

# **MCC TAX AND OTHER RELEVANT UPDATES**

**Period Covered: April 2024**



**MORFE, CENETA & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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**IMPORTANT UPDATES:**

<b>A. REVENUE REGULATIONS</b>		
<b>ISSUANCE</b>	<b>DATE ISSUED</b>	<b>SUBJECT</b>
RR No. 3-2024	April 11, 2024	<b>Implements the amendments</b> introduced by Republic Act No. 11976 (Ease of Paying Taxes Act), <b>on the relevant provisions of Title IV - Value-Added Tax and Title V - Percentage Tax of the NIRC of 1997, as amended</b>
RR No. 4-2024	April 11, 2024	<b>Implements</b> Sections 22, 34, 51(A)(2)(e), 51(B), 51(D), 56(A)(1), 58(A), 58(C), 58(E), 77, 81, 90, 91, 103, 114, 128, 200 and 248 of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), <b>on the filing of tax returns and payment of taxes and other matters affecting the declaration of taxable income</b>
RR No. 5-2024	April 11, 2024	<b>Implements</b> Sections 76(C), 112(C), 112(D), 204(C), 229, and 269(J) of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), <b>on tax refunds</b>
RR No. 6-2024	April 11, 2024	<b>Implements</b> Section 45 of Republic Act No. 11976 (Ease of Paying Taxes Act), <b>on imposition of reduced interest and penalty rates for micro and small taxpayers</b>
RR No. 7-2024	April 11, 2024	<b>Implements</b> Sections 113, 235, 236, 237, 238, 242, 243 of the NIRC of 1997, as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), <b>on the registration procedures and invoicing requirements</b>
RR No. 8-2024	April 11, 2024	<b>Implements Sections 21(b) of the NIRC of 1997</b> , as amended by Republic Act No. 11976 (Ease of Paying Taxes Act), <b>on the classification of taxpayers</b>
<b>B. REVENUE MEMORANDUM CIRCULAR</b>		
RMC No. 48-2024	April 2, 2024	<b>Prescribes</b> the policies and procedures in the proper manner of accomplishing the <b>new version of the Monthly Documentary Stamp Tax Declaration/Return</b> (BIR Form 2000 version 2018)
RMC No. 53-2024	April 11, 2024	<b>Informs</b> taxpayers on the <b>availability of the revised BIR Registration Forms</b> relative to the implementation of Republic Act No. 11976 (Ease of Paying Taxes Act)
RMC No. 56-2024	April 17, 2024	<b>Clarifies the issuance of Electronic Certificate Authorizing Registration</b> relative to One-Time Transaction (ONETT)

## **DISCUSSION OF UPDATES**

### **A. REVENUE REGULATIONS**

#### **Revenue Regulations 3-2024**

The Bureau of Internal Revenue has issued Revenue Regulations 3-2024 on April 11, 2024 **which implements the provisions of Ease of Paying Taxes Act insofar as it affects the provisions of Title IV (Value Added Tax) and Title V (Percentage Tax) of the National Internal Revenue Code.**

With regard to the use of specific terms and phrases:

<b>Old</b>	<b>New</b>
Gross selling price, gross value in money, and gross receipts	Gross Sales (whether sale of goods or service)
Sales / Commercial Invoice	Invoice
Receipt or Payments	Billing or Billed

- **VAT Exempt Thresholds** - All provisions which mention the VAT-Threshold shall now be read as **"the amount or VAT threshold herein stated shall be adjusted to its present value every three (3) years using the Consumer Price Index (CPI), as published by the Philippine Statistics Authority (PSA)"**.
- **Filing and Payment** – the **filing shall be done electronically in any available electronic platforms except when unavailable**. In case of **payment, the same shall be made either electronically or manually to any AABs or RCOs**.

The Revenue Regulation also introduces the following Specific Amendments to Revenue Regulations 16-2005 pertaining to the following:

- a. Sale or Exchange of Service Under Section 108 of the Tax Code
- b. Specific Amendments to VAT-Exempt Transactions
- c. Specific Amendments to Tax Credits
- d. Specific Amendments to Claims for Refund/Tax Credit Certificate of Input Tax.

