

Table J.1.b.
2023 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2022-2024
(in thousand pesos)

Sector	2022										
	Programmed ¹					Programmed (CDA)					Total (including Incentives of Cooperatives)
	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 ²		
I. Agriculture and fishery	117,988	-	10,823	-	128,811	107,198	206,406	9,365	322,970	451,781	
Agriculture and fishery (fishery)	-	-	-	-	-	314	345	-	659	659	
Agriculture and fishery (livestock, poultry, production of animal feeds)	4,742	-	655	-	5,396	23,788	45,755	4,537	74,081	79,477	
Agriculture and fishery (operator of post harvest facility, cold storage facility)	40,731	-	10,168	-	50,899	4,421	26,157	4,552	35,131	86,030	
Agriculture and fishery (seed production, growing of plants)	72,515	-	-	-	72,515	78,675	134,148	275	213,099	285,614	
II. Economic and low-cost housing	218,504	-	-	-	218,504	-	-	-	-	218,504	
Economic and low-cost housing	218,504	-	-	-	218,504	-	-	-	-	218,504	
III. Energy	295,536	6,693	1,240,772	14,614,877	16,157,877	970	20,229	383	21,582	16,179,460	
Energy (coal, diesel)	118,058	916	1,027,743	13,634,801	14,851,518	-	-	-	-	14,851,518	
Energy (refining, storage, marketing and distribution of petroleum products)	-	5,777	39,029	179,266	224,072	970	20,229	383	21,582	245,654	
Energy (renewable energy - biomass)	97,737	-	2,523	13,145	113,405	-	-	-	-	113,405	
Energy (renewable energy - geothermal)	-	-	1,012	-	1,012	-	-	-	-	1,012	
Energy (renewable energy - hydro)	6,942	-	687	-	7,629	-	-	-	-	7,629	
Energy (renewable energy - solar)	72,799	-	49,205	653,384	775,387	-	-	-	-	775,387	
Energy (renewable energy - unspecified)	-	-	50,573	134,281	184,855	-	-	-	-	184,855	
Energy (renewable energy - wind)	-	-	-	-	-	-	-	-	-	-	
IV. Manufacturing	6,615,275	7,587,770	42,355,298	244,662,481	301,220,825	45,338	81,985	353	127,676	301,348,501	
Manufacturing (chemicals)	10,559	720,509	591,530	3,478,632	4,801,230	-	-	-	-	4,801,230	
Manufacturing (electronics, electrical products, semicon)	5,981,107	2,785,965	15,920,230	172,170,794	196,858,097	-	-	-	-	196,858,097	
Manufacturing (industrial goods, machines)	197,133	1,025,590	3,471,724	16,229,556	20,924,003	-	-	-	-	20,924,003	
Manufacturing (food, food processing)	36,799	1,058,747	420,183	1,060,951	2,576,680	28,286	39,828	120	68,234	2,644,914	
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	211,948	28,864	3,701,971	6,128,033	10,070,816	1,487	7,702	11	9,200	10,080,016	
Manufacturing (glass, plastic, ceramic)	31,590	32,190	3,764,462	7,151,439	10,979,680	-	23	-	23	10,979,704	
Manufacturing (wood, paper, rubber products)	70,184	19,902	2,050,444	4,131,056	6,271,586	15,171	34,397	222	49,790	6,321,376	
Manufacturing (metals, steel)	2,850	225,893	4,619,936	16,301,620	21,150,299	-	-	-	-	21,150,299	
Manufacturing (personal care and healthcare products, medical products)	45,311	333,423	752,305	2,134,489	3,265,527	394	33	-	428	3,265,954	
Manufacturing (personal goods)	3,448	14,515	1,068,339	2,177,460	3,263,762	-	-	-	-	3,263,762	
Manufacturing (vehicles, vehicle accessories, transport equipment)	24,347	1,342,173	5,994,174	13,698,451	21,059,145	-	-	-	-	21,059,145	
V. Mining and quarrying	-	-	-	-	-	-	39	-	39	39	
Mining and quarrying	-	-	-	-	-	-	39	-	39	39	
VI. PPP projects	2,190	-	29,274	-	31,465	-	-	-	-	31,465	
PPP projects	2,190	-	29,274	-	31,465	-	-	-	-	31,465	
VII. Services	2,523,252	8,656,955	6,491,061	53,525,787	71,197,056	6,571,925	13,099,994	2,206,485	21,878,403	93,075,459	
Services (banking, financing)	-	2,016	26	173	2,215	5,388,466	4,652,201	1,995,511	12,036,179	12,038,393	
Services (BPO - non-voice, software development, IT-related services, customer support)	1,111,046	4,406,073	303,716	1,237,042	7,057,877	213,098	446,219	35,116	694,433	7,752,310	
Services (call center)	1,129,554	3,070,144	491,793	5,382,535	10,074,026	-	-	-	-	10,074,026	
Services (R&D)	-	10,319	34,647	131,452	176,418	-	-	-	-	176,418	
Services (canteen and restaurant operation)	680	18,126	1,829	1,171	21,806	124,821	332,689	35,808	493,317	515,123	
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	199,586	454,396	441,694	28,807,648	29,903,324	4,911	35,481	388	40,779	29,944,103	
Services (operator of training and learning centers, operator of medical and health facilities)	29,112	440,247	4,817	19,695	493,872	53,224	272,406	7,519	333,149	827,021	
Services (other general services)	42,147	30,758	368,309	854,852	1,296,066	244,419	1,973,598	3,982	2,221,999	3,518,065	
Services (warehousing, logistics, utilities, operator of sea ports and airports)	11,128	175,763	4,483,756	16,259,184	20,929,832	117,488	1,153,832	9,200	1,280,520	22,210,352	
Services (wholesale, retail, trading)	-	49,112	360,475	832,034	1,241,621	425,498	4,233,567	118,962	4,778,027	6,019,648	
VIII. Tourism	3,665	58,384	162,243	560,070	784,362	5	133,701	16,315	150,021	934,382	
Tourism (accommodation, hotels, resort)	3,665	43,582	161,843	559,671	768,761	2	133,659	16,315	149,976	918,737	
Tourism (medical tourism, other tourism-related services)	-	14,801	400	399	15,600	3	42	-	45	15,645	
IX. Unfilled/ unspecified registered activity	33,706	52	-	-	33,758	397,789	910,822	124,118	1,432,728	1,466,486	
Unfilled/unspecified registered activity	33,706	52	-	-	33,758	397,789	910,822	124,118	1,432,728	1,466,486	
Total	9,810,116	16,309,854	50,289,472	313,363,215	389,772,657	7,123,224	14,453,175	2,357,019	23,933,419	413,706,076	

