

**Table K.1.a****2015 INVESTMENT TAX EXPENDITURES, BY TYPE OF TAX INCENTIVES, FY 2014-2016**

(in thousand pesos)

Type of Tax Incentives	2014		2015		2016
	Programmed <sup>1</sup>	Actual <sup>2</sup>	Programmed <sup>3</sup>	Actual	Projection <sup>4</sup>
<b>I. Income Tax Incentives</b>	<b>85,298,223</b>	<b>88,171,268</b>	<b>92,372,876</b>	<b>86,258,929</b>	<b>93,835,334</b>
Income Tax Holiday (ITH) <sup>5</sup>	85,298,223	88,171,268	92,372,876	53,771,727	58,433,974
Special Income Tax Rate <sup>6</sup>				32,487,202	35,401,360
<b>II. Incentives on Customs Duties</b>	<b>76,354,089</b>	<b>38,043,862</b>	<b>54,013,041</b>	<b>18,144,509</b>	<b>23,237,311</b>
<b>Total</b>	<b>161,652,312</b>	<b>126,215,130</b>	<b>146,385,917</b>	<b>104,403,438</b>	<b>117,072,645</b>

<sup>1</sup> Values reflected are 2013 projections of investment tax expenditure for 2014 as stated in the 2013 report.<sup>2</sup> Values reflected are 2014 actual amount of investment tax expenditure as stated in the 2014 report.<sup>3</sup> Values reflected are 2014 projections of investment tax expenditure for 2015 as stated in the 2014 report.<sup>4</sup> The 2016 projections of investment tax expenditure for incentives on income tax are computed using the 2015 - 2016 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 is computed using the 2015 - 2016 growth rate of value of imports of the Philippine Economic Zone Authority (PEZA).<sup>5</sup> The investment tax expenditure on ITH is computed by applying the regular income tax rate of 30% to the net taxable income.<sup>6</sup> The investment tax expenditure on special income tax rate is computed as the difference between the amount that would be paid under a regular corporate income tax regime and the amount actually paid under the special income tax rate regime.**Data Sources:** Bureau of Internal Revenue (BIR), Bureau of Customs (BOC)