

Table J.1.b.
2019 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2018-2020
(in thousand pesos)

Sector	2018				
	Income Tax Holiday	Special Income Tax Rate	Programmed ¹		
Customs Duties			Import VAT (gross)		
I. Agriculture and fishery	503,414	742	47,373	84,826	636,354
Agriculture and fishery (fishery)	-	-	-	-	-
Agriculture and fishery (livestock, poultry, production of animal feeds)	190,123	279	39,199	76,164	305,765
Agriculture and fishery (operator of post harvest facility, cold storage facility)	119,095	348	1,991	78	121,512
Agriculture and fishery (seed production, growing of plants)	194,196	114	6,183	8,584	209,078
II. Economic and low-cost housing	4,808,450	173,010	-	-	4,981,460
Economic and low-cost housing	4,808,450	173,010	-	-	4,981,460
III. Energy	12,831,900	3,757,727	768,243	740,768	18,098,638
Energy (coal, diesel)	7,776,502	66,584	742,276	564,535	9,149,897
Energy (refining, storage, marketing and distribution of petroleum products)	1,910,373	65,192	1,708	140,899	2,118,171
Energy (renewable energy - biomass)	738,411	53,474	3,627	17,715	813,227
Energy (renewable energy - geothermal)	370,263	2,105,322	1,129	0	2,476,714
Energy (renewable energy - hydro)	621,285	1,384,468	11,664	0	2,017,417
Energy (renewable energy - solar)	506,373	60,016	7,839	17,617	591,847
Energy (renewable energy - unspecified)	160,446	-	0	2	160,448
Energy (renewable energy - wind)	748,247	22,670	-	-	770,918
IV. Manufacturing	27,629,373	29,257,185	43,155,306	270,191,295	370,233,159
Manufacturing (chemicals)	1,931,979	793,063	1,607,182	5,080,590	9,412,814
Manufacturing (electronics, electrical products, semicon)	15,981,983	16,589,628	19,902,075	190,998,060	243,471,746
Manufacturing (industrial goods, machines)	3,097,129	2,184,738	4,007,562	35,134,562	44,423,991
Manufacturing (food, food processing)	1,357,217	568,396	388,405	827,835	3,141,852
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	366,110	306,525	4,124,653	6,323,050	11,120,338
Manufacturing (glass, plastic, ceramic)	330,026	777,680	1,562,484	3,589,390	6,259,580
Manufacturing (wood, paper, rubber products)	84,721	924,205	1,345,471	3,149,065	5,503,462
Manufacturing (metals, steel)	863,993	2,203,629	1,286,431	5,136,469	9,490,522
Manufacturing (personal care and healthcare products, medical products)	103,706	303,589	645,206	1,565,510	2,618,010
Manufacturing (personal goods)	1,082,471	425,499	2,475,816	5,178,223	9,162,010
Manufacturing (vehicles, vehicle accessories, transport equipment)	2,430,038	4,180,234	5,810,020	13,208,541	25,628,833
V. Mining and quarrying	2,647,373	-	-	-	2,647,373
Mining and quarrying	2,647,373	-	-	-	2,647,373
VI. PPP projects	702,199	-	14,395	0	716,594
PPP projects	702,199	-	14,395	0	716,594
VII. Services	18,853,460	22,228,005	6,744,968	21,572,863	69,399,295
Services (banking, financing)	123,977	94,293	-	-	218,269
Services (BPO - non-voice, software development, IT-related services, customer support)	4,892,918	9,349,416	1,341,786	5,088,461	20,672,580
Services (call center)	2,095,429	7,282,989	201,245	1,448,463	11,028,126
Services (R&D)	967	14,242	4,529	28,092	47,830
Services (canteen and restaurant operation)	-	44,609	3,277	2,887	50,772
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	8,795,049	1,636,088	52,593	188,862	10,672,593
Services (operator of training and learning centers, operator of medical and health facilities)	63,831	550,153	5,798	18,862	638,643
Services (other general services)	227,058	68,830	81,550	188,279	565,716
Services (warehousing, logistics, utilities, operator of sea ports and airports)	2,599,346	3,056,360	4,828,091	14,285,577	24,769,373
Services (wholesale, retail, trading)	54,887	131,026	226,100	323,380	735,392
VIII. Tourism	2,275,758	1,349,091	187,257	435,826	4,247,932
Tourism (accommodation, hotels, resort)	2,275,758	267,371	163,756	398,614	3,105,499
Tourism (medical tourism, other tourism-related services)	-	1,081,720	23,501	37,213	1,142,434
IX. Unfilled/ unspecified registered activity	18,513	46,916	-	-	65,430
Unfilled/unspecified registered activity	18,513	46,916	-	-	65,430
Total	70,270,440	56,812,675	50,917,542	293,025,578	471,026,235

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² Values reflected are 2018 actual amount of investment tax expenditures as stated in the 2018 report.

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⁴ The 2020 projections of investment tax expenditure for incentives on income tax were computed using the 2019-2020 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 2019-2020 growth rate of value of imports as reported by the BOC.

⁵ The investment tax expenditure on ITH was computed by applying the regular income tax rate of 30% to the net taxable income.

⁶ 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.

⁷ 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 tax incentives of cooperatives are reported in the TIMTA report in accordance to Sec. 3 of the TRAIN Law which took effect in 2018.

*** The revenue forgone for tax incentives of cooperatives does not include the importation incentives of cooperatives.

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

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(in thousand pesos)

Sector	2018									
	Actual ²					Actual (CDA)				
	Income Tax Holiday ³	Special Income Tax Rate ⁶	Customs duties	Import VAT (gross)	Total	Income Tax Incentives of Cooperatives	Local VAT Incentives of Cooperatives	Percentage Tax Incentives of Cooperatives	Total Tax Incentives of Cooperatives ⁷	Total (including Incentives of Cooperatives)
I. Agriculture and fishery	435,680	593	4,823	4,918	446,014	12,994	312,235	9,457	334,686	780,700
Agriculture and fishery (fishery)	-	-	-	-	-	39	5,916	-	5,955	5,955
Agriculture and fishery (livestock, poultry, production of animal feeds)	190,212	-	1,001	-	191,213	2,767	17,312	58	20,137	211,350
Agriculture and fishery (operator of post harvest facility, cold storage facility)	102,898	498	3,311	4,382	111,089	2,062	6,863	10	8,935	120,024
Agriculture and fishery (seed production, growing of plants)	142,570	95	512	536	143,712	8,126	282,144	9,390	299,660	443,372
II. Economic and low-cost housing	4,393,254	173,109	-	-	4,566,362	-	-	-	-	4,566,362
Economic and low-cost housing	4,393,254	173,109	-	-	4,566,362	-	-	-	-	4,566,362
III. Energy	12,083,193	2,884,066	2,536,119	3,195,593	20,698,972	123	3,111	681	3,915	20,702,886
Energy (coal, diesel)	6,706,642	103,262	2,504,064	2,730,992	12,044,960	-	-	-	-	12,044,960
Energy (refining, storage, marketing and distribution of petroleum products)	1,590,128	44,265	1,870	451,416	2,087,678	123	3,111	681	3,915	2,091,593
Energy (renewable energy - biomass)	1,695,533	138,366	4,992	13,100	1,851,991	-	-	-	-	1,851,991
Energy (renewable energy - geothermal)	403,682	2,394,407	25,136	-	2,823,225	-	-	-	-	2,823,225
Energy (renewable energy - hydro)	235,141	150,529	57	54	385,781	-	-	-	-	385,781
Energy (renewable energy - solar)	506,684	26,532	-	32	533,247	-	-	-	-	533,247
Energy (renewable energy - unspecified)	211,470	-	-	-	211,470	-	-	-	-	211,470
Energy (renewable energy - wind)	733,913	26,706	-	-	760,619	-	-	-	-	760,619
IV. Manufacturing	19,133,822	28,356,951	45,518,945	267,995,537	361,005,255	2,533	40,923	1,497	44,953	361,050,208
Manufacturing (chemicals)	345,396	1,045,362	2,780,061	6,630,805	10,801,623	-	34	-	34	10,801,658
Manufacturing (electronics, electrical products, semicon)	11,332,505	15,806,673	16,502,277	195,089,947	238,731,402	-	-	-	-	238,731,402
Manufacturing (industrial goods, machines)	4,038,187	2,679,407	2,844,233	14,469,222	24,031,049	-	-	-	-	24,031,049