¹ Values reflected are based on the 2022 programmed investment tax expenditures as stated in the FY 2025 BESF report.

² Values reflected are based on the 2022 actual investment tax expenditures as stated in the FY 2025 BESF report.

³ Values reflected are based on the 2023 projected investment tax expenditures as stated in the FY 2025 BESF report.

⁴ The 2024 projections of tax expenditures on income tax were computed using the 2023-2024 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projections of tax expenditure on customs duties were computed using the 5 year average 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 20%/25% 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 RA 10963 mandates the Cooperative Development Authority (CDA) to consolidate and submit to the BIR the annual tax incentives reports of registered cooperatives. The tax incentives of cooperatives were computed based on the preferential tax treatment of cooperatives in accordance with Republic Act 9520.

*Values may not exactly add up due to rounding off numbers

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

Sources: BIR, BOC, DOF staff computation

Table J.1.b.
2023 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2022-2024
(in thousand pesos)

Sector	2022									
	Actual ²					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	
I. Agriculture and fishery	209,908	53,560	315,149	420,079	998,696	125,525	1,877,619	129	2,003,274	3,001,969
Agriculture and fishery (fishery)	965	-	-	-	965	1,202	20,211	-	21,412	22,378
Agriculture and fishery (livestock, poultry, production of animal feeds)	106,973	1,156	183,161	276,672	567,963	16,184	76,486	85	92,756	660,719
Agriculture and fishery (operator of post harvest facility, cold storage facility)	24,655	52,403	131,372	143,407	351,837	10,812	80,835	-	91,647	443,489
Agriculture and fishery (seed production, growing of plants)	77,315	-	616	-	77,931	97,327	1,700,087	44	1,797,458	1,875,384
II. Economic and low-cost housing	1,962,714	2,314	323,811	1,903,136	4,191,975	3,243	15,458	-	18,701	4,210,676
Economic and low-cost housing	1,962,714	2,314	323,811	1,903,136	4,191,975	3,243	15,458	-	18,701	4,210,676
III. Energy	7,533,561	4,861,550	743,465	25,717,023	38,855,599	-	-	-	-	38,855,599
Energy (coal, diesel)	6,584,496	287,933	636,163	1,688,504	9,197,095	-	-	-	-	9,197,095
Energy (refining, storage, marketing and distribution of petroleum products)	201,333	17,686	23,023	24,018,671	24,260,713	-	-	-	-	24,260,713
Energy (renewable energy - biomass)	51,828	22,148	13,044	4,140	91,161	-	-	-	-	91,161
Energy (renewable energy - geothermal)	64,289	3,176,880	5,706	-	3,246,875	-	-	-	-	3,246,875
Energy (renewable energy - hydro)	91,395	821,855	1,440	4,381	919,072	-	-	-	-	919,072
Energy (renewable energy - solar)	423,284	55,736	92	262	479,375	-	-	-	-	479,375
Energy (renewable energy - unspecified)	7,247	102,356	63,996	1,065	174,663	-	-	-	-	174,663
Energy (renewable energy - wind)	109,689	376,956	-	-	486,646	-	-	-	-	486,646
IV. Manufacturing	2,765,289	6,802,434	46,889,539	283,196,027	339,653,289	9,924	99,507	1,715	111,146	339,764,435
Manufacturing (chemicals)	113,963	558,377	1,637,153	5,705,629	8,015,123	-	-	-	-	8,015,123
Manufacturing (electronics, electrical products, semicon)	1,515,469	1,416,504	15,204,287	196,635,947	214,772,207	-	-	-	-	214,772,207