The Regulations also cover the output Value-Added Tax credit on uncollected receivables

For more information regarding this new issuance, you may refer to the following link: [RR No.3- 2024.pdf \(bir.gov.ph\)](https://bir.gov.ph/RR_No.3-2024.pdf)

#### **Revenue Regulations 4-2024**

The Bureau of Internal Revenue has issued Revenue Regulations 4-2024 **concerning the implementation of the Ease of Paying Taxes Act on the filing of returns and the payment of taxes due thereon**. The matters being covered by the new issuance are as follows:

- a. Filing of returns and payment of taxes either electronically or manually, **regardless of venue or jurisdiction of the RDO**;
- b. **Removal of Civil Penalty** in case of filing of return at the **wrong venue**
- c. **Non filing of income tax return** by an Overseas Contract Worker or Overseas Filipino Worker
- d. **Removal of additional requirements for deductibility** of certain payments and
- e. **Withholding of tax at source** and declaration of income recipient.

#### **Modes of Filing and Payment**

- The filing of the return **shall be done electronically in any of the available platforms** (Ebir/EFPS) unless unavailable, in which case manual filing (i.e. filling out manually or with the use of electronic equipment to be submitted over the counter) is allowed;

- The payment of the return may be made either electronically in any of the available platforms (Bizlink, pesonet, ATSP, MyEG etc) or manually through AABs and RCOs
  - RCO can **accept payment in cash not exceeding twenty thousand pesos (Php20,000.00) while if check payment, no threshold amount.**
  - **Manual payment shall only be accepted by the RCOs and AABs upon electronically filing of the return unless per advisory,** the BIR allows the manual filing due to unavailability of the electronic filing.
- **Husband and Wife** – Husband and Wife, whether citizens, resident or non-resident aliens **deriving income from business or profession (self-employed) shall file their income tax returns jointly** except when it is impracticable as when one spouse has two (2) businesses registered in two (2) different RDOs, in which case the spouses shall file their separate income tax returns.

#### **Removal of Civil Penalty in Case of Wrong Venue Filing**

As out district filing shall **no longer be imposed the twenty-five (25%) penalty.**

#### **Individual Not Required to File a Return**

- a. An individual earning a compensation income not exceeding Php250,000 during the taxable year (Substituted Filing)
- b. An individual whose income has **correctly withheld by the employer and who only has one (1) employer within the taxable year (Substituted Filing)**
- c. An individual **whose sole income has been subjected to Final Withholding Tax**
- d. Minimum Wage Earners (Substituted Filing)
- e. An individual citizen of the Philippines **deriving income solely from abroad as Overseas Contract Worker or Overseas Filipino Workers**

**Note:** Employees deriving compensation income from two (2) or more employers whether concurrent or successive at any time during the taxable year is not qualified for substituted filing therefore they are still required to file a return.

#### **Removal of the Additional Requirement for Deductibility of Certain Payments**

The **additional requirement of paying withholding tax on certain income payments before it can be deducted for the purpose of computing the taxable income has been removed.** However, the obligation to withhold taxes due thereon and remit the same to the BIR remains.

#### **Time of Withholding**

The obligation to deduct and withhold the tax arises at the time an income has **become payable**.

The term “Payable” refers to the **date the obligation has becomes due, demandable or legally enforceable.** The obligation of the payor to deduct and withhold the tax arises at the time an income payment is accrued or recorded as an expense or asset, whichever is applicable, in the payor’s books, or at the issuance by the seller of the sales invoice or other adequate document to support such payable, whichever comes first.

#### **Income Recipient**

Income upon which any creditable tax is required to be withheld at source under Section 57 of the Tax Code, as amended shall be included in the return of its recipient but the excess amount of tax so withheld over the tax due on his return **shall be refunded subject to the provision of Section 204 of the same Code.**

You may access the complete copy of the revenue issuance at [RR No.4- 2024.pdf \(bir.gov.ph\)](#)

## Revenue Regulations 5-2024

The Bureau of Internal Revenue has issued Revenue Regulations 5-2024 concerning the implementation of the following provisions:

- a. Section 112(C) of the Tax Code that introduced the risk-based approach to verification of VAT refund claims;
- b. Section 112(D) of the Tax Code which clarified the liability of the taxpayer-claimant and the BIR in case of disallowance by the Commission of Audit (COA);
- c. Section 76(C) of the Tax Code allowing the application for refund of unutilized excess income tax credit in case of dissolution or cessation of business. For purposes of the Regulations, the entire provision of 76(C) of the Tax Code shall be covered to include policies for the processing of income tax credit/refund of taxpayers who have chosen the option to apply for tax credit or refund the excess income tax in their Annual Income Tax Returns (AITR);
- d. Section 204(C) of the Tax Code that introduced the one hundred eighty (180)-day processing of claims for tax refund except for VAT Refunds under Section 112 of the Tax Code; and
- e. Section 229 of the Tax Code outlined the policies for judicial claims and repealed the supervening clause provision thereof.