Manufacturing (food, food processing)	416,845	466,555	983,491	1,711,518	3,578,409	2,196	18,924	788	21,907	3,600,316
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	396,747	169,592	4,783,924	7,958,676	13,308,939	2	-	524	526	13,309,465
Manufacturing (glass, plastic, ceramic)	169,442	454,212	4,945,477	8,378,344	13,947,475	-	-	-	-	13,947,475
Manufacturing (wood, paper, rubber products)	31,405	1,669,488	2,207,807	4,469,773	8,378,473	5	19,510	107	19,622	8,398,095
Manufacturing (metals, steel)	73,261	2,105,544	1,752,687	6,301,548	10,233,039	-	-	-	-	10,233,039
Manufacturing (personal care and healthcare products, medical products)	272,288	426,280	645,703	1,473,031	2,817,301	-	-	-	-	2,817,301
Manufacturing (personal goods)	448,297	961,352	1,206,769	2,725,929	5,342,347	330	2,243	78	2,651	5,344,998
Manufacturing (vehicles, vehicle accessories, transport equipment)	1,096,395	3,085,542	6,866,518	18,786,743	29,835,198	-	213	-	213	29,835,410
V. Mining and quarrying	249,099	-	892	23,725	273,716	-	-	-	-	273,716
Mining and quarrying	249,099	-	892	23,725	273,716	-	-	-	-	273,716
VI. PPP projects	536,179	21,227	100,633	-	658,039	34	-	-	34	658,073
PPP projects	536,179	21,227	100,633	-	658,039	34	-	-	34	658,073
VII. Services	21,862,336	22,435,082	8,613,960	19,477,910	72,389,287	1,768,793	37,130,141	470,010	39,368,944	111,758,232
Services (banking, financing)	56,299	2,292	390	1,730	60,712	1,407,895	31,773,040	299,753	33,480,688	33,541,400
Services (BPO - non-voice, software development, IT-related services, customer support)	5,256,914	9,408,087	462,291	1,594,234	16,721,525	40,037	113,400	469	153,907	16,875,432
Services (call center)	2,942,708	8,056,291	197,396	2,300,239	13,496,634	-	-	-	-	13,496,634
Services (R&D)	540	49,022	610	5,162	55,334	-	-	-	-	55,334
Services (canteen and restaurant operation)	218	51,995	2,872	2,447	57,532	123,660	938,820	79,112	1,141,592	1,199,124
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	10,184,363	2,441,420	70,781	269,179	12,965,744	2,064	43,879	1,499	47,442	13,013,186
Services (operator of training and learning centers, operator of medical and health facilities)	1,162,333	642,338	2,528	5,217	1,812,415	4,821	35,932	579	41,333	1,853,747
Services (other general services)	258,910	57,800	2,239	10,002	328,952	24,676	1,309,598	28,995	1,363,269	1,692,221
Services (warehousing, logistics, utilities, operator of sea ports and airports)	1,902,162	1,535,729	7,635,309	15,010,093	26,083,293	56,712	263,507	796	321,016	26,404,309
Services (wholesale, retail, trading)	97,889	190,108	239,544	279,606	807,147	108,927	2,651,965	58,805	2,819,698	3,626,844
VIII. Tourism	3,818,291	615,790	230,630	457,211	5,121,922	-	7,178	-	7,178	5,129,100
Tourism (accommodation, hotels, resort)	3,815,989	422,539	230,601	457,138	4,926,267	-	7,178	-	7,178	4,933,445
Tourism (medical tourism, other tourism-related services)	2,303	193,252	28	73	195,656	-	-	-	-	195,656
IX. Unfilled/ unspecified registered activity	3,562,051	8,446,465	-	-	12,008,516	39,791	1,520,194	170,262	1,730,247	13,738,763
Unfilled/unspecified registered activity	3,562,051	8,446,465	-	-	12,008,516	39,791	1,520,194	170,262	1,730,247	13,738,763
Total	66,073,904	62,933,283	57,006,002	291,154,895	477,168,083	1,824,269	39,013,782	651,908	41,489,958	518,658,042

