

**REVENUE REGULATIONS NO. 2-98** issued May 17, 1998 prescribes the regulations to implement Republic Act (RA) No. 8424 relative to the Withholding on Income subject to the Expanded Withholding Tax and Final Withholding Tax, Withholding of Income Tax on Compensation, Withholding of Creditable Value- Added Tax and Other Percentage Taxes. Said Regulations will take effect on compensation income paid beginning January 1,1998. No penalties for non-compliance with the new features of the Tax Code will apply until May 15, 1998.