The Regulations **do not cover processing of tax refund/credit claims pursuant to the final and executory judgement by the courts.**

The Regulations shall be applicable for all tax credit/ refund claims that are filed starting July 1, 2024. This issuance shall be separate from the regular VAT Audit, if any of any internal revenue taxes.

### Risk Based Approach to Verification of VAT Refund Claims

The Ease of Paying Taxes Act has **introduced a risk-based approach in verifying and processing of VAT refunds including the recourse of the taxpayer in case of inaction after the lapse of the ninety-day (90) period to decide on the claim. The following are the rules:**

- a. Classification of VAT claims as low, medium and high risk where medium and high-risk claims are to be subject to the audit and verification procedure in accordance with the BIR's national audit program for the relevant year or with the current policies and procedures applicable to the year of application;
- b. Based on the risk, the verification shall be as follows:

<b>Risk Level</b>	<b>Submission of Complete Documentary Requirements Prescribed by BIR*</b>	<b>Scope of Verification of Sales</b>	<b>Scope of Verification of Purchases</b>
<b>Low</b>	<b>Yes</b>	<b>No verification</b>	<b>No verification</b>
<b>Medium</b>	<b>Yes</b>	<b>At least 50% of the amount of sales <u>and</u> 50% of the total invoices/receipts issued including inward remittance and proof of VAT zero-rating</b>	<b>At least 50% of the total amount of purchases with input tax claimed <u>and</u> 50% of suppliers with priority on "Big-Ticket" Purchases</b>
<b>High</b>	<b>Yes</b>	<b>100%</b>	<b>100%</b>

- First time claimants are considered as high-risk and shall remain to be the same for the next three (3) succeeding VAT refund claims.
- Succeeding claim filed shall be considered high risk in case of a full denial of a claim;
- The verification shall be adjusted to 100% if the RO found at least 30% of disallowance of the claim

- Claims classified as low risk for three (3) consecutive filing of the VAT refund, the claim shall be subject to mandatory full verification on the fourth month VAT refund claim regardless of the risk classification.
- VAT refund/ credit claims due to cessation of business shall be considered as high-risk and will require full verification thereof
- Risk classification is updated for taxpayers filing refund/credit claim every quarter
- Other limitations as may be identified by the Commissioner of Internal Revenue through revenue issuances.

Risk factors to be considered in establishing the risk level of each claim:

- Amount of VAT Refund Claim
- Frequency of Filing of VAT Refund Claim
- Tax Compliance History
- Other Risk Factors as may be identified.

Documentary requirements submitted by the taxpayer-claimant shall be subject to post audit of the Commission on Audit (COA).

The Revenue Issuance also provides the detailed guidelines as to the processing of the VAT Refund/Credit Application which shall be processed within ninety (90) days from the filing of the claim/application for VAT refund with complete documentary requirements. In case of partial or full denial of the claim for VAT refund, the taxpayer may elevate the matter by way of appeal within thirty (30) days from the receipt of the decision.

In case of inaction within the period of ninety (90) days the claimant has the following option:

- Appeal to the CTA within thirty (30) after the expiration of the ninety (90) day period
- Forego the judicial remedy and await the final decision of the Commissioner on the application for VAT refund claim.

In case the taxpayer chose the first option, the administrative claim for refund shall be considered moot and shall no longer be processed.

#### **Liability of the taxpayer-claimants in case of COA disallowances**

Meanwhile, the Regulation also tackles on the liability of the BIR employee and the taxpayer claimants in case of disallowance of the Commission on Audit (COA) and the recovery of the disallowed amounts.

#### **Credit/Refund of Unutilized Excess Income Tax Credit Under Section 76(C)**

The Regulation also discusses on matters concerning the application of excess income tax in the AITRs. The rules differ if the taxpayer is considered having a "Regular Claim" being on "going concern" status or when the taxpayer is already under dissolution.