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I. Agriculture and fishery	435,884	593	5,127	5,228	446,833	12,987	312,070	9,452	334,510	781,342
Agriculture and fishery (fishery)	-	-	-	-	-	39	5,919	-	5,958	5,958
Agriculture and fishery (livestock, poultry, production of animal feeds)	190,283	-	1,064	-	191,346	2,765	17,302	58	20,126	211,472
Agriculture and fishery (operator of post harvest facility, cold storage facility)	102,954	499	3,520	4,658	111,630	2,061	6,859	10	8,930	120,560
Agriculture and fishery (seed production, growing of plants)	142,648	95	544	570	143,856	8,122	281,990	9,385	299,496	443,352
II. Economic and low-cost housing	4,396,263	173,227	-	-	4,569,490	-	-	-	-	4,569,490
Economic and low-cost housing	4,396,263	173,227	-	-	4,569,490	-	-	-	-	4,569,490
III. Energy	12,097,074	2,887,379	2,695,895	3,396,916	21,077,263	123	3,113	681	3,918	21,081,181
Energy (coal, diesel)	6,714,346	103,381	2,661,820	2,903,045	12,382,592	-	-	-	-	12,382,592
Energy (refining, storage, marketing and distribution of petroleum products)	1,591,955	44,316	1,988	479,855	2,118,113	123	3,113	681	3,918	2,122,031
Energy (renewable energy - biomass)	1,697,481	138,525	5,307	13,925	1,855,238	-	-	-	-	1,855,238
Energy (renewable energy - geothermal)	404,146	2,397,158	26,720	-	2,828,023	-	-	-	-	2,828,023
Energy (renewable energy - hydro)	235,411	150,702	61	58	386,232	-	-	-	-	386,232
Energy (renewable energy - solar)	507,266	26,562	-	34	533,862	-	-	-	-	533,862
Energy (renewable energy - unspecified)	211,712	-	-	-	211,712	-	-	-	-	211,712
Energy (renewable energy - wind)	734,757	26,736	-	-	761,493	-	-	-	-	761,493
IV. Manufacturing	19,149,012	28,379,418	48,386,639	284,879,256	380,794,325	2,534	40,934	1,497	44,965	380,839,289
Manufacturing (chemicals)	345,671	1,046,191	2,955,205	7,048,546	11,395,612	-	34	-	34	11,395,647
Manufacturing (electronics, electrical products, semicon)	11,341,509	15,819,227	17,541,920	207,380,614	252,083,270	-	-	-	-	252,083,270
Manufacturing (industrial goods, machines)	4,041,403	2,681,541	3,023,420	15,380,783	25,127,147	-	-	-	-	25,127,147
Manufacturing (food, food processing)	417,177	466,926	1,045,450	1,819,344	3,748,898	2,197	18,928	788	21,913	3,770,811
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	397,036	169,715	5,085,311	8,460,073	14,112,135	2	-	525	527	14,112,662
Manufacturing (glass, plastic, ceramic)	169,577	454,572	5,257,042	8,906,180	14,787,370	-	-	-	-	14,787,370
Manufacturing (wood, paper, rubber products)	31,429	1,670,808	2,346,899	4,751,369	8,800,505	5	19,514	107	19,627	8,820,132
Manufacturing (metals, steel)	73,319	2,107,220	1,863,106	6,698,546	10,742,190	-	-	-	-	10,742,190
Manufacturing (personal care and healthcare products, medical products)	272,505	426,566	686,382	1,565,831	2,951,284	-	-	-	-	2,951,284
Manufacturing (personal goods)	962,118	448,652	1,282,796	2,897,663	5,591,228	330	2,244	78	2,652	5,593,880
Manufacturing (vehicles, vehicle accessories, transport equipment)	1,097,269	3,087,999	7,299,108	19,970,308	31,454,684	-	213	-	213	31,454,897
V. Mining and quarrying	249,326	-	948	25,220	275,494	-	-	-	-	275,494
Mining and quarrying	249,326	-	948	25,220	275,494	-	-	-	-	275,494
VI. PPP projects	536,735	21,249	106,973	-	664,956	34	-	-	34	664,991
PPP projects	536,735	21,249	106,973	-	664,956	34	-	-	34	664,991
VII. Services	21,880,796	22,456,965	9,156,639	20,705,018	74,199,419	1,770,961	37,176,724	470,561	39,418,246	113,617,664
Services (banking, financing)	56,370	2,295	415	1,840	60,920	1,409,742	31,814,729	300,147	33,524,618	33,585,538
Services (BPO - non-voice, software development, IT-related services, customer support)	5,262,359	9,417,833	491,415	1,694,670	16,866,278	40,074	113,505	470	154,050	17,020,328
Services (call center)	2,945,757	8,064,637	209,831	2,445,155	13,665,380	-	-	-	-	13,665,380
Services (R&D)	541	49,072	649	5,488	55,749	-	-	-	-	55,749
Services (canteen and restaurant operation)	219	52,049	3,052	2,601	57,921	123,774	939,692	79,186	1,142,652	1,200,573
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	10,191,339	2,443,092	75,240	286,137	12,995,808	2,066	43,906	1,500	47,471	13,043,279
Services (operator of training and learning centers, operator of medical and health facilities)	1,163,537	643,003	2,687	5,545	1,814,773	4,826	35,965	580	41,371	1,856,143
Services (other general services)	259,179	57,860	2,380	10,632	330,050	24,699	1,310,814	29,022	1,364,535	1,694,585
Services (warehousing, logistics, utilities, operator of sea ports and airports)	1,903,503	1,536,813	8,116,333	15,955,729	27,512,379	56,751	263,686	797	321,233	27,833,612
Services (wholesale, retail, trading)	97,993	190,310	254,636	297,221	840,161	109,028	2,654,427	58,860	2,822,315	3,662,476
VIII. Tourism	3,822,247	616,428	245,159	486,015	5,169,850	-	7,184	-	7,184	5,177,034
Tourism (accommodation, hotels, resort)	3,819,942	422,976	245,129	485,938	4,973,985	-	7,184	-	7,184	4,981,170
Tourism (medical tourism, other tourism-related services)	2,305	193,452	30	77	195,865	-	-	-	-	195,865
IX. Unfilled/ unspecified registered activity	3,565,698	8,455,114	-	-	12,020,812	39,818	1,521,230	170,378	1,731,426	13,752,238
Unfilled/unspecified registered activity	3,565,698	8,455,114	-	-	12,020,812	39,818	1,521,230	170,378	1,731,426	13,752,238
Total	66,133,035	62,990,374	60,597,380	309,497,653	499,218,442	1,826,457	39,061,256	652,570	41,540,283	540,758,725

