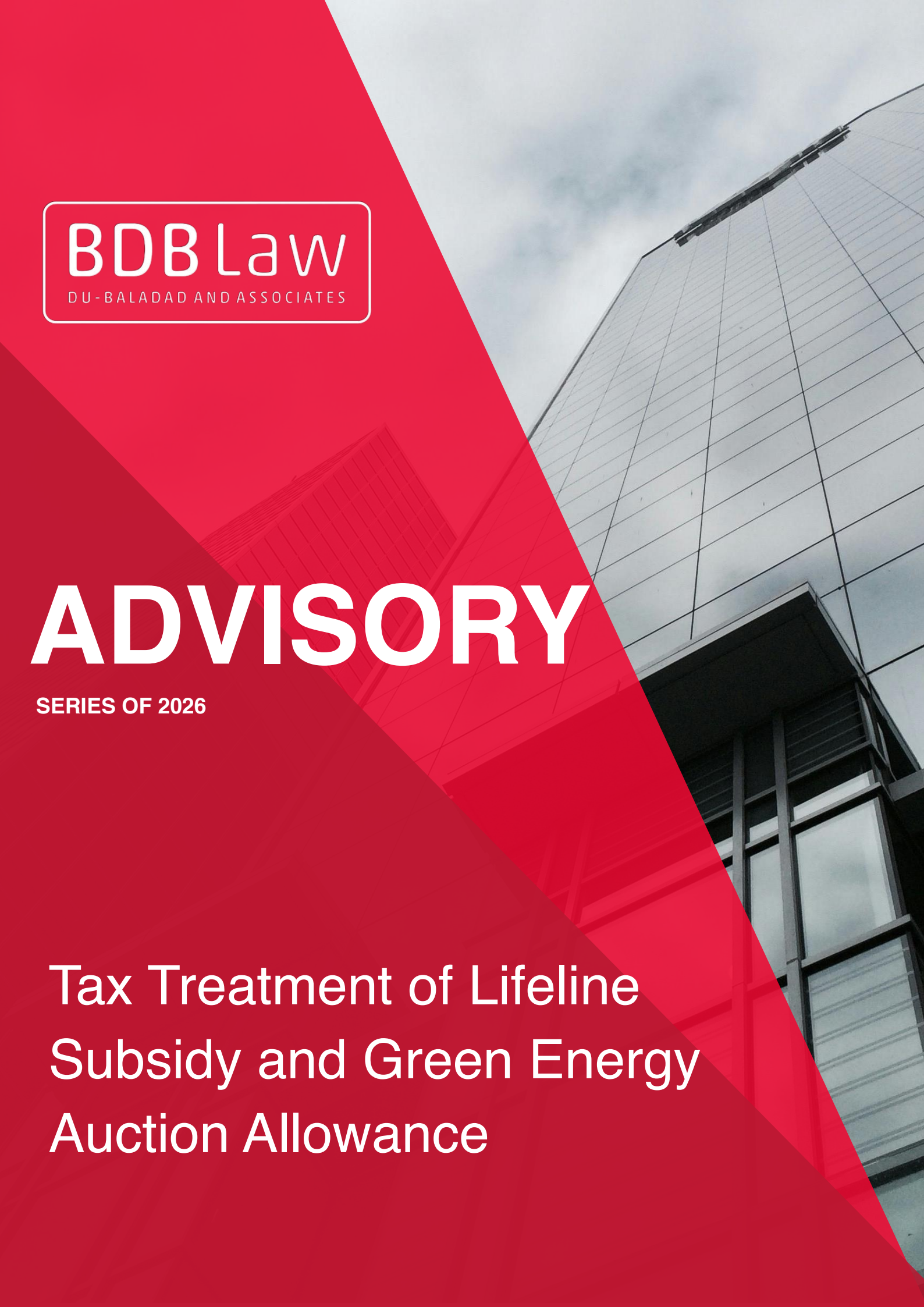




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ADVISORY

SERIES OF 2026

Tax Treatment of Lifeline
Subsidy and Green Energy
Auction Allowance

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

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Du-Baladad and Associates (BDB Law) is a multi-awarded, global tax law firm in the Philippines that offers services around 3 major areas of practice – **tax**, **legal** and **consulting**.

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