Manufacturing (industrial goods, machines)	389,317	622,949	2,786,350	13,582,456	17,381,071	-	-	-	-	17,381,071
Manufacturing (food, food processing)	321,156	1,438,422	851,492	2,460,201	5,071,271	4,149	28,231	1,715	34,095	5,105,366
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	38,598	18,788	4,550,888	7,198,593	11,806,867	-	11,149	-	14,382	11,821,249
Manufacturing (glass, plastic, ceramic)	131,881	417,029	4,280,400	8,517,454	13,346,766	12	-	-	12	13,346,778
Manufacturing (wood, paper, rubber products)	30,874	79,585	3,170,040	5,720,073	9,000,572	2,518	56,758	-	59,276	9,059,848
Manufacturing (metals, steel)	8,771	132,033	4,192,265	18,532,370	22,865,439	-	3,150	-	3,150	22,868,589
Manufacturing (personal care and healthcare products, medical products)	41,431	131,006	1,196,808	4,502,977	5,872,222	-	174	-	174	5,872,396
Manufacturing (personal goods)	2,467	99,300	279,482	651,091	1,032,340	13	44	-	57	1,032,397
Manufacturing (vehicles, vehicle accessories, transport equipment)	171,362	1,888,441	8,740,372	19,689,235	30,489,409	-	-	-	-	30,489,409
V. Mining and quarrying	94,156	2,009,282	417,839	1,556,960	4,078,237	-	7	-	7	4,078,244
Mining and quarrying	94,156	2,009,282	417,839	1,556,960	4,078,237	-	7	-	7	4,078,244
VI. PPP projects	117,947	-	19,937	-	137,884	-	-	-	-	137,884
PPP projects	117,947	-	19,937	-	137,884	-	-	-	-	137,884
VII. Services	6,509,488	6,910,706	7,115,918	38,925,233	59,461,345	3,555,974	10,916,829	1,698,951	16,171,754	75,633,099
Services (banking, financing)	597	190,680	-	-	191,277	2,856,475	3,404,931	1,513,418	7,776,824	7,968,102
Services (BPO - non-voice, software development, IT-related services, customer support)	2,372,700	4,227,194	439,433	7,148,943	14,188,269	2,374	-	-	2,374	14,190,643
Services (call center)	543,948	527,407	337,207	6,350,453	7,759,014	-	-	-	-	7,759,014
Services (R&D)	-	2,083	43,681	122,763	168,528	-	-	-	-	168,528
Services (canteen and restaurant operation)	72,665	12,735	65,226	116,019	266,645	28,051	28,327	-	56,379	323,023
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	1,825,300	1,111,460	63,308	110,354	3,110,422	5,287	68,334	-	73,620	3,184,043
Services (operator of training and learning centers, operator of medical and health facilities)	21,457	38,629	291	1,458	61,834	37,377	185,968	379	223,724	285,559
Services (other general services)	5,137	148,065	1,379,022	5,519,653	7,051,878	314,700	4,060,024	179,082	4,553,806	11,605,684
Services (warehousing, logistics, utilities, operator of sea ports and airports)	1,667,685	520,665	4,216,040	16,929,779	23,334,170	158,718	2,298,419	2,911	2,460,048	25,794,218
Services (wholesale, retail, trading)	-	131,786	571,709	2,625,811	3,329,307	150,992	870,826	3,161	1,024,978	4,354,286
VIII. Tourism	4,121,879	23,577	42,517	64,807	4,252,780	2,992	3,046	-	6,038	4,258,819
Tourism (accommodation, hotels, resort)	4,076,928	13,702	41,460	61,713	4,193,804	2,992	3,037	-	6,029	4,199,833
Tourism (medical tourism, other tourism-related services)	44,951	9,876	1,057	3,093	58,976	-	9	-	9	58,985
IX. Unfiled/ unspecified registered activity	-	1,432	-	-	1,432	68,515	112,397	3,915	184,827	186,259
Unfiled/unspecified registered activity	-	1,432	-	-	1,432	68,515	112,397	3,915	184,827	186,259
Total	23,314,943	20,664,854	55,868,175	351,783,265	451,631,237	3,766,175	13,024,863	1,704,711	18,495,748	470,126,985