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⁷ 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 tax incentives of cooperatives are reported in the TIMTA report in accordance to Sec. 3 of the TRAIN Law which took effect in 2018.

*** The revenue forgone for tax incentives of cooperatives does not include the importation incentives of cooperatives.

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

Table J.1.b.
2019 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2018-2020
(in thousand pesos)

Sector	2019									
	Actual					Actual (CDA)				
	Income Tax Holiday ⁵	Special Income Tax Rate ⁶	Customs Duties	Import VAT (gross)	Total	Income Tax Incentives of Cooperatives	Local VAT Incentives of Cooperatives	Percentage Tax Incentives of Cooperatives	Total Tax Incentives of Cooperatives ⁷	Total (including Incentives of Cooperatives)
I. Agriculture and fishery	548,398	202	67,643	0	616,243	56,342	842,858	-	899,199	1,515,442
Agriculture and fishery (fishery)	-	-	-	-	-	542	1,537	-	2,080	2,080
Agriculture and fishery (livestock, poultry, production of animal feeds)	270,942	-	56,792	0	327,734	6,640	190,349	-	196,989	524,723
Agriculture and fishery (operator of post harvest facility, cold storage facility)	73,792	182	10,850	0	84,824	3,216	10,608	-	13,824	98,648
Agriculture and fishery (seed production, growing of plants)	203,664	21	-	-	203,685	45,943	640,363	-	686,306	889,991
II. Economic and low-cost housing	3,103,702	26,854	-	-	3,130,556	-	-	-	-	3,130,556
Economic and low-cost housing	3,103,702	26,854	-	-	3,130,556	-	-	-	-	3,130,556
III. Energy	12,317,105	8,011,756	1,181,577	4,845,419	26,355,856	0	7,515	-	7,515	26,363,371
Energy (coal, diesel)	8,445,516	3,491,839	1,117,628	4,818,357	17,873,341	-	-	-	-	17,873,341
Energy (refining, storage, marketing and distribution of petroleum products)	1,009,345	267,251	9,548	22,884	1,309,028	0	7,515	-	7,515	1,316,543
Energy (renewable energy - biomass)	1,125,111	83,525	42,421	4,164	1,255,221	-	-	-	-	1,255,221
Energy (renewable energy - geothermal)	473,995	1,409,398	9,296	0	1,892,688	-	-	-	-	1,892,688
Energy (renewable energy - hydro)	354,623	2,734,123	7	0	3,088,752	-	-	-	-	3,088,752
Energy (renewable energy - solar)	386,038	8,589	1	14	394,642	-	-	-	-	394,642
Energy (renewable energy - unspecified)	29,591	-	2,677	0	32,268	-	-	-	-	32,268
Energy (renewable energy - wind)	492,886	17,030	-	-	509,916	-	-	-	-	509,916
IV. Manufacturing	20,428,513	25,542,496	39,007,147	236,166,737	321,144,892	17,007	133,304	-	150,311	321,295,203
Manufacturing (chemicals)	66,636	838,968	1,849,335	6,172,460	8,927,399	-	-	-	-	8,927,399
Manufacturing (electronics, electrical products, semicon)	11,631,201	13,406,965	14,211,618	166,042,155	205,291,939	-	-	-	-	205,291,939
Manufacturing (industrial goods, machines)	4,696,358	2,973,384	3,005,444	18,886,051	29,561,236	-	-	-	-	29,561,236
Manufacturing (food, food processing)	336,550	268,595	391,027	696,372	1,692,544	12,386	59,517	-	71,903	1,764,447
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	375,056	201,481	4,710,743	7,256,133	12,543,415	2,081	13,173	-	15,254	12,558,669
