

**Table J.1.a.**  
**2021 INVESTMENT TAX EXPENDITURES, BY TYPE OF TAX INCENTIVES, FY 2020-2022**  
(in thousand pesos)

Type of tax incentive	2020		2021		2022
	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>134,686,379</b>	<b>66,596,035</b>	<b>66,650,160</b>	<b>23,020,014</b>	<b>26,119,969</b>
a. Income tax holiday (ITH) <sup>5</sup>	68,329,783	19,963,388	19,979,613	8,645,837	9,810,116
b. Special income tax rate <sup>6</sup>	66,356,596	46,632,647	46,670,548	14,374,177	16,309,854
<b>II. Incentives on importation</b>	<b>269,380,974</b>	<b>365,081,918</b>	<b>365,815,753</b>	<b>326,601,540</b>	<b>363,652,688</b>
a. Customs duties	40,733,691	71,934,126	72,078,717	45,165,675	50,289,472
b. Import VAT (gross)	228,647,282	293,147,793	293,737,036	281,435,865	313,363,215
<b>Sub-total</b>	<b>404,067,353</b>	<b>431,677,953</b>	<b>432,465,913</b>	<b>349,621,554</b>	<b>389,772,657</b>
<b>III. Incentives of cooperatives<sup>7, 8</sup></b>	<b>32,174,276</b>	<b>22,190,293</b>	<b>22,208,328</b>	<b>21,092,967</b>	<b>23,933,419</b>
a. Income tax incentives	14,457,164	3,384,065	3,386,816	6,277,830	7,123,224
b. Local VAT	16,337,747	17,372,188	17,386,307	12,737,852	14,453,175
c. Percentage tax	1,379,365	1,434,039	1,435,205	2,077,285	2,357,019
<b>Grand total including incentives of cooperatives</b>	<b>436,241,629</b>	<b>453,868,246</b>	<b>454,674,240</b>	<b>370,714,521</b>	<b>413,706,076</b>

<sup>1</sup> Values reflected are 2020 programmed investment tax expenditures for 2021 as stated in the 2020 report.

<sup>2</sup> Values reflected are 2020 actual amount of investment tax expenditures as stated in the 2020 report.

<sup>3</sup> Values reflected are 2021 projections of investment tax expenditures for 2021 as stated in the 2020 report.

<sup>4</sup> The 2022 projections of investment tax expenditure for incentives on income tax were computed using the 2021-2022 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projection of investment tax expenditure for incentives on customs duties were computed using the 5 year average growth rate of value of imports as reported by the BOC.

<sup>5</sup> The investment tax expenditure on ITH was computed by applying the regular income tax rate of 20%/25% to the net taxable income.

<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 Cooperative Development Authority is not an Investment Promotion Agency (IPA), however, RA 10963 mandates it to consolidate and submit to the BIR the annual tax incentive reports of registered cooperatives.

<sup>8</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