- **Regular Claim:** Excess amount of income tax withheld over the tax due shall be refunded or credited whichever is applicable. But, if the taxpayer opted to have the excess credited against the tax liability in the quarters in the succeeding taxable years, such option shall be irrevocable for that taxable period and no application for cash refund or issuance of tax credit certificate shall be allowed thereafter and shall be a ground for denial should the taxpayer files for a tax credit refund.
  - **Requisites for claiming a tax credit refund on unutilized income tax**
    - Filing therefor must be made within two (2) years
    - The income from which the taxes were withheld must be included in the gross income declared in the income tax return of the recipient
    - The fact of withholding must be established with a copy of the withholding tax certificate



- **Dissolution or Cessation of Business:** Since the Company is already closing and could not credit the unused excess tax credit against the succeeding quarters, the taxpayer-claimant shall file for application for refund which shall be filed to the BIR and, consequently be decided and refunded by the BIR within the period of two (2) years. The period shall commence upon filing the BIR Form No. 1905 together with the complete set of documentary requirements.

Once approved, the refund, if any shall be released only after the completion of the mandatory audit of all internal revenue tax liabilities covering the immediately preceding year and the short period return and full settlement of all tax liabilities relative to the cessation or dissolution of the business and any existing tax liabilities prior to the cessation or dissolution of the business

### **Processing of Tax Credit/Refund Claims Under Sections 204(C) and 229 of the Tax Code**

Erroneously or illegally paid taxes is subject to refund only by filing a claim, complying with certain conditions, within a period of two (2) years after the payment of tax and penalty as provided under Section 229 of the Tax Code. The BIR however, shall prioritize claims for tax refund by companies with going concern status and whose claim is based under Section 76(C) of the Tax Code.

The following are the requisites for the claim:

- The tax credit/ refund must pertain to the erroneously or illegally received or collected taxes or penalties without authority
- It must be filed within the period of two (2) years
- Must be supported with a copy of duly filed return and the corresponding payment remitted to the BIR

In case of full or partial denial of the claim, the taxpayer-claimant may appeal with the Court of Tax Appeals within thirty (30) days from the receipt of the decision denying the claim.

In case of inaction within the period of one hundred eighty days (180) days the claimant has the following option:

- Appeal to the CTA within thirty (30) after the expiration of the one hundred eighty-day (180) period
- Forego the judicial remedy and await the final decision of the Commissioner on the application for VAT refund claim.

When the BIR failed to render a decision within 180-day period and the taxpayer opted to seek judicial remedy within 30 days from such period, the administrative claim shall be considered moot and shall no longer be processed.

### **Judicial Claim for Credit/Refund Under Section 229 of the Tax Code**

No suit shall be filed in any court for the recovery of any national internal revenue tax illegally assessed or collected until a claim for refund has been duly filed with the Commissioner and until there is a partial or full denial thereof or when it is not acted upon by the Commissioner within the period of one hundred eighty days (180). A judicial claim must be made within 30 days from the full or partial denial of the claim or inaction of the Commissioner within one hundred eighty days.

In case of tax refund claims for income taxes of taxpayers under cessation or dissolution, the judicial claim shall be filed within 30 days from the full or partial denial by the Commissioner.

For complete reference, kindly refer to the following link: [RR No.5 -2024.pdf \(bir.gov.ph\)](#)

### **Revenue Regulation 6-2024**

The Bureau of Internal Revenue has issued Revenue Regulations 6-2024 implementing the reduced penalty provision of the Ease of Paying Taxes Act for micro and small taxpayers.

Based on the classification, the following are considered to be micro or small taxpayers:

Classification	Description
Micro Taxpayer	Gross Sales for the taxable year is less than 3M
Small Taxpayer	Gross Sales for the taxable year is 3M but less than 20 M

### **Civil Penalties**

A penalty equivalent to 10% of the amount due shall be imposed in the following cases:

- a. Failure to file and pay within the prescribed period. In case of amendment, no penalty shall be imposed if the initial return has been filed and the tax due thereon has been paid within the deadline. In case of deficiency tax assessment as a result of tax audit, a penalty shall be imposed on the tax deficiency if the return has been filed and the tax due thereon has been paid beyond the prescribed period.
- b. Failure to pay the deficiency tax within the prescribed period for its payment in the notice of assessment;
- c. Failure to pay in full or in part in the return or the full amount of tax due for which no return is required to be filed, on or before the prescribed date for its payment.

### **Interest**

An interest rate of 6% shall be imposed on any unpaid amount of tax of the covered taxpayers which is a reduction of 50% to the rate prescribed under Section 249 of the Tax Code. In case the legal interest is adjusted, the Commissioner shall issue a separate circular therefor.