Manufacturing (glass, plastic, ceramic)	386,397	649,092	1,897,508	4,830,329	7,763,326	551	33,355	-	33,907	7,797,233
Manufacturing (wood, paper, rubber products)	63,651	1,569,331	1,680,347	3,720,425	7,033,753	-	3,557	-	3,557	7,037,311
Manufacturing (metals, steel)	82,858	898,189	1,224,280	4,203,674	6,409,002	-	233	-	233	6,409,234
Manufacturing (personal care and healthcare products, medical products)	761,156	359,930	675,549	1,854,929	3,651,565	29	-	-	29	3,651,593
Manufacturing (personal goods)	881,630	1,002,694	3,050,555	6,374,185	11,309,064	1,955	23,157	-	25,112	11,334,176
Manufacturing (vehicles, vehicle accessories, transport equipment)	1,147,019	3,373,866	6,310,741	16,130,024	26,961,650	4	312	-	316	26,961,966
V. Mining and quarrying	34,705	-	-	-	34,705	2	3,343	-	3,345	38,050
Mining and quarrying	34,705	-	-	-	34,705	2	3,343	-	3,345	38,050
VI. PPP projects	155,366	16,294	45,944	10,102	227,707	-	-	-	-	227,707
PPP projects	155,366	16,294	45,944	10,102	227,707	-	-	-	-	227,707
VII. Services	28,109,298	23,040,121	7,004,743	25,564,117	83,718,279	14,400,235	15,307,240	1,378,212	31,085,687	114,803,967
Services (banking, financing)	452,929	311,693	-	7,473	772,096	2,715,102	6,311,232	1,378,212	10,404,546	11,176,642
Services (BPO - non-voice, software development, IT-related services, customer support)	7,159,547	11,835,912	114,452	645,423	19,755,335	40,041	1,063,497	-	1,103,538	20,858,873
Services (call center)	1,300,191	5,589,630	168,947	1,225,536	8,284,304	-	-	-	-	8,284,304
Services (R&D)	4,114	24,924	10,754	57,874	97,665	-	-	-	-	97,665
Services (canteen and restaurant operation)	176	36,001	9,851	11,697	57,725	3,311,453	1,275,015	-	4,586,468	4,644,192
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	12,235,333	3,503,616	266,664	539,988	16,545,601	8,180	20,875	-	29,055	16,574,656
Services (operator of training and learning centers, operator of medical and health facilities)	17,265	138,322	4,736	68,482	228,805	19,177	119,828	-	139,004	367,809
Services (other general services)	2,783,914	70,020	1,738,189	6,599,876	11,192,000	7,904,661	2,456,606	-	10,361,266	21,553,266
Services (warehousing, logistics, utilities, operator of sea ports and airports)	3,128,645	1,306,332	4,110,408	15,041,521	23,586,907	123,091	1,838,106	-	1,961,197	25,548,104
Services (wholesale, retail, trading)	1,027,183	223,671	580,741	1,366,248	3,197,843	278,530	2,222,082	-	2,500,612	5,698,455
VIII. Tourism	3,703,040	9,770,667	176,193	351,240	14,001,140	166	1,286	-	1,452	14,002,592
Tourism (accommodation, hotels, resort)	3,703,040	626,219	162,242	330,274	4,821,776	166	1,286	-	1,452	4,823,228
Tourism (medical tourism, other tourism-related services)	-	9,144,448	13,951	20,966	9,179,364	-	-	-	-	9,179,364
IX. Unfilled/ unspecified registered activity	-	-	102,842	173,696	276,538	856	47,467	-	48,324	324,862
Unfilled/unspecified registered activity	-	-	102,842	173,696	276,538	856	47,467	-	48,324	324,862
Total	68,400,127	66,408,390	47,586,088	267,111,311	449,505,916	14,474,608	16,343,014	1,378,212	32,195,834	481,701,750

¹ Values reflected are 2018 projections of investment tax expenditures for 2019 as stated in the 2018 report.

