



TAX COMPLIANCE GUIDE FOR FREELANCERS AND BUSINESS OWNER

MODULE 2

LESSON 2:


FILING QUARTERLY PERCENTAGE TAX USING BIR FORM 2551Q





Module 2. BIR Forms Explained





Lesson 2. Filing Quarterly
Percentage Tax Using BIR Form
2551Q



1. What is BIR Form 2551Q?

If you are a non-VAT registered freelancer (earning less than ₱3,000,000 per year), you are subject to percentage tax instead of VAT. BIR Form 2551Q is used to report and pay percentage tax on your gross income each quarter.

Key Points About Percentage Tax:

Rate: The standard rate for percentage tax is 3% of your gross receipts or sales.

Who Needs to File: Non-VAT freelancers, such as virtual assistants, graphic designers, online sellers, and consultants who are not VAT-registered.

When to File: Percentage tax is filed quarterly on or before the 25th day following the end of the quarter.

Example:

If you are a freelance web designer earning ₱500,000 annually, you will need to pay 3% of your gross income every quarter. That's $₱500,000 \times 3\% = ₱15,000$ per year, spread across quarterly payments.



2. Step-by-Step Guide to Filling Out BIR Form 2551Q

Step 1: Fill in Basic Information

TIN: Your Taxpayer Identification Number.

RDO Code: This is your Regional District Office code, which you can find in your BIR registration documents.

Taxpayer's Name: Use your full name or your registered business name if applicable.

Line of Business/Occupation: Specify your freelance work, such as “freelance graphic designer” or “virtual assistant.”



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Step 2: Declare Your Gross Sales/Receipts

Line 15 – Gross Sales/Receipts for the Quarter: Enter the total amount you've earned for the quarter.

Example:

If you earned ₱150,000 during the second quarter from freelance projects, you will enter ₱150,000 on this line.



2. Step-by-Step Guide to Filling Out BIR Form 2551Q

Step 3: Calculate the Percentage Tax

Line 17 – Tax Due: Multiply your gross receipts by 3% to compute the percentage tax due.

Example:

With gross receipts of ₱150,000, your tax due will be:

$$₱150,000 \times 3\% = ₱4,500.$$



2. Step-by-Step Guide to Filling Out BIR Form 2551Q

Step 4: Input Total Tax Payable

Line 19 – Total Tax Payable: This will usually be the same as Line 17, unless you have any prior unpaid amounts or penalties. For most freelancers, this will simply be the percentage tax calculated.

Step 5: Sign and Submit

Once you've filled out the form and double-checked for accuracy:

Sign the form and enter the date.

If you are filing manually, submit the form to your **RDO**. If you are filing electronically, you can use the **eBIRForms** portal to submit the form online and pay through your bank or e-payment methods like **GCash**.



3. Deadlines for Filing BIR Form 2551Q

One of the most important aspects of tax compliance is making sure you file and pay on time. Missing a deadline can result in penalties and additional stress, so it's critical to keep track of the filing schedule.

Filing Deadlines

1st Quarter: April 25

2nd Quarter: July 25

3rd Quarter: October 25

4th Quarter: January 25 of the following year

If the deadline falls on a weekend or holiday, the deadline is typically moved to the next business day.



4. Common Mistakes to Avoid

b. Missing the Filing Deadline

Missing the quarterly deadline results in penalties, which can add up over time. Set up reminders for each deadline to avoid late filing.

Tip:

Use a tax compliance calendar or an app to set automatic reminders a week before the filing deadline.

c. Forgetting to Pay

Even if you file the form on time, failing to pay the percentage tax due can result in penalties. Make sure to complete the payment after filing, either through manual payment or using eBIRForms with an online payment method.



Key Takeaways

1

BIR Form 2551Q is used to report and **pay 3% percentage tax** on your quarterly gross receipts if you are a non-VAT registered freelancer.

2

The filing deadlines are **April 25, July 25, October 25, and January 25** of the following year.

3

Common mistakes include misreporting income, missing the deadline, and forgetting to pay after filing.



Learning Activity

Take a moment to review your income for the last quarter.

- **Identify** the total amount of gross receipts you earned.
- **Calculate** the percentage tax due on your income using the 3% rate, and ensure you've set reminders for your next filing deadline.



What's Next?

In the next lesson, we'll cover Handling Withholding Tax with BIR Form 2307. You'll learn about the importance of withholding tax certificates, how to report them, and how to use them to reduce your tax liabilities. Stay tuned for Lesson 3 of Module 2!



