481,701,750</b>	<b>436,241,629</b>	<b>453,868,246</b>	<b>454,674,240</b>

<sup>1</sup> Values reflected are 2019 projections of investment tax expenditures for 2020 as stated in the 2019 report.

<sup>2</sup> Values reflected are 2019 actual amount of investment tax expenditures as stated in the 2019 report.

<sup>3</sup> Values reflected are 2020 projections of investment tax expenditures for 2020 as stated in the 2019 report.

<sup>4</sup> The 2021 projections of investment tax expenditure for incentives on income tax were computed using the 2020-2021 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projections of investment tax expenditure for incentives on customs duties were computed using the 2020-2021 growth rate of value of imports as reported by the BOC.

<sup>5</sup> The investment tax expenditure was computed into two periods. The first half was computed starting Jan. to June using the 30% CIT. The second half was computed using the CREATE law provisions, applying the adjusted income tax rate of 20%/25% to the special income tax rate regime.

<sup>6</sup> The investment tax expenditure on special income tax rate was computed as the difference between the amount that would have been paid to the national government under a regular corporate income tax regime and the amount actually paid under the special income tax rate regime.

<sup>7</sup> The tax incentives of cooperatives were computed based on the preferential tax treatment of cooperatives in accordance with Republic Act 9520, and are to be included in the TIMTA report, as stated in the TIMTA law

\* Numbers may not add up due to rounding.

\*The revenue forgone for tax incentives of cooperatives does not include the VAT and duties incentives of cooperatives.

**Sources:** Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), Cooperative Development Authority (CDA), DOF staff computation