



# **MCC TAX AND OTHER RELEVANT UPDATES**

**Period Covered: May 2024**



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

The matters in this edition are intended for general information only and cannot be substituted in any way for a legal opinion. Morfe, Ceneta & Co., CPAs, its partners, employees or assigns if any hereby hold themselves free and harmless from any damages arising out or in connection with one's reliance on the information we have shared in this publication.

## IMPORTANT UPDATES:

### DISCUSSION OF UPDATES

A. REVENUE MEMORANDUM CIRCULAR		
ISSUANCE	DATE ISSUED	SUBJECT
RMC No. 60-2024	May 9, 2024	Provides <b>clarifications and guidance on Section 6 of RR No. 4-2024 on the Repeal of Section 34 (K) of the NIRC of 1997</b> , as amended
RMC No. 61-2024	May 13, 2024	Notifies the <b>availability of the Alphalist Data Entry and Validation Module (Version 7.3)</b> and its updated File Structures and Standard File Naming Convention
RMC No. 62-2024	May 16, 2024	Announces the availability of the <b>"Taxpayer Classification Inquiry"</b> functionality in the Online Registration and Update System
RMC No. 63-2024	May 27, 2024	Announces the <b>availability of BIR Form No. 1702-MX January 2018 (ENCS)</b> in the Electronic Filing and Payment System (eFPS)
RMC No. 64-2024	May 28, 2024	<b>Clarification on the Ante-dating</b> of Deeds of Sale Involving Real Properties

#### A. REVENUE MEMORANDUM CIRCULAR

##### Revenue Memorandum Circular 60-2024

Please be advised that the Bureau of Internal Revenue has issued Revenue Memorandum Circular 60-2024 dated 9 May 2024 **clarifying on the applicability of the repeal of Section 34(K) of the National Internal Revenue on the additional requirement of settlement of withholding tax on certain income payments before the same can be considered as deductible expense for the purpose of income tax.**

As per the new revenue issuance, the then Section 34(K) of the NIRC shall be applicable to all expenses covering taxable period prior to January 1, 2024, regardless whether an audit is on-going or the audit case has already been submitted to the Reviewing Office. This means that, if the expense has not been subjected to withholding tax, the same cannot be claimed as a deduction except, if pursuant to Revenue Regulations 6-2018, the applicable withholding tax due has been paid.

For taxable year covering January 1, 2024 onwards, the additional requirement of paying the withholding tax for the expenses to be deductible is removed. **Thus, these expenses may be claimed as such for the purpose of computing the income tax subject to substantiation requirement under Section 34(A)(B) of the National Internal Revenue Code.**

On an important note, the Bureau of Internal Revenue also has reminded all taxpayers that the repeal of Section 34(K) does not mean that these expenses are no longer subject to withholding tax. **The obligation to pay the withholding tax still remains only such additional requirement for the**

**deductibility of expenses has been removed.** But please note however, that expenses to be deductible must be necessary, and duly substantiated expense related to the taxpayer.

#### **Revenue Memorandum Circular No. 61-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 61-2024 **announcing the availability of the updated version of Alphalist Data Entry and Validation Module (Version 7.3)** and can be downloaded through the BIR Website ([www.bir.gov.ph](http://www.bir.gov.ph)). The new version now includes Alphanumeric Tax Codes not previously included in earlier version.

**Taxpayers with their own extract program shall strictly comply with the naming convention** which can be accessed as well through [RMC No.61-2024 Annexes.xlsx \(live.com\)](#).

#### **Revenue Memorandum Circular No. 62-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 62-2024 **announcing the availability of Taxpayer Classification Inquiry via Online Registration and Update System (ORUS)** via [ORUS \(bir.gov.ph\)](http://ORUS (bir.gov.ph)) to check the taxpayers classification as micro, small, medium or large taxpayer pursuant to Revenue Regulations 8-2024.

Below is the simplified process:

1. Go to [ORUS \(bir.gov.ph\)](http://ORUS (bir.gov.ph))
2. In the home page, click Verify TIN/ Search BIR-Registered Business
3. Click BIR Registered Business Search and Taxpayer Classification Inquiry
4. Click Proceed
5. Type in the next page the name of the taxpayer, the TIN and the branch code, then click “submit”

If the taxpayer **does not agree with the classification, it may send a letter to the Revenue District Office** of the correct taxpayers' classification with enclosed proof.

#### **Revenue Memorandum Circular 63-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 63-2024 dated 21 May 2024 circularizing the **availability of BIR Form No. 1702MX (Annual Income Tax Return for Corporation, Partnership, and Other Non-Individual with MIXED income subject to multiple income tax rates or with income subject to special or preferential rate) through the Electronic Filing and Payment System (EFPS)**. The deadline for its filing is due on every 15<sup>th</sup> day of the fourth month following the close of the taxable year.

All EFPS who are required to file and pay said returns shall use the EFPS facility immediately.

#### **Revenue Memorandum Circular 64-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 64-2024 **to clarify the ante-dating of deeds of sale involving real properties.**

- **Delay in the Presentation of Notarized Deed of Sale**

In case of **delay** in the presentation of **the notarized deed of sale or other transfer documents**, the **tax treatment shall be based on the relevant regulations effective at the time of the notarization** subject to payment of corresponding penalties for late payment and filing of the return.

- **Ante-Dating**

**In case that the transfer documents were ante-dated, the laws and regulations at the time of presentation of the deeds of sale and other transfer documents shall be applied.** Unless there are supporting documents showing otherwise, the document is considered as ante-dated in the following cases:

- a. Documents dated before the effectivity of the Capital Gains Tax
- b. Documents dated before the effectivity of the regulations imposing the creditable withholding tax on sales or transfers of real property
- c. Documents dated before the effectivity of the current zonal values as reflected in the latest Revised Schedules of Zonal Values of Real Properties within the jurisdiction of the concerned Revenue District Office.

**\*\*\*NOTHING FOLLOWS\*\*\***