¹ Values reflected are based on the 2022 programmed investment tax expenditures as stated in the FY 2025 BESF report.

² Values reflected are based on the 2022 actual investment tax expenditures as stated in the FY 2025 BESF report.

³ Values reflected are based on the 2023 projected investment tax expenditures as stated in the FY 2025 BESF report.

⁴ The 2024 projections of tax expenditures on income tax were computed using the 2023-2024 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projections of tax expenditure on customs duties were computed using the 5 year average 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 20%/25% 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 RA 10963 mandates the Cooperative Development Authority (CDA) to consolidate and submit to the BIR the annual tax incentives reports of registered cooperatives. The tax incentives of cooperatives were computed based on the preferential tax treatment of cooperatives in accordance with Republic Act 9520.

*Values may not exactly add up due to rounding off numbers

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

Sources: BIR, BOC, DOF staff computation

Table J.1.b.
2023 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2022-2024
(in thousand pesos)

Sector	2023									
	Income Tax Holiday	Special Income Tax Rate	Programmed ¹			Total	Programmed (CDA)			
Customs Duties			Import VAT (gross)		Income Tax Incentives of Cooperatives		Local VAT Incentives of Cooperatives	Percentage Tax Incentives of Cooperatives	Total Tax Incentives of Cooperatives ²	
I. Agriculture and fishery	231,495	59,067	362,267	482,884	1,135,713	138,434	2,070,706	143	2,209,282	3,344,995
Agriculture and fishery (fishery)	1,065	-	-	-	1,065	-	22,289	-	23,614	24,679
Agriculture and fishery (livestock, poultry, production of animal feeds)	117,974	1,275	210,545	318,037	647,832	17,849	84,352	94	102,294	750,126
Agriculture and fishery (operator of post harvest facility, cold storage facility)	27,190	57,792	151,014	164,847	400,843	11,924	89,148	-	101,072	501,915
Agriculture and fishery (seed production, growing of plants)	85,266	-	708	-	85,973	107,336	1,874,917	49	1,982,302	2,068,275
II. Economic and low-cost housing	2,164,552	2,552	372,224	2,187,672	4,727,000	3,577	17,048	-	20,624	4,747,625
Economic and low-cost housing	2,164,552	2,552	372,224	2,187,672	4,727,000	3,577	17,048	-	20,624	4,747,625
III. Energy	8,308,281	5,361,492	854,620	29,561,961	44,086,354	-	-	-	-	44,086,354
Energy (coal, diesel)	7,251,618	317,542	731,276	1,940,951	10,251,387	-	-	-	-	10,251,387
Energy (refining, storage, marketing and distribution of petroleum products)	222,037	19,504	26,465	27,609,689	27,877,696	-	-	-	-	27,877,696
Energy (renewable energy - biomass)	57,158	24,425	14,994	4,759	101,337	-	-	-	-	101,337
Energy (renewable energy - geothermal)	70,900	3,503,577	6,559	-	3,581,036	-	-	-	-	3,581,036
Energy (renewable energy - hydro)	100,794	906,371	1,656	5,036	1,013,857	-	-	-	-	1,013,857
Energy (renewable energy - solar)	466,813	61,468	106	302	528,688	-	-	-	-	528,688
Energy (renewable energy - unspecified)	7,992	112,882	73,564	1,224	195,662	-	-	-	-	195,662
Energy (renewable energy - wind)	120,969	415,721	-	-	536,690	-	-	-	-	536,690
IV. Manufacturing	3,049,660	7,501,968	53,899,967	325,536,505	389,988,101	10,945	109,740	1,892	122,576	390,110,678
Manufacturing (chemicals)	125,683	615,798	1,881,923	6,558,674	9,182,079	-	-	-	-	9,182,079