² Values reflected are 2018 actual amount of investment tax expenditures as as stated in the 2018 report.

³ Values reflected are 2019 projections of investment tax expenditures for 2019 as stated in the 2018 report.

⁴ The 2020 projections of investment tax expenditure for incentives on income tax were computed using the 2019-2020 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 2019-2020 growth rate of value of imports as reported by the BOC.

⁵ The investment tax expenditure on ITH was computed by applying the regular income tax rate of 30% to the net taxable income.

⁶ 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.

⁷ 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 tax incentives of cooperatives are reported in the TIMTA report in accordance to Sec. 3 of the TRAIN Law which took effect in 2018.

*** The revenue forgone for tax incentives of cooperatives does not include the importation incentives of cooperatives.

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

Table J.1.b.
2019 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2018-2020
(in thousand pesos)

Sector	2020									
	Projections ⁴					Projections (CDA)				
	Income Tax Holiday	Special Income Tax Rate	Customs Duties	Import VAT (gross)	Total	Income Tax Incentives of Cooperatives	Local VAT Incentives of Cooperatives	Percentage Tax Incentives of Cooperatives	Total Tax Incentives of Cooperatives ⁷	Total (including Incentives of Cooperatives)
I. Agriculture and fishery	548,734	203	57,902	0	606,838	56,376	843,374	-	899,750	1,506,588
Agriculture and fishery (fishery)	-	-	-	-	-	543	1,538	-	2,081	2,081
Agriculture and fishery (livestock, poultry, production of animal feeds)	271,108	-	48,614	0	319,722	6,644	190,465	-	197,110	516,832
Agriculture and fishery (operator of post harvest facility, cold storage facility)	73,837	182	9,288	0	83,307	3,218	10,615	-	13,832	97,139
Agriculture and fishery (seed production, growing of plants)	203,789	21	-	-	203,809	45,972	640,755	-	686,727	890,536
II. Economic and low-cost housing	3,099,312	26,816	-	-	3,126,128	-	-	-	-	3,126,128
Economic and low-cost housing	3,099,312	26,816	-	-	3,126,128	-	-	-	-	3,126,128
III. Energy	12,317,727	8,012,160	1,011,430	4,147,678	25,488,996	0	7,515	-	7,516	25,496,511
Energy (coal, diesel)	8,445,943	3,492,016	956,690	4,124,514	17,019,162	-	-	-	-	17,019,162
Energy (refining, storage, marketing and distribution of petroleum products)	1,009,396	267,265	8,173	19,588	1,304,422	0	7,515	-	7,516	1,311,938
Energy (renewable energy - biomass)	1,125,168	83,530	36,312	3,564	1,248,574	-	-	-	-	1,248,574
Energy (renewable energy - geothermal)	474,019	1,409,469	7,957	0	1,891,445	-	-	-	-	1,891,445
Energy (renewable energy - hydro)	354,641	2,734,261	6	0	3,088,907	-	-	-	-	3,088,907
Energy (renewable energy - solar)	386,058	8,590	1	12	394,660	-	-	-	-	394,660
Energy (renewable energy - unspecified)	29,593	-	2,291	0	31,884	-	-	-	-	31,884
Energy (renewable energy - wind)	492,911	17,031	-	-	509,942	-	-	-	-	509,942
IV. Manufacturing	20,403,421	25,511,122	33,390,118	202,158,727	281,463,388	16,986	133,141	-	150,127	281,613,515
Manufacturing (chemicals)	66,554	837,937	1,583,031	5,283,626	7,771,148	-	-	-	-	7,771,148
Manufacturing (electronics, electrical products, semicon)	11,616,915	13,390,498	12,165,145	142,132,085	179,304,642	-	-	-	-	179,304,642
Manufacturing (industrial goods, machines)	4,690,589	2,969,732	2,572,660	16,166,459	26,399,441	-	-	-	-	26,399,441
Manufacturing (food, food processing)	336,137	268,265	334,719	596,094	1,535,215	12,371	59,444	-	71,815	1,607,030
