

Table J.1.a.**2017 INVESTMENT TAX EXPENDITURES, BY TYPE OF TAX INCENTIVES, FY 2016-2018**

(in thousand pesos)

Type of Tax Incentives	2016	2017		2018
	Actual ¹	Programmed ²	Actual	Projection ³
I. Income Tax Incentives	121,182,228	131,812,922	126,941,003	127,053,048
Income Tax Holiday (ITH) ⁴	74,526,661	81,102,787	70,209,039	70,270,471
Special Income Tax Rate ⁵	46,655,567	50,710,135	56,731,964	56,782,577
II. Incentives on Customs Duties	259,487,302	290,332,104	314,176,199	343,943,120
Customs Duties	57,381,535	64,202,378	46,510,829	50,917,542
Import VAT (gross)	202,105,767	226,129,726	267,665,369	293,025,578
Total	380,669,530	422,145,026	441,117,201	470,996,167

¹ Values reflected are 2016 actual amount of investment tax expenditures as stated in the 2016 report.

² Values reflected are 2016 projections of investment tax expenditures for 2017 as stated in the 2016 report.

³ The 2018 projections of investment tax expenditure for income tax incentives were computed using the 2017 - 2018 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 2017 - 2018 growth rate of value of imports.

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