### **Failure to file certain information return**

In case of failure to file a list, or keep any record, or supply any information as may be required on the date prescribed therefore, a penalty of five hundred pesos (Php500.00) shall be paid for each failure by the covered taxpayer, upon notice and demand by the Commissioner of Internal Revenue. In no case shall the aggregate amount of penalties for all failures during the calendar period exceed Php12,500.00.

### **Compromise Penalty**

In case of criminal violation by covered taxpayers of Section 113, 237, and 238 of the Tax Code, a reduced rate of 50% of the compromise penalty as prescribed under Revenue Memorandum Order 7-2015 and its subsequent amendments, if any shall be imposed in lieu of criminal prosecution.

The Commissioner of Internal Revenue or his duly authorized representatives, is not prevented from accepting compromise penalty higher than what is provided therein.

You may refer to this link for complete reference: [RR No.6- 2024.pdf \(bir.gov.ph\)](#)

### **Revenue Regulations 7-2024**

The Bureau of Internal Revenue has issued Revenue Regulations 7-2024 dated April 11, 2024 which implements the pertinent provisions of the recently enacted "Ease of Doing Business Act" on the Registration Procedures and Invoicing Requirements.

Under the new Regulations, the Official Receipt is now considered as Supplementary Document. Companies are now mandated to issue primary receipts in the form of invoice. An invoice on the other hand is classified either as VAT invoice or non-invoice. Being primary invoice, these are the ones being used for tax purposes and should be secured VAT with the Bureau of Internal Revenue through application of Authority to Print.

A VAT Invoice is the basis for the input tax of the buyer and the output tax of the seller. On the other hand, a non-VAT invoice is the basis for percentage tax liability of the seller. The invoice in general may be in the form of Sales Invoice, Commercial Invoice, Cash Invoice, Charge/Credit Invoice, Service Invoice or miscellaneous invoice. (See discussion on transitory provisions on the use of the Official Receipt).



Meanwhile, **Supplementary Document** refers to a written document, other than sales or commercial invoice, which serves as source of accounting entries in the books of accounts this includes but not limited to official receipt, delivery receipt, order slip, and/or credit memo, purchase order, acknowledgement or cash receipt, collection receipt, bill of lading, billing statement, statement of account among others.

## **Invoicing and Accounting Requirements**

### **1. Invoicing Requirements**

VAT Registered taxpayers are required to issue the invoice for every sale, barter lease of goods and services regardless of amount and shall be the basis for the input tax of the buyer and output tax of the seller.

### **2. Information Contained a VAT Invoice**

The VAT invoice should comply with the information required under Section 3 of Revenue Regulations 7-2024. This includes but not limited to:

- a. Statement that the seller is a VAT-Registered person followed by sellers TIN and branch code.
- b. Total cost inclusive of VAT
- c. Date of Transaction, Unit Cost, Description or properties or nature of the service
- d. Other information required under Section 6(B) of Revenue Regulations 7-2024

### **3. Accounting Requirements**

VAT registered persons are required to maintain subsidiary sales and subsidiary purchase journal.

## **Consequence of Issuance of Erroneous VAT Invoice**

### **Non-VAT Issuing VAT Invoice**

- A Non-VAT taxpayer issuing a VAT invoice shall be liable to Percentage Tax and VAT without the benefit of input tax credit;
- 50% surcharge
- As to the purchaser, it shall be considered input VAT on their part so long as it is compliant with Section 3(B)(1) of Revenue Regulations 7-2024

### **VAT issuing VAT invoice for VAT exempt transaction**

- Seller issuing VAT invoice in a VAT exempt transaction, but fails to display VAT Exempt Sale or clearly display the breakdown of the VAT exempt sale on the invoice shall be liable for VAT as if Section 109 of the Tax Code is not applicable.

Lack of Information required under Section 3(B) of RR 7-2024 of the invoice issued by a VAT registered taxpayer to another VAT registered taxpayer shall be allowed for claim of input VAT on the part of the purchaser provided that the lack of information does not pertain to the following:

- a. Amount of Sales
- b. VAT amount
- c. Registered Name and TIN as shown in the COR
- d. Description of Goods and Nature of Services
- e. Date of Transaction

The Seller shall be liable on non-compliance with the invoicing requirements.

