

BIR WARNING TO CONCERNED BUSINESS ESTABLISHMENTS

The April-May 2003 Visitations: Over the past weeks, your Bureau of Internal Revenue has been visiting business establishments across the country to verify taxpayers' compliance with registration, invoicing and bookkeeping requirements.

The Discouraging Findings: Regrettably, some 11,059 establishments have already been apprehended in just twelve days of the BIR Tax Compliance Verification Drive, an activity we will intensify and pursue for the rest of the year.

The violations documented carry sanctions that include the confiscation and forfeiture of unauthorized cash register and point-of-sale (POS) machines, invoices/receipts and related business tools, as well as payment of deficiency taxes, 25%/50% surcharge, 20% interest and penalty [which ranges from ₱ 1,000 to ₱ 50,000 depending on the nature and frequency of the violation pursuant to Revenue Memorandum Order (RMO) No. 56-2000] and imprisonment (for offenses that are subject to criminal prosecution). It is therefore in our common interest that you immediately comply with the following, *if you still have not done so*:

A. Requirements prior to start of business operation

1. Register your establishment and all branch offices/facilities with the Revenue District Office having jurisdiction over your place of business (BIR Forms 1901/1903), and thereafter display in a conspicuous place within the establishment the Certificate of Registration (BIR Form 2303). A registration fee of ₱ 500.00 shall be paid upon registration using BIR Form 0605. For particulars of the BIR business requirements, please refer to Sec. 236 of the 1997 Tax Code, Revenue Memorandum Order (RMO) No. 54-98, as modified by Revenue Regulations (RR) No. 11-99 and RMO No. 82-99.
2. Register books of accounts as provided for under Sec. 232 in relation to Sec. 236 of the Tax Code, Revenue Memorandum Circular (RMC) No. 13-82 and RMO No. 29-2002.
3. Request for the following:
 - a. Permit to print/issue receipts and invoices (BIR Form 1906), and thereafter post a Notice on the issuance of receipts/invoices in the business premise pursuant to Secs. 113 and 237 of the Tax Code, RR No. 4-2000 and RMO No. 28-2002;
 - b. Permit to use cash register and POS machines (BIR Form 1907) as required under RR No. 10-99, which likewise mandates all taxpayers who were granted permits BEFORE the effectivity of the Regulations to re-apply for a new permit; and
 - c. Permit to use loose-leaf books of accounts/accounting records/documents or computerized accounting system/components thereof (BIR Form 1900) pursuant to RMC No. 13-82 and RMO No. 29-2002.

B. Requirements during business operation

1. Pay annually a registration fee of ₱ 500.00 for every separate or distinct establishment or place of business *on or before January 31* (BIR Form 0605) as required under Secs. 113 and 236 of the Tax Code.
2. Issue registered invoices/receipts for sale of goods or services as provided for under Secs. 113 and 237 of the Tax Code and RR V-1.

3. Keep duly-registered books of accounts in the business premises at all times pursuant to Sec. 232 of the Tax Code.
4. Preserve ALL books of accounts for audit purposes within 3 years from the last day prescribed by law for the filing of return or actual date of filing of return, whichever comes later, pursuant to Sec. 235 of the Tax Code.

C. Tax Payments and Deadlines

BIR Form	Form Title	Deadline
1601-C, E and F	Monthly Remittance Return of Income Taxes Withheld on Compensation, Expanded and Final Income Taxes	10 th day of the following month (Jan-Nov) or 15 th of the following month (Dec)
1701 Q	Quarterly Income Tax Return for Self-Employed, Estates and Trusts (Including those with both business and compensation income)	April 15 – 1 st Qtr. Aug. 15- 2 nd Qtr. Nov. 15 – 3 rd Qtr.
1701	Annual Income Tax Return for Self-Employed, Estates and Trusts (Including those with both business and compensation income)	April 15
1702 Q	Quarterly Income Tax Return for Corporations and Partnerships	60 days after end of Qtr.
1702	Annual Income Tax Return for Corporations and Partnerships	April 15 (for taxpayers on calendar yr. basis) or on or before the 15 th day of 4 th month ff the close of the fiscal year (for taxpayers on fiscal year)
2550M	Monthly Value-Added Tax Declaration	20 th of the ff. month
2550Q	Quarterly Value-Added Tax Return	25 th day of the month following the taxable Qtr.
2551M	Monthly Percentage Tax Return	20 th of the ff. month
2551Q	Quarterly Percentage Tax Return (Applicable Only for Transactions Covered under Secs. 120 and 125 of the Tax Code)	20 th day of the month following the taxable Qtr.

(For taxpayers availing of the Electronic Filing and Payment System, please refer to RR Nos. 9-2001, 2-2002, 9-2002 and 26-2002.)

The Revenue Regulations, Revenue Memorandum Orders and Revenue Memorandum Circulars governing business requirements may be viewed at and downloaded from the BIR website (www.bir.gov.ph), or you may also call up any BIR Revenue District Office. By 1 August this year, we will announce the opening of a BIR Contact Center, which shall not only receive complaints and reports of fraud from the public but, more importantly, respond to business information needs on BIR matters.

Though some people may have an ambivalent feeling about taxes, in truth, taxes speed up our country's machinery for substantive growth. It is evident from the verifications undertaken thus far that there is great temptation not to pay the correct taxes. This is, therefore, a special time for me to ask you to pull yourselves away from this practice. I encourage all of you to do your patriotic share in making your taxes the vehicle through which we can ensure a life of peace, progress and prosperity for our loved ones, and for every Filipino.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue