



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

January 02, 2020

REVENUE MEMORANDUM CIRCULAR NO. 3-2020

SUBJECT : Circularizing the Availability of the Revised BIR Form No. 1702Q [Quarterly Income Tax Return for Corporations, Partnerships and Other Non-Individual Taxpayers] January 2018 (ENCS)

TO : All Internal Revenue Officers, Employees, and Others Concerned

This Circular is issued to prescribe the newly revised BIR Form No. 1702Q [Quarterly Income Tax Return for Corporations, Partnerships and Other Non-Individual Taxpayers] January 2018 (ENCS) hereto attached as **Annex "A"** which was revised due to the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

The **revised manual return** is already available in the BIR website (www.bir.gov.ph) under the BIR Forms-Income Tax Return Section. However, the form is not yet available in the Electronic Filing and Payment System (eFPS) and Electronic Bureau of Internal Revenue Forms (eBIRForms); thus, eFPS/eBIRForms filers shall continue to use the existing BIR Form No. 1702Q in eFPS and in Offline eBIRForms Package v7.5 in filing the Quarterly Income Tax Return for Corporations, Partnerships and Other Non-Individual Taxpayers and paying the income tax due thereon. Once the return is available in the eFPS and in the Offline eBIRForms Package, a separate revenue issuance shall be released to announce the availability of the return.

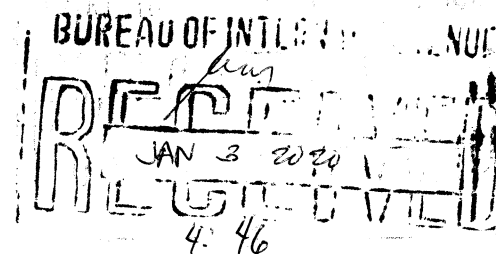
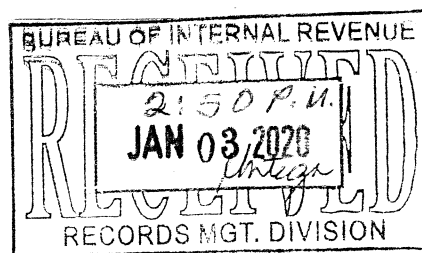
Manual filers shall download the PDF version of the form, print the form and completely fill out the applicable fields, otherwise penalties under Sec. 250 of the Tax Code, as amended, shall be imposed. Payment of the tax due thereon, if any, shall be made thru:

a.) Manual Payment

- Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered; or
- In places where there are no AABs, the return shall be filed and the tax due shall be paid with the concerned Revenue Collection Officer (RCO) under the jurisdiction of the RDO using MRCOS facility.

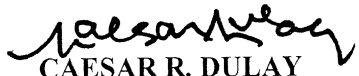
b.) Online Payment

- Thru GCash Mobile Payment;
- Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card; or



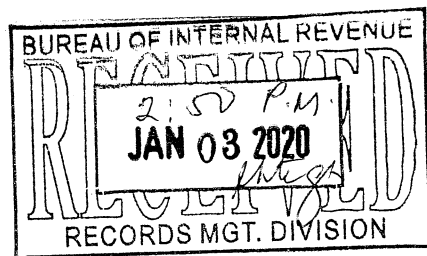
- DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit Card.

All internal revenue officers, employees, and others concerned are hereby enjoined to give this Circular as wide a publicity as possible.


CAESAR R. DULAY
Commissioner of Internal Revenue

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BIR Form No.
1702Q
January 2018 (ENCS)
Page 1

Quarterly Income Tax Return
For Corporations, Partnerships and Other Non-Individual Taxpayers
Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X".
Two copies MUST be filed with the BIR and one held by the taxpayer.



