BDB Law

DU-BALADAD AND ASSOCIATES

ADVISORY

SERIES OF 2026

Tax Treatment of Lifeline Subsidy and Green Energy Auction Allowance

BUREAU OF INTERNAL REVENUE
Revenue Memorandum Circular No. 60-2026
June 4, 2026

TAX TREATMENT OF LIFELINE SUBSIDY AND GREEN ENERGY AUCTION ALLOWANCE

I. List of Government Charges Not Subject to Output Tax and Creditable Withholding Tax on Value-Added Tax (VAT) and Income

The following mandated government charges shall not be subject to Output Tax and Creditable Withholding Tax on VAT and Income.

1. Energy Tax under Batas Pambansa Blg. 36;
2. Universal Charges (UC) under Sec. 34 of R.A. No. 9136 (EPIRA);
3. Benefits to Host Communities under Sec. 66 of R.A. 9136 (EPIRA) and DOE Energy Regulations No. 1-94;
4. Feed-in Tariff Allowance (FIT-All) under ERC Res. 24, Series of 2013;
5. National and Local Franchise Taxes under Section 9 of RA No. 9511 and Art. III of ERC Res. No. 02, Series of 2021, respectively;
6. Real Property Tax (RPT) under Art. II of ERC Res. No. 02, Series of 2021;

Newly added charges (Amendment):

7. Lifeline Subsidy under Section 1 of ERC Res. No. 02, Series of 2026; and
8. Green Energy Auction Allowance (GEA-All) under ERC Res. No. 6, Series of 2025.

II. Effectivity

This Circular shall take effect immediately.

Source:
BIR RMC No. 60-2026
June 4, 2026