Manufacturing (electronics, electrical products, semicon)	1,671,314	1,562,171	17,477,471	226,034,877	246,745,834	-	-	-	-	246,745,834
Manufacturing (industrial goods, machines)	429,353	687,011	3,202,936	15,613,161	19,932,460	-	-	-	-	19,932,460
Manufacturing (food, food processing)	354,182	1,586,344	978,798	5,747,349	2,828,024	4,576	31,134	1,892	37,601	5,784,950
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	42,567	20,720	5,231,289	8,274,851	13,569,427	3,565	12,296	-	15,861	13,585,288
Manufacturing (glass, plastic, ceramic)	145,444	459,915	4,920,361	9,790,894	15,316,613	13	-	-	13	15,316,627
Manufacturing (wood, paper, rubber products)	34,049	87,769	3,643,991	6,575,278	10,341,087	2,777	62,595	-	65,372	10,406,459
Manufacturing (metals, steel)	9,673	145,611	4,819,049	21,303,134	26,277,467	-	-	-	3,474	26,280,941
Manufacturing (personal care and healthcare products, medical products)	45,691	144,478	1,375,742	5,176,215	6,742,127	-	192	-	192	6,742,319
Manufacturing (personal goods)	2,721	109,511	321,267	748,435	1,181,935	14	49	-	63	1,181,998
Manufacturing (vehicles, vehicle accessories, transport equipment)	188,984	2,082,641	10,047,140	22,632,961	34,951,726	-	-	-	-	34,951,726
V. Mining and quarrying	103,838	2,215,908	480,310	1,789,741	4,589,798	-	7	-	7	4,589,805
Mining and quarrying	103,838	2,215,908	480,310	1,789,741	4,589,798	-	7	-	7	4,589,805
VI. PPP projects	130,076	-	22,918	-	152,994	-	-	-	-	152,994
PPP projects	130,076	-	22,918	-	152,994	-	-	-	-	152,994
VII. Services	7,178,897	7,621,374	8,179,815	44,744,923	67,725,009	3,921,656	12,039,471	1,873,664	17,834,791	85,559,800
Services (banking, financing)	658	210,289	-	-	210,947	3,152,429	3,755,081	1,669,051	8,576,561	8,787,509
Services (BPO - non-voice, software development, IT-related services, customer support)	2,616,698	4,661,901	505,133	8,217,777	16,001,509	2,618	-	-	2,618	16,004,127
Services (call center)	599,885	581,643	387,622	7,299,906	8,869,056	-	-	-	-	8,869,056
Services (R&D)	-	2,298	50,212	141,117	193,627	-	-	-	-	193,627
Services (canteen and restaurant operation)	80,138	14,045	74,978	133,365	302,524	30,936	31,240	-	62,176	364,701
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	2,013,006	1,225,758	72,773	126,853	3,438,391	5,830	75,361	-	81,191	3,519,582
Services (operator of training and learning centers, operator of medical and health facilities)	23,663	42,601	334	1,676	68,275	41,221	205,093	418	246,731	315,006
Services (other general services)	5,666	163,292	1,585,199	6,344,893	8,099,050	347,063	4,477,540	197,499	5,022,101	13,121,151
Services (warehousing, logistics, utilities, operator of sea ports and airports)	1,839,183	574,208	4,846,378	19,460,941	26,720,710	175,040	2,534,779	3,210	2,713,029	29,433,740
Services (wholesale, retail, trading)	-	145,339	657,185	3,018,395	3,820,919	166,519	960,378	3,486	1,130,383	4,951,302
VIII. Tourism	4,545,756	26,002	48,874	74,496	4,695,128	3,300	3,359	-	6,659	4,701,787
Tourism (accommodation, hotels, resort)	4,496,183	15,111	47,659	70,940	4,629,893	3,300	3,349	-	6,649	4,636,542
Tourism (medical tourism, other tourism-related services)	49,573	10,891	1,215	3,556	65,235	-	10	-	10	65,245
IX. Unfilled/ unspecified registered activity	-	1,579	-	-	1,579	75,561	123,956	4,318	203,834	205,413
Unfilled/unspecified registered activity	-	1,579	-	-	1,579	75,561	123,956	4,318	203,834	205,413
Total	25,712,557	22,789,943	64,220,994	404,378,182	517,101,676	4,153,473	14,364,286	1,880,016	20,397,775	537,499,451