1 For <input type="checkbox"/> Calendar <input type="checkbox"/> Fiscal 2 Year Ended (MM/20YY) <input type="text"/> /20 <input type="text"/>	3 Quarter <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	4 Amended Return? <input type="checkbox"/> Yes <input type="checkbox"/> No	5 Alphanumeric Tax Code (ATC) <input type="text"/> IC 055 <input type="checkbox"/> Minimum Corporate Income Tax (MCIT) <input type="checkbox"/> <input type="text"/> <input type="checkbox"/>
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Part I – Background Information	
6 Taxpayer Identification Number (TIN) <input type="text"/> - <input type="text"/> - <input type="text"/> - 0 0 0 0 0	7 RDO Code <input type="text"/>
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) <input type="text"/>	
9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905) <input type="text"/>	
9A ZIP Code <input type="text"/>	
10 Contact Number (Landline/Cellphone No.) <input type="text"/>	11 Email Address <input type="text"/>
12 Method of Deductions <input type="checkbox"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="checkbox"/> Optional Standard Deduction (OSD) – 40% of Gross Income [Section 34(L) NIRC, as amended]	
13 Are you availing of tax relief under Special Law/International Tax Treaty? <input type="checkbox"/> Yes <input type="checkbox"/> No 13A If yes, specify <input type="text"/>	

Part II – Total Tax Payable (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)	
14 Income Tax Due – Regular/Normal Rate (From Part IV - Schedule 2, Item 13)	<input type="text"/>
15 Less: Unexpired Excess of Prior Year's MCIT over Regular/Normal Income Tax Rate (deductible only if the quarterly's tax due is the regular/normal rate)	<input type="text"/>
16 Balance/Income Tax Still Due – Regular/Normal Rate (Item 14 Less item 15)	<input type="text"/>
17 Add: Income Tax Due – Special Rate (From Part IV - Schedule 1, Item 13)	<input type="text"/>
18 Aggregate Income Tax Due (Sum of Items 16 and 17)	<input type="text"/>
19 Less: Total Tax Credits/Payments (From Part IV - Schedule 4, Item 7)	<input type="text"/>
20 Net Tax Payable / (Overpayment) (Item 18 Less Item 19)	<input type="text"/>
Add: Penalties 21 Surcharge	<input type="text"/>
22 Interest	<input type="text"/>
23 Compromise	<input type="text"/>
24 Total Penalties (Sum of Items 21 to 23)	<input type="text"/>
25 TOTAL AMOUNT PAYABLE / (Overpayment) (Sum of Items 20 and 24)	<input type="text"/>

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

Signature over Printed Name of President/Principal Officer/ Authorized Representative	Signature over Printed Name of Treasurer/ Assistant Treasurer	26 Number of Attachments <input type="text"/>
Title of Signatory <input type="text"/> TIN <input type="text"/>	Title of Signatory <input type="text"/> TIN <input type="text"/>	

Part III – Details of Payment				
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount
27 Cash/Bank Debit Memo	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
28 Check	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
29 Tax Debit Memo	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
30 Others (specify below)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Machine Validation/Revenue Official Receipt Details [if not filed with an Authorized Agent Bank (AAB)]			Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

Quarterly Income Tax Return For Corporations, Partnerships and Other Non-Individual Taxpayers



1702Q 01/18ENCS P2

Table with 2 columns: Taxpayer Identification Number (TIN) and Registered Name. TIN value: 00000

Part IV - Schedules

(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Schedule 1 - Declaration this Quarter. Columns: A. EXEMPT, B. SPECIAL. Rows 1-13 including Sales/Receipts/Revenues/Fees, Gross Income, Taxable Income, and Applicable Income Tax Rate (0%).

Schedule 2 - Declaration this Quarter - REGULAR/NORMAL RATE. Rows 1-13 including Sales/Receipts/Revenues/Fees, Gross Income, Taxable Income, and Applicable Income Tax Rate.

Schedule 3 - Computation of Minimum Corporate Income (MCIT) Tax for the Quarter/s. Rows 1-6 including Gross Income Regular/Normal Rate for 1st, 2nd, and 3rd quarters, and MCIT Rate (2%).

Schedule 4 - Tax Credits/Payments (attach additional sheet/s, if necessary). Rows 1-7 including Prior Year's Excess Credits, Tax payment/s, MCIT payment/s, Creditable Tax Withheld, and Total Tax Credits/Payments.