### **Preservation of Books of Accounts and Other Accounting Records**

All Books of Accounts including subsidiary books and other accounting records of the Taxpayer shall be preserved for a period of 5 years reckoned from the day following the deadline in filing a return, or if filed after the deadline, from the date of the filing of the return, for the taxable year when the last entry was made in the Books of Accounts.

Type	5 years
Manual Books of Accounts and Other Accounting Records	In hard copies
Manual Bound Looseleaf Books of Accounts and Other Accounting Records	In hard copies
Computerized Books of Accounts and Other Accounting Records	In Electronic Copies

### **Registration Requirements under Section 236 of the Tax Code**

Every person subject to internal revenue tax shall register with the Revenue District Office either electronically or manually as follows:

1. **On or before the commencement of business**  
When the first transaction occurred or within 30 days from the issuance of PTR/ Mayor's Permit/DTI or SEC whichever comes first.
2. **Before Payment of any tax due**
3. **Before or upon filing of any applicable tax return, statement or declaration**
4. **Within 10 days from the date of employment for employees**
5. **Application under EO 98**

### **Place of Registration**

The Taxpayer shall register with the appropriate RDO as mentioned in the Revenue Regulations 7-2024

### **Registration of Business Taxpayers**

All persons engaged in the business or practice of profession, self-employed shall register with the BIR and secure a BIR Certificate of Registration, comply with invoicing requirements, comply with bookkeeping requirements, secure notice to issue invoices, and attend the initial briefing to be conducted by the respective RDOs to inform newly registered businesses of their rights and obligations.

### **Registration of Business Name and date**

Each business name as registered with the BIR and the SEC including store name for online sellers shall be registered with the Bureau of Internal Revenue and will be reflected in the BIR Certificate of Registration. The date of registration is the date when the business is registered or the name is registered as reflected in the COR.

### **Issuance of Certificate of Registration to head office, branch and facility**

COR shall be issued to head office, branch or facility within the period prescribed in the BIR Citizen's charter, upon submission of complete documentary requirements. It shall be posted in the place of business in a conspicuous place.

### **Other matters**

The Regulation also discussed about how the registration is to be transferred or cancelled.

## **Issuance of Invoices under Section 237 of the Tax Code**

All persons subject to internal revenue taxes shall issue at the point of sale of goods or services rendered valued at Php500.00 or more shall issue an invoice showing the required information therein except if the customer requested for the issuance of the invoice regardless of amount. If there are several transactions below Php500.00 but at the end of the day, the total amount of these transactions is Php500.00 or more, then the seller shall 1 invoice for all the transactions.

## **Information Contained in the Invoice**

You may refer to the BIR Revenue Regulations 7-2024, Section 6(B)

## **Printing of Invoices under Section 238**

All persons, whether private or government engaged in business and will use manual invoices shall secure or apply from the BIR an authority to print (ATP) principal and supplementary documents free of charge, before an accredited printer of invoices can print the same.

## **Transitory Provisions**

### **1. Certificate of Registration showing Annual Registration Fee**

There is no requirement to replace the current Certificate of Registration bearing the tax type Annual Registration Fee. It shall remain valid notwithstanding it being shown in your current COR. There is no requirement for all companies to pay the yearly Php500.00 pesos annual registration fee (ARF)

### **2. Unused Official Receipts**

Taxpayers have two (2) options with regard to the unused official receipts upon the effectivity of Revenue Regulations 7-2024, to wit:

#### **a. Taxpayers to continue the use of remaining Official Receipts as supplementary receipts**

As Official Receipts have been converted already from being principal to being supplementary, taxpayers in transitory may continue to use the same as supplementary until fully consumed provided however that the phrase "THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX" is stamped on its face upon the effectivity of Revenue Regulations 7-2024.

#### **b. Taxpayers to convert and use the remaining Official Receipts as invoice**

The taxpayers may opt to strikethrough the word "Official Receipt" and stamp it with the word "Invoice", "Cash Invoice", "Charge Invoice", "Credit Invoice", "Billing Invoice", "Service Invoice" to be issued as primary invoice to the buyer or purchaser until December 31, 2024. These documents are valid for claim of input tax for a period January 22, 2024 until December 31, 2024 provided that the following requisites are present:

##### **i. Contains information under Section 6(B) of Revenue Regulations 7-2024**

The stamping of Official Receipts (manual and looseleaf) as invoice does not require prior approval from the Bureau of Internal Revenue but must report to the RDO/LT Office/LT Division where the head or branch office is registered within thirty (30) days from the effectivity of Revenue Regulations 7-2024 an inventory, in duplicate original copies, of unused official receipts indicating:

- i. Number of Booklets**
- ii. Serial Number**

3. Cash Register Machines (CRM) and Point-of-Sales (POS) Machines and E-Receipting or Electronic Invoicing Software

- a. Taxpayers using CRM/POS/E-Receipting or E-Invoicing Software may change the word from Official Receipt to "Invoice", "Cash Invoice", "Charge Invoice", "Credit Invoice", "Service Invoice" without the need to notify the BIR or apply for re-accreditation as said change is only considered minor change.