¹ Values reflected are based on the 2022 programmed investment tax expenditures as stated in the FY 2025 BESF report.

² Values reflected are based on the 2022 actual investment tax expenditures as stated in the FY 2025 BESF report.

³ Values reflected are based on the 2023 projected investment tax expenditures as stated in the FY 2025 BESF report.

⁴ The 2024 projections of tax expenditures on income tax were computed using the 2023-2024 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projections of tax expenditure on customs duties were computed using the 5 year average 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 20%/25% 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 RA 10963 mandates the Cooperative Development Authority (CDA) to consolidate and submit to the BIR the annual tax incentives reports of registered cooperatives. The tax incentives of cooperatives were computed based on the preferential tax treatment of cooperatives in accordance with Republic Act 9520.

*Values may not exactly add up due to rounding off numbers

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

Sources: BIR, BOC, DOF staff computation

Table J.1.b.
2023 INVESTMENT TAX EXPENDITURES, BY SECTOR, BY TYPE OF TAX INCENTIVES, FY 2022-2024
(in thousand pesos)

Sector	2023									
	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	
I. Agriculture and fishery	411,523	417,677	459,854	1,185,089	2,474,143	18,390	6,680	1,500	26,569	2,500,712
Agriculture and fishery (fishery)	-	-	-	-	-	8	-	0	8	-
Agriculture and fishery (livestock, poultry, production of animal feeds)	198,099	-	90,927	182,291	471,317	-	-	19	9,733	481,050
Agriculture and fishery (operator of post harvest facility, cold storage facility)	32,359	1,326	135,787	151,953	321,425	-	729	27	7,107	328,532
Agriculture and fishery (seed production, growing of plants)	181,065	416,351	233,140	850,845	1,681,401	2,316	5,950	1,455	9,721	1,691,122
II. Economic and low-cost housing	1,759,469	-	-	-	1,759,469	-	-	-	-	1,759,469
Economic and low-cost housing	1,759,469	-	-	-	1,759,469	-	-	-	-	1,759,469
III. Energy	10,326,757	3,405,886	1,283,942	26,856,507	41,873,092	306	-	-	306	41,873,398
Energy (coal, diesel)	8,234,307	664,639	1,150,220	1,063,336	11,112,503	-	-	-	-	11,112,503
Energy (refining, storage, marketing and distribution of petroleum products)	214,939	672,058	52,125	25,761,449	26,700,572	306	-	-	306	26,700,878
Energy (renewable energy - biomass)	394,621	23,351	11,828	-	453,794	-	-	-	-	453,794
Energy (renewable energy - geothermal)	28,910	945,488	-	-	974,398	-	-	-	-	974,398
Energy (renewable energy - hydro)	619,571	292,410	-	-	911,981	-	-	-	-	911,981
Energy (renewable energy - solar)	516,911	573,386	3,661	7,727	1,101,686	-	-	-	-	1,101,686
Energy (renewable energy - unspecified)	263,218	-	64,140	-	327,358	-	-	-	-	327,358
Energy (renewable energy - wind)	54,281	234,552	1,968	-	290,801	-	-	-	-	290,801
IV. Manufacturing	8,072,568	21,568,776	45,123,160	259,060,513	333,825,017	12,854	1,243	408	14,505	333,839,522
Manufacturing (chemicals)	197,330	435,892	294,344	2,279,563	3,207,130	44	-	-	44	3,207,174
Manufacturing (electronics, electrical products, semicon)	4,935,897	9,336,371	15,575,090	171,674,055	201,521,413	-	-	-	-	201,521,413
Manufacturing (industrial goods, machines)	628,220	1,188,261	1,043,637	4,418,834	7,278,952	1,197	-	-	1,197	7,280,148