Quarterly Income Tax Return

For Corporations, Partnerships and Other Non-Individual Taxpayers



ATC	Description	Tax Rate	Tax Base	ATC	Description	Tax Rate	Tax Base
DOMESTIC CORPORATION							
IC 010	1. a. In General	30%	Taxable Income from All Sources	IC 011	7. Exempt Corporation a. On Exempt Activities	0%	
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income	IC 010	b. On Taxable Activities	*same rate as in 1a	Taxable Income from All Sources
IC 030	2. Proprietary Educational Institutions	10%	Taxable Income from All Sources	IC 021	8. General Professional Partnership	exempt	
	a. Proprietary Educational Institutions whose gross income from unrelated trade, business or other activity exceeds fifty percent (50%) of the total gross income from all sources.	30%	Taxable Income from All Sources	IC 200 IC 210	9. Corporation covered by Special Law* a. PEZA Free Port Zones b. Microfinance Non-government Organizations (NGOs)	0% / 5% 2%	Gross Income Gross Receipts
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income	RESIDENT FOREIGN CORPORATION			
IC 031	3. Non-Stock, Non-Profit Hospitals	10%	Taxable Income from All Sources	IC 070	1. a. In General	30%	Taxable Income from within the Philippines
	a. Non-Stock, Non-Profit Hospitals whose gross income from unrelated trade, business or other activity exceeds fifty percent (50%) of the total gross income from all sources.	30%	Taxable Income from All Sources	IC 055	b. Minimum Corporate Income Tax	2%	Gross Income
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income	IC 080	2. International Carriers	2.5%	Gross Philippine Billing
IC 040	4. a. GOCC, Agencies & Instrumentalities	30%	Taxable Income from All Sources	IC 101	3. Regional Operating Headquarters*	10%	Taxable Income
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income		4. Corporation Covered by Special Law*		
IC 041	5. a. National Gov't & LGU's	30%	Taxable Income from Proprietary Activities	IC 190	5. Offshore Banking Units (OBU's) a. Foreign Currency Transaction not subjected to Final Tax	10%	Gross Taxable Income on Foreign Currency Transaction not subjected to Final Tax
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income		b. Other Than Foreign Currency Transaction	30%	Taxable Income Other Than Foreign Currency Transaction
IC 020	6. a. Taxable Partnership	30%	Taxable Income from All Sources	IC 191	6. Foreign Currency Deposit Units (FCDU's) a. Foreign Currency Transaction not subjected to Final Tax	10%	Gross Taxable Income on Foreign Currency Transaction not subjected to Final Tax
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income		b. Other Than Foreign Currency Transaction	30%	Taxable Income Other Than Foreign Currency Transaction

*PLEASE REFER TO REVENUE DISTRICT OFFICES

Guidelines and Instructions for BIR Form No. 1702Q (January 2018 ENCS) Quarterly Income Tax Return For Corporations, Partnerships and Other Non-Individual Taxpayers

Who Shall File

Every corporation, partnership no matter how created or organized, joint stock companies, joint accounts, associations (except foreign corporation not engaged in trade or business in the Philippines and joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations), government-owned or controlled corporations, agencies and instrumentalities shall render a true and accurate income tax return in accordance with the provisions of the Tax Code. The return shall be filed in triplicate copies by the president, vice-president or other principal officer and shall be sworn to by such officer and by the Treasurer or Assistant Treasurer.

Every general professional partnership shall file a return of its income setting forth the items of gross income and of deductions and the names, TINs, addresses and shares of each of the partners.

When and Where to File

The corporate quarterly income tax return shall be filed with or without payment within sixty (60) days following the close of each of the first three (3) quarters of the taxable year whether calendar or fiscal year.

The return shall be filed with any Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office where the taxpayer is required to register/which has jurisdiction over the location of the principal office of the "CORPORATION" filing the return.

In places where there are no AABs, the return shall be filed directly with the Revenue Collection Officer or duly Authorized City or Municipal Treasurer within the Revenue District Office where the taxpayer is required to register/which has jurisdiction over the location of the principal office of the "CORPORATION" filing the return.

When and Where to Pay

Upon filing of this return, the total amount payable shall be paid to the Authorized Agent Bank (AAB) where the return is filed. In places where there are no AABs, payments shall be made directly to the Revenue Collection Officer (RCO) of the RDO having jurisdiction over the location of the principal office of the "CORPORATION", who shall issue an Electronic Revenue Official Receipt (eROR) therefor.

Where the return is filed with an AAB, taxpayer must accomplish and submit BIR-prescribed deposit slip, which the bank teller shall machine validate as evidence that payment was received by the AAB. The AAB receiving the tax return shall stamp mark the word "Received" on the return and also machine validate the return as proof of filing the return and payment of the tax by the taxpayer, respectively. The machine validation shall reflect the date of payment, amount paid and transactions code, the name of the bank, branch code, teller's code and teller's initial. Bank debit memo number and date should be indicated in the return for taxpayers paying under the bank debit system.

