The Tax Card

Figures as of July 2026 — statutory rates stable under TRAIN/CREATE; verify no amendment.
Source lesson: 2.7 · The tax layer

TAX BY INSTRUMENT — STATE THIS FROM MEMORY

Cash flow / event	Rate	Base	Regime
Selling listed PSE shares	0.6%	gross selling price	Final — STT withheld by broker, nothing to file
PSE stock dividends / REIT distributions	10%	gross dividend/distribution	Final, withheld at source (RA 9856: REITs ≥90% distributed)
Bank interest, time deposits, RTB/FXTN coupons	20%	gross interest	Final withholding tax
MP2 dividend; PERA contribution growth	0%	—	Tax-exempt by law
US-source dividends (with W-8BEN on file)	25%	gross US dividend	US treaty withholding (30% without W-8BEN); PH foreign tax credit available if declared
UCITS (Ireland-domiciled) fund-internal	15%	fund's US holdings	US→Ireland treaty, inside the fund; investor-level 0% (accumulating = no distribution event)
Rental income (individual)	8%	gross rents > ₱250k, if elected	**Or** graduated + itemized/OSD — annual election; see crossover →
Sale of real property (capital asset)	6%	higher of zonal / FMV / selling price	Final CGT — Form 1706, within 30 days
Sale of unlisted shares (capital asset)	15%	net capital gain	Final CGT — Form 1707, within 30 days per transaction
Estate (worldwide net estate, residents)	6%	net estate – ₱5M std. deduction – family home (up to ₱10M)	Form 1801, within 1 year of death (extendable)
Donor's tax	6%	gifts above ₱250k / donor / calendar year	Form 1800, within 30 days of the gift

Never compare one instrument's gross rate against another's net — the same discipline from the Level 1 Benchmark Card, now with a full portfolio behind it.

FILING-FORM MAP & DUE-DATE RHYTHM

Form	What it is	Due
`1701Q`	Quarterly income tax return (8% or graduated)	Q1 May 15 · Q2 Aug 15 · Q3 Nov 15
`1701A`	Annual ITR — pure business/professional income, 8% or graduated + OSD	Apr 15 (following year)
`1701`	Annual ITR — mixed income (compensation + business) or itemized deductions	Apr 15 (following year)
`2551Q`	Quarterly percentage tax (3%) — graduated non-VAT filers only; not owed under the 8% option	25 days after quarter-end
`1707`	CGT return — shares not traded on the PSE (unlisted)	Within 30 days of each sale; annual 1707-A by Apr 15
`1706`	CGT return — real property (capital asset)	Within 30 days of the sale
`0619–E`	Monthly remittance of expanded withholding tax (e.g. you withhold on a corporate tenant, or as an employer/withholding agent)	10th day of the following month (per eFPS group schedule if applicable)

The bankability line

Every form above either feeds or starves your Level 3 credit file. Banks underwrite **declared, provable** income — a clean two-year run of ITRs is the price of the leverage tier. The cheapest tax strategy that keeps you unbankable is the most expensive one on this page.

8% VS. GRADUATED — THE CROSSOVER

8% option — in lieu of BOTH graduated income tax AND the 3% percentage tax. Available only while gross receipts stay at or under the ₱3,000,000/yr VAT threshold.

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Tax(8%) = 8% × (Gross − ₱250,000)
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Graduated + OSD — standard 40% optional deduction, plus the 3% percentage tax on gross (non-VAT).

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Tax(grad+OSD) = GraduatedTax(60% × Gross) + 3% × Gross
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Rule of thumb

8% tends to win when your real, provable expenses run under ~30% of gross receipts. As expenses rise toward and past OSD's fixed 40% assumption, graduated pulls ahead — deductions shrink taxable income faster than 8% saves you the percentage tax.

This is a memory aid, not a substitute for computing your own crossover (2.7's Do-it) — the winner flips on your actual expense ratio and the VAT wall at ₱3,000,000 gross receipts/yr.

Gross receipts	VAT / 8%-ceiling status
≤ ₱3,000,000/yr	8% option available; non-VAT registered
> ₱3,000,000/yr	8% option closes; mandatory VAT registration (12%) + graduated income tax