



March 31 deadline to change status to non-VAT taxpayer for purposes of 8% tax

Purely self-employed individuals and/or professionals who are VAT-registered taxpayers and whose gross sales/receipts and other non-operating income for the preceding year do not exceed the new P3 million VAT threshold are given up to 31 March 2018 to change their status from "VAT" to "non-VAT" taxpayer to avail of the 8% tax on gross sales or receipts or graduated income tax rates.

The change in status must be done by filing the duly accomplished BIR Form 1905 (Application for Registration Update) with the Revenue District Office (RDO) having jurisdiction over the head office of the concerned taxpayer.

The taxpayer must also signify his/her intention to avail of 8% tax on gross sales or receipts in his/her first quarter return for the taxable year. Otherwise, the taxpayer shall be considered as having availed of the graduated rates, and such election shall be irrevocable for the taxable year.

Click [here](#) to view the advisory issued by the BIR.

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