Payment may also be made thru the epayment channels of AABs thru either their online facility, credit/debit/prepaid cards, and mobile payments.

For EFPS Taxpayer

The deadline for electronically filing and paying the taxes due thereon shall be in accordance with the provisions of existing applicable revenue issuances.

Normal Rate of Income Tax ----- 30%

Deductions

A corporation shall choose either the itemized or optional standard (described below) deduction. It shall indicate the choice by marking with "X" the appropriate box, otherwise, the corporation shall be considered as having availed of the itemized deduction. The choice made in the return is irrevocable for the taxable year for which the return is made.

Optional Standard Deduction (OSD) – A maximum of 40% of the gross income shall be allowed as deduction in lieu of the itemized deduction. However, a corporation who availed and claimed this deduction is still required to submit its financial statements when it files its annual tax return and to keep such records pertaining to its gross income.

Itemized Deduction – There shall be allowed as deduction from gross income all the ordinary and necessary trade and business expenses paid or incurred during the taxable year in carrying on or which are directly attributable to the development, management, operation and/or conduct of the trade and business. Itemized deduction includes also interest, taxes, losses, bad debts, depreciation, depletion, charitable and other contributions, research and development and pension trust.

Minimum Corporate Income Tax (MCIT)

A minimum corporate income tax (MCIT) of two percent (2%) of the gross income is imposed upon any domestic corporation and resident foreign corporation beginning the fourth (4th) taxable year (whether calendar or fiscal year, depending on the accounting period employed) immediately following the taxable year in which such corporation commenced its business operation. The MCIT shall be imposed whenever the corporation has zero or negative taxable income or whenever the amount of minimum corporate income tax is greater than the normal income tax due from such corporation. Any excess of the MCIT over the normal income tax shall be carried forward and credited against the normal income tax for the three (3) immediate succeeding taxable years.

The computation and the payment of MCIT shall apply each time a corporate income tax return is filed, whether quarterly or annual basis.

Penalties

There shall be imposed and collected as part of the tax:

- A surcharge of twenty-five percent (25%) for the following violations:
 - Failure to file any return and pay the amount of tax or installment due on or before the due date; or
 - Filing a return with a person or office other than those with whom it is required to be filed, unless otherwise authorized by the Commissioner; or
 - Failure to pay the full or part of the amount of tax shown on the return, or the full amount of tax due for which no return is required to be filed on or before the due date; or
 - Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment.
- A surcharge of fifty percent (50%) of the tax or of the deficiency tax, in case any payment has been made before the discovery of the falsity or fraud, for each of the following violations:
 - Willful neglect to file the return within the period prescribed by the Code or by rules and regulations; or
 - A false or fraudulent return is willfully made.
- Interest at the rate of double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas from the date prescribed for payment/remittance until the amount is fully paid/remitted: Provided, That, in no case shall the deficiency and the delinquency interest prescribed under Section 249 Subsections (B) and (C) of the National Internal Revenue Code, as amended, be imposed simultaneously.
- Compromise penalty as provided under applicable rules and regulations.

Attachments Required

- Certificate of Income Payments not Subject to Withholding Tax (BIR Form No. 2304), if applicable;
- Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307), if applicable;
- Duly approved Tax Debit Memo, if applicable;
- Certificate of Tax Treaty relief, if any;
- Summary Alphabet of Withholding Agents of Income Payments Subjected to Withholding Tax at Source (SAWT), if applicable; and
- Proof of other payment/s, if applicable.

The quarterly income tax return does not have to be accompanied with Account Information Form and/or Financial Statements.

Note: All background information must be properly filled out.

- The last 5 digits of the 14-digit TIN refers to the branch code
- All returns filed by an accredited tax agent on behalf of a taxpayer shall bear the following information:
 - For Individual (CPAs, members of GPPs, and others)
 - 1 Taxpayer Identification Number (TIN); and
 - 2 BIR Accreditation Number, Date of Issue, and Date of Expiry.
 - For members of the Philippine Bar (Lawyers)
 - 1 Taxpayer Identification Number (TIN);
 - 2 Attorney's Roll Number;
 - 3 Mandatory Continuing Legal Education (MCLE) Compliance Number; and
 - 4 BIR Accreditation Number, Date of Issue, and Date of Expiry