Provided further that, the serial number of the renamed invoice shall start by continuing the last series of the previously approved Official Receipt and shall submit notice indicating the starting serial number of the converted invoice, to the RDO/LT Office/ LT Division where the machine is registered, in duplicate original copies. The receiving branch shall transmit the duplicate copy to the Head Office RDO.

Taxpayers using Computerized Accounting System (CAS) or Computerized Books of Accounts are required to revisit and reconfigure their system to comply with the requirements of the Ease of Paying Taxes Act on or before June 30, 2024. Should there is a need for more time, it can be extended to extended but in no case, it shall be longer than six (6) months from the effectivity of the Regulations. Since the reconfiguration is considered to be major enhancement, taxpayers shall file a new application pursuant to existing regulations.

Documents issued by CRM/POS, e-receipting or e-invoicing software containing the word Official Receipt shall not be considered a valid claim for input tax. After June 30, 2024, issuance of Official Receipts shall not be considered as evidence of sales of goods or services and shall be tantamount to non-issuance of invoice subject to penalty of Php1,000.00 up to Php50,000.00 and suffer an imprisonment of not less than 2 years but not more than 4 years.

For more details regarding this issuance, you may refer to the following link: [RR No.7- 2024.pdf \(bir.gov.ph\)](#)

**Revenue Regulations 8-2024**

The Bureau of Internal Revenue has issued Revenue Regulations 8-2024 dated April 11, 2024 implementing the provision of the Ease of Paying Taxes Act on Taxpayers classification to micro, small, medium and large taxpayers based on the gross sales covering business income (trade or business, exercise of profession) during the taxable year which is defined as the total sales revenue net of Value Added Tax (VAT) and shall exclude compensation income, passive income and income provided under Section 32(B) of the NIRC. The following shall be the classification of taxpayers:

Classification	Description
Micro Taxpayer	Gross Sales for the taxable year is less than 3M
Small Taxpayer	Gross Sales for the taxable year is 3M but less than 20 M
Medium Taxpayer	Gross Sales for the taxable year is 20M but less than 1B
Large Taxpayer	Gross Sales for the taxable year is 1B and above

**New Business** – New business engaged in the trade, business or profession shall be classified based on their declaration in the Registration Forms from the year they are registered and shall remain to be the same until reclassified. Classification shall be based on the threshold values provided in the table above.

**Transitory** – except VAT registered taxpayers who shall be classified as small, taxpayers registered in 2022 without any submitted information on their gross sales for 2022, and taxpayers registered in 2023 and 2024 before the effectivity of the Regulation shall be initially classified as Micro Taxpayer.

The classification or reclassification shall be done by the BIR in a manner to be prescribed in a separate revenue issuance.

You may refer to the link [RR No. 8- 2024.pdf \(bir.gov.ph\)](https://bir.gov.ph/RR%20No.%208-2024.pdf) for complete reference.

## **B. REVENUE MEMORANDUM CIRCULAR**

### **Revenue Memorandum Circular 48-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 48-2024 dated April 1, 2024 which **prescribes the policies and procedures in the proper manner of accomplishing the new version of the Documentary Stamp Tax BIR Form 2000 version 2018**. The RMC grouped the procedure into three based on the manner of collecting the DST:

1. Electronic Documentary Stamp Tax (EDST) System;
2. Constructive Affixture; and,
3. Purchase of Loose Documentary Stamp Tax

#### **For eDST System:**

1. All mandated taxpayers-users of the eDST System are **required to use the electronic Filing and Payment System (eFPs) in the filing of the DST declaration/return and payment of the corresponding DST.**
2. The DST declaration/return **must be accomplished separately for the payment of advance deposits and for the declaration of the total DST due from all taxable documents that were made, signed, accepted or transferred during the month.**
3. Advance deposits, regardless of its number of frequencies, **may be paid at any time to maintain a sufficient balance that will cover the total tax due from all taxable documents at any given period, provided that these taxable documents were made, signed, accepted or transferred before the close of the month.**
4. The DST declaration/return which is accomplished for purposes of declaring the monthly DST dues **shall be filed only once but not later than five (5) days after the close of the month when the taxable documents were made, signed, accepted or transferred.**

