

Table J.1.a.**2016 INVESTMENT TAX EXPENDITURES, BY TYPE OF TAX INCENTIVES, FY 2015-2017**

(in thousand pesos)

Type of Tax Incentives	2015	2016		2017
	Actual ¹	Programmed ²	Actual	Projection ³
I. Income Tax Incentives	86,258,929	93,835,334	121,182,228	131,812,922
Income Tax Holiday (ITH) ⁴	53,771,727	58,433,974	74,526,661	81,102,787
Special Income Tax Rate ⁵	32,487,202	35,401,360	46,655,567	50,710,135
II. Incentives on Customs Duties	18,144,509	23,237,311	57,381,535	64,202,378
Total	104,403,438	117,072,645	178,563,763	196,015,300

¹ Values reflected are 2015 actual amount of investment tax expenditures as as stated in the 2015 report.

² Values reflected are 2015 projections of investment tax expenditures for 2016 as stated in the 2015 report.

³ The 2017 projections of investment tax expenditure for incentives on income tax were computed using the 2016 - 2017 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 2016 - 2017 growth rate of value of imports as projected using a moving average method.

⁴ The investment tax expenditure on ITH was computed by applying the regular income tax rate of 30% to the net taxable income.

⁵ 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.

Sources: Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), DOF staff computation