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	374,596	201,234	4,032,396	6,211,250	10,819,476	2,079	13,157	-	15,236	10,834,712
Manufacturing (glass, plastic, ceramic)	385,922	648,295	1,624,267	4,134,762	6,793,246	551	33,314	-	33,865	6,827,111
Manufacturing (wood, paper, rubber products)	63,573	1,567,403	1,438,377	3,184,683	6,254,036	-	3,553	-	3,553	6,257,589
Manufacturing (metals, steel)	82,757	897,086	1,047,983	3,598,345	5,626,171	-	232	-	232	5,626,404
Manufacturing (personal care and healthcare products, medical products)	760,221	359,488	578,270	1,587,819	3,285,799	29	-	-	29	3,285,828
Manufacturing (personal goods)	880,547	1,001,462	2,611,275	5,456,303	9,949,587	1,953	23,129	-	25,081	9,974,668
Manufacturing (vehicles, vehicle accessories, transport equipment)	1,145,610	3,369,722	5,401,995	13,807,300	23,724,627	4	312	-	316	23,724,943
V. Mining and quarrying	34,650	-	-	-	34,650	2	3,338	-	3,340	37,989
Mining and quarrying	34,650	-	-	-	34,650	2	3,338	-	3,340	37,989
VI. PPP projects	155,254	16,282	39,328	8,648	219,512	-	-	-	-	219,512
PPP projects	155,254	16,282	39,328	8,648	219,512	-	-	-	-	219,512
VII. Services	28,082,922	23,028,548	5,996,060	21,882,884	78,990,414	14,382,779	15,301,669	1,379,365	31,063,814	110,054,227
Services (banking, financing)	453,308	311,954	-	6,397	771,659	2,717,374	6,316,511	1,379,365	10,413,250	11,184,909
Services (BPO - non-voice, software development, IT-related services, customer support)	7,154,447	11,827,481	97,971	552,482	19,632,381	40,012	1,062,740	-	1,102,752	20,735,133
Services (call center)	1,300,884	5,592,608	144,619	1,049,059	8,087,169	-	-	-	-	8,087,169
Services (R&D)	4,111	24,906	9,205	49,540	87,762	-	-	-	-	87,762
Services (canteen and restaurant operation)	176	35,853	8,432	10,012	54,473	3,297,792	1,269,755	-	4,567,547	4,622,020
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	12,218,025	3,498,660	228,264	462,229	16,407,179	8,169	20,845	-	29,014	16,436,192
Services (operator of training and learning centers, operator of medical and health facilities)	17,252	138,222	4,054	58,621	218,149	19,163	119,741	-	138,904	357,053
Services (other general services)	2,781,899	69,969	1,487,890	5,649,494	9,989,252	7,898,939	2,454,828	-	10,353,767	20,343,019
Services (warehousing, logistics, utilities, operator of sea ports and airports)	3,126,381	1,305,387	3,518,510	12,875,542	20,825,819	123,002	1,836,775	-	1,959,778	22,785,597
Services (wholesale, retail, trading)	1,026,440	223,509	497,114	1,169,508	2,916,571	278,329	2,220,474	-	2,498,802	5,415,373
VIII. Tourism	3,687,764	9,761,464	150,821	300,662	13,900,711	165	1,281	-	1,446	13,902,157
Tourism (accommodation, hotels, resort)	3,687,764	623,636	138,879	282,715	4,732,994	165	1,281	-	1,446	4,734,440
Tourism (medical tourism, other tourism-related services)	-	9,137,829	11,942	17,947	9,167,717	-	-	-	-	9,167,717
IX. Unfilled/ unspecified registered activity	-	-	88,033	148,684	236,717	856	47,429	-	48,285	285,001
Unfilled/unspecified registered activity	-	-	88,033	148,684	236,717	856	47,429	-	48,285	285,001
Total	68,329,783	66,356,596	40,733,691	228,647,282	404,067,353	14,457,164	16,337,747	1,379,365	32,174,276	436,241,629

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³ Values reflected are 2019 projections of investment tax expenditures for 2019 as stated in the 2018 report.

⁴ The 2020 projections of investment tax expenditure for incentives on income tax were computed using the 2019-2020 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 2019-2020 growth rate of value of imports as reported by the BOC.

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