Manufacturing (food, food processing)	345,287	1,494,410	772,011	2,121,396	4,733,105	4,741	415	-	5,156	4,738,261
Manufacturing (garments, textiles, wearables including jewelry, leather products - including bags)	96,438	665,996	3,768,575	5,862,949	10,393,958	5,249	829	408	6,485	10,400,444
Manufacturing (glass, plastic, ceramic)	936,455	1,599,980	4,910,514	10,442,688	17,889,637	-	-	-	-	17,889,637
Manufacturing (wood, paper, rubber products)	26,671	1,691,173	2,322,207	4,980,828	9,020,879	119	-	-	119	9,020,998
Manufacturing (metals, steel)	44,821	1,610,929	8,086,219	35,179,982	44,921,951	-	-	-	-	44,921,951
Manufacturing (personal care and healthcare products, medical products)	605,388	435,346	624,742	1,727,590	3,393,067	1,402	-	-	1,402	3,394,469
Manufacturing (personal goods)	78,264	489,602	1,212,890	3,137,257	4,918,014	102	-	-	102	4,918,115
Manufacturing (vehicles, vehicle accessories, transport equipment)	177,795	2,620,815	6,512,931	17,235,370	26,546,912	-	-	-	-	26,546,912
V. Mining and quarrying	5,494,416	48,074	29,457	228,881	5,800,828	-	-	-	-	5,800,828
Mining and quarrying	5,494,416	48,074	29,457	228,881	5,800,828	-	-	-	-	5,800,828
VI. PPP projects	119,518	-	-	-	119,518	-	-	-	-	119,518
PPP projects	119,518	-	-	-	119,518	-	-	-	-	119,518
VII. Services	4,707,765	21,706,742	5,828,383	31,693,455	63,936,345	3,382,752	1,656,443	239,496	5,278,691	69,215,036
Services (banking, financing)	28,609	19,219	18	1,324	49,169	2,851,185	1,250,896	175,362	4,277,443	4,326,612
Services (BPO - non-voice, software development, IT-related services, customer support)	1,950,952	12,440,010	286,594	6,785,765	21,463,321	-	-	-	-	21,463,321
Services (call center)	909,222	3,489,373	20,027	36,116	4,454,738	-	-	-	-	4,454,738
Services (R&D)	6,049	191,658	2,231	18,698	218,635	-	-	-	-	218,635
Services (canteen and restaurant operation)	-	66,604	5,343	5,373	77,320	4,348	3,130	94	7,571	84,891
Services (construction, leasing, real estate other than economic and low-cost housing, ecozone operator)	53,166	2,287,097	23,330	62,738	2,426,331	-	-	14	58,585	2,484,916
Services (operator of training and learning centers, operator of medical and health facilities)	7,199	172,737	1,623,408	6,222,979	8,026,323	14,910	97,077	6,000	117,986	8,144,310
Services (other general services)	26,521	571,109	320,115	1,240,254	2,157,998	359,853	162,002	41,174	563,029	2,721,028
Services (warehousing, logistics, utilities, operator of sea ports and airports)	1,617,277	1,838,502	3,218,157	15,727,218	22,401,154	57,243	48,455	8,313	114,011	22,515,165
Services (wholesale, retail, trading)	108,770	630,433	329,162	1,592,991	2,661,356	36,643	94,883	8,539	140,065	2,801,420
VIII. Tourism	7,242,610	466,786	17,193	91,825	7,818,413	203	872	-	1,075	7,819,488
Tourism (accommodation, hotels, resort)	7,239,391	378,174	8,871	11,222	7,637,658	-	-	-	-	7,637,658
Tourism (medical tourism, other tourism-related services)	3,219	88,612	8,322	80,604	180,756	203	872	-	1,075	181,831
IX. Unfilled/ unspecified registered activity	274	-	-	-	274	8,117	132	10	8,259	8,533
Unfilled/unspecified registered activity	274	-	-	-	274	8,117	132	10	8,259	8,533
Total	38,134,900	47,613,942	52,741,989	319,116,269	457,607,100	3,422,621	1,665,370	241,413	5,329,405	462,936,505

¹ Values reflected are based on the 2022 programmed investment tax expenditures as stated in the FY 2025 BESF report.