#### **For Constructive Affixture:**

1. The mode of **Constructive Affixture applies to private taxpayers, including eDST mandated taxpayers in case of unavailability of the eDST System, government agencies (GAs), local government units (LGUs) and other instrumentalities, whether thru manual filing or online filing (i.e., eFPS and eBIRForms Package facility);**
2. Under Revenue Memorandum Circular (RMC) No. 100-2023 and the Revised Cash Examination Manual Chapter II – Laws and Rules Relevant in Cash Examination issued by the Commission on Audit, all GAs, LGUs, and other instrumentalities shall remit their collections from the sale of documentary stamps at least once a week, or as soon as their collection reaches the amount of Ten Thousand Pesos (₱10,000.00). Further, regardless of the frequency of remittances, these taxpayers shall file a single tax return not later than the fifth day following the calendar month.

#### **For loose documentary stamps:**

under this method of collecting DST, BIR Form No. 2000 version 2018 **shall be accomplished ONLY by all concerned Special Revenue Collecting Officers (SRCOs)/Revenue Collection Officers (RCOs) of the Bureau**, using the Tax Identification Number (TIN) of the concerned RDO, who are duly authorized to sell loose documentary stamps and remit its proceeds to the Authorized Government Depository Bank within five (5) days after the close of each week, in accordance to existing revenue issuances. The proper

manner of accomplishing the new version of BIR Form 2000 in accordance with the procedures under the three methods of collecting the DST are specified in the Circular

Please see the link [RMC No. 48-2024.pdf \(bir.gov.ph\)](#) for your complete reference. Thank you.

#### **Revenue Memorandum Circular 53-2024**

The Bureau of Internal Revenue has issued BIR Memorandum Circular 54-2024 **circularizing the latest version of Registration Forms in compliance with the Ease of Paying Taxes Act** which took effect on January 22, 2024. For your easy reference, you may check on the following link below:

<b>Form Number</b>	<b>Description</b>	<b>Link</b>
1901	Application for registration of self-employed (Single Proprietor or professional), Mixed Income Individuals, Non-Resident Alien Engaged in Trade or Business, Estate and Trust	<a href="#">1901 Jan. 2024 ENCS - Annex A.PDF (bir.gov.ph)</a>
1903	Application for Registration for Corporations, Partnerships (Taxable / Non-Taxable), including Government Agencies and Instrumentalities (GAIs), Local Government Units, Cooperatives and Associations	<a href="#">1903 Jan. 2024 ENCS - Annex B.PDF (bir.gov.ph)</a>
1904	Application for Registration for One-Time Taxpayer and Person Registering under E.O. 98 (securing a TIN to be able to transact with any government office)	<a href="#">1904 Jan. 2024 ENCS - Annex C.PDF (bir.gov.ph)</a>
1906	Application for Authority to Print Invoices	<a href="#">1906 Jan. 2024 ENCS - Annex D.PDF (bir.gov.ph)</a>

You may refer to the following link for complete reference: [RMC No. 53-2024 copy.pdf \(bir.gov.ph\)](#)

#### **Revenue Memorandum Circular 56-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 56-2024 **which clarifies the jurisdiction for the of the Electronic Certificate Authorizing Registration in the light of the implementation of Ease of Paying Taxes Act** which allows taxpayers to file and pay anywhere regardless of jurisdiction.

**Sale of Real Property** – RDO that has jurisdiction over the place of the real property

**Sale of Personal Property** – RDO which has the jurisdiction over the place of the seller

**Donation** – RDO which has jurisdiction over the place of residence of the donor (individual) or the RDO where the non-individual is registered

**Estate** – RDO which has jurisdiction over the issued Tax Identification Number of the Estate of the decedent. If the decedent has registered business, however, the processing of ecar shall be processed by the RDO where the business is registered since it is where the TIN of the decedent shall likewise be secured pursuant to existing policy. In case the decedent has no registered business, the TIN may be secured from the RDO where the administrator or heirs intend to apply for the issuance of ecar.

You may refer to the link for complete reference: [RMC No. 56-2024.pdf \(bir.gov.ph\)](#)