² Values reflected are based on the 2022 actual investment tax expenditures as stated in the FY 2025 BESF report.

³ Values reflected are based on the 2023 projected investment tax expenditures as stated in the FY 2025 BESF report.

⁴ The 2024 projections of tax expenditures on income tax were computed using the 2023-2024 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projections of tax expenditure on customs duties were computed using the 5 year average 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 20%/25% 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 RA 10963 mandates the Cooperative Development Authority (CDA) to consolidate and submit to the BIR the annual tax incentives reports of registered cooperatives. The tax incentives of cooperatives were computed based on the preferential tax treatment of cooperatives in accordance with Republic Act 9520.

*Values may not exactly add up due to rounding off numbers

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

Sources: BIR, BOC, DOF staff computation

Table J.1.c.
2023 INVESTMENT TAX EXPENDITURES, BY INVESTMENT PROMOTION AGENCY (IPA), INCLUDING COOPERATIVES, BY TYPE OF TAX INCENTIVES, FY 2022-2024
(in thousand pesos)

Investment Promotion Agency	2022									
	Programmed ¹					Programmed (CDA)				Total (including incentives of cooperatives)
	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	
Authority Freeport Area of Bataan (AFAB)	80,713	53,174	1,389,979	4,325,816	5,849,683	-	-	-	-	5,849,683
Aurora Pacific Economic Zone and Freeport (APECO)	-	-	-	-	-	-	-	-	-	-
Bases Conversion and Development Authority (BCDA)	-	-	-	-	-	-	-	-	-	-
Board of Investments (BOI)	733,816	-	121,513	10,466,144	11,321,472	-	-	-	-	11,321,472
Bangsamoro Board of Investments (BBOI)	-	-	-	-	-	-	-	-	-	-
Clark Development Corporation (CDC)	-	567,858	2,759,643	36,975,495	40,302,995	-	-	-	-	40,302,995
Cagayan Economic Zone Authority (CEZA)	-	37,078	-	45,143	82,220	-	-	-	-	82,220
Philippine Economic Zone Authority (PEZA)	8,992,830	15,483,320	45,321,284	257,363,328	327,160,762	-	-	-	-	327,160,762
Poro Point Management Corporation (PPMC)	-	-	677	1,757	2,435	-	-	-	-	2,435
Subic Bay Metropolitan Authority (SBMA)	2,756	168,424	691,103	4,175,961	5,038,244	-	-	-	-	5,038,244
Tourism Infrastructure and Enterprise Zone Authority (TIEZA)	-	-	-	-	-	-	-	-	-	-
Zamboanga City Special Economic Zone Authority (ZCSEZA)	-	-	5,273	9,571	14,845	-	-	-	-	14,845
Total	9,810,116	16,309,854	50,289,472	313,363,215	389,772,657	-	-	-	-	389,772,657
Cooperative Development Authority (CDA)	-	-	-	-	-	7,123,224	14,453,175	2,357,019	23,933,419	23,933,419
Total	9,810,116	16,309,854	50,289,472	313,363,215	389,772,657	7,123,224	14,453,175	2,357,019	23,933,419	413,706,076

¹ Values reflected are based on the 2022 programmed investment tax expenditures as stated in the FY 2025 BESF report.

² Values reflected are based on the 2022 actual investment tax expenditures as stated in the FY 2025 BESF report.

³ Values reflected are based on the 2023 projected investment tax expenditures as stated in the FY 2025 BESF report.

⁴ The 2024 projections of tax expenditures on income tax were computed using the 2023-2024 nominal GDP growth rates by sector as reported by the Philippine Statistics Authority (PSA), while the projections of tax expenditure on customs duties were computed using the 5 year average 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 20%/25% 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 RA 10963 mandates the Cooperative Development Authority (CDA) to consolidate and submit to the BIR the annual tax incentives reports of registered cooperatives. The tax incentives of cooperatives were computed based on the preferential tax treatment of cooperatives in accordance with Republic Act 9520.

* Values may not exactly add up due to rounding off numbers

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

Sources: BIR, BOC, and DOF staff computation