



BIR Updates

Deadline for availment of Tax Amnesty on Delinquencies extended

BY Lance Matthew Blanco

Taxpayers with outstanding tax liabilities have until December 31, 2020 to avail of the Tax Amnesty on Delinquencies (TAD) being offered by the Bureau of Internal Revenue (BIR).

The said extension of deadline was provided under Revenue Regulations (RR) No. 15-2020 and Revenue Memorandum Circular (RMC) No. 61-2020 issued by the BIR on June 19 and June 15, 2020, respectively. This is in consideration of the current circumstances prevailing in the country in relation to the World Health Organization's declaration of COVID-19 Global Pandemic.

With the issuance of the said regulations and circular, the deadline for availment of the Tax Amnesty on Delinquencies has been further extended from June 22, 2020 (under RR No. 11-2020, as amended by RR No. 12-2020) to December 31, 2020.

Who are qualified to avail the TAD?

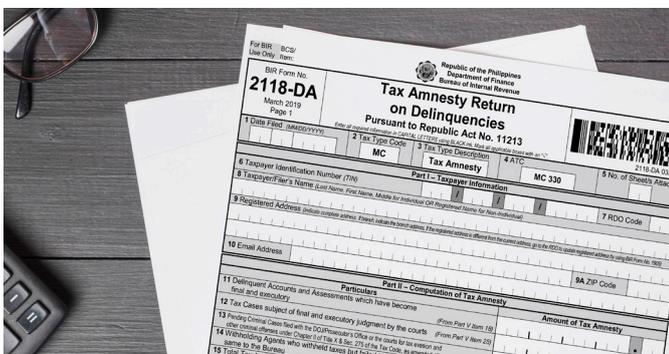
Per RR No. 4-2019, all persons, whether natural or juridical, with internal revenue tax liabilities covering taxable year 2017 and prior years, may avail of the Tax

Amnesty on Delinquencies under any of the following instances: 1) With Delinquent Accounts as of April 24, 2019 (effectivity of RR No. 4-2019); 2) With pending criminal cases with the Department of Justice (DOJ)/ Prosecutor's Office or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the Tax Code, as amended, with or without assessments duly issued; 3) With final and executory judgment by the courts on or before April 24, 2019; and 4) Withholding tax liabilities of withholding agents arising from their failure to remit withheld taxes.

The abovementioned Delinquent Account pertains to tax due from a taxpayer arising from audit of the BIR, which had been issued Assessment Notices that have become final and executory due to the instances specified in the Regulations.

Tax Amnesty Rates

The Tax Amnesty to be paid by the taxpayer shall be computed based on the Basic Tax Assessed, which shall be as follows: a) 40% for Delinquent Accounts and assessments which have become final and executory; b) 50% for tax cases subject of final and executory judgment by the courts; c) 60% for those with pending criminal cases filed with the DOJ/ Prosecutor's Office or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the Tax Code, as amended; and d) 100% for Withholding Agents who withheld taxes but failed to remit the same to the BIR (which shall also apply in all cases of non-remittance of Withholding Taxes).



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In cases where the delinquent taxes have been the subject of application for compromise settlement, whether denied or pending, as well as cases with partial/installment payments, the amount of payment shall be based on the net basic tax/net amount as certified by the concerned office.

In case the delinquent account/assessment consists only of unpaid penalties due to either late filing or payment, and there is no Basic Tax Assessed, the taxpayer may avail of the Tax Amnesty without any payment due.

Immunities & Privileges Under TAD

The Tax Amnesty, when granted, is final and irrevocable. Taxpayers who availed of the Tax Amnesty and fully complied with all the conditions set forth in RR No. 4-2019 shall enjoy certain immunities and privileges, such as the lifting of notices of levy, attachments or warrants of garnishments issued,

if any; settlement of the tax delinquency(ies); and termination of criminal case and its corresponding civil or administrative case in connection therewith.

The availing taxpayer shall also be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal and administrative cases, and penalties under the 1997 Tax Code, as amended, as such relate to the internal revenue taxes for the taxable years that are subject of the Tax Amnesty availed of.

The documentary requirements, place of filing of the Tax Amnesty Return and procedures on how to avail the Tax Amnesty on Delinquencies are specified in RR No. 4-2019 and RR No. 15-2020 (for the revised procedures). (See full text of RR Nos. 4-2019 and 15-2020 and other related revenue issuances at the "Tax Amnesty" portion of www.bir.gov.ph)

MODIFIED PROCEDURES IN THE AVAILMENT OF TAX AMNESTY ON DELINQUENCIES (Per RR No. 15-2020)

STEP 1. Secure the Certificate of Delinquencies/Tax Liabilities from the concerned BIR Office as specified below:

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The concerned BIR Office receiving the request for Certificate of Delinquencies/Tax Liabilities shall issue said Certificate of Delinquencies/Tax Liabilities to the taxpayer within three (3) working days from the date of the request. Should the concerned BIR Office find that said Certificate of Delinquencies/Tax Liabilities cannot be issued, said BIR Office must state in writing the legal and factual basis for its denial.

STEP 2. Present the duly accomplished TAR made under oath and APF, together with the other required documents, to the concerned RDO/LTD/LTCED for endorsement of the APF and pay the tax amnesty amount with the AABs or RCs, whichever is applicable, by presenting the RDO/LTD/LTCED-endorsed or approved APF. Provided, that if no payment is required, as in the case when the assessment consists only of unpaid penalties due to either late filing or payment, the phrase "no payment required" shall be indicated in the APF. Provided, further, that the concerned RDO/LTD/LTCED shall endorse said duly accomplished TAR and APF within one (1) working day from receipt of complete documents.

STEP 3. Submit/file immediately to the RDO/LTD/LTCED where the taxpayer is registered, in triplicate copies, the duly accomplished TAR, made under oath, together with the complete documentary requirements and proof of payment, which in no case shall be beyond the availment period set forth under Section 3 of these Regulations (RR No. 15-2020). The taxpayer/applicant shall be furnished with a copy, stamped as "received", of said TAR and APF.

Availment of Tax Amnesty on Delinquencies shall be considered fully complied with upon completion of the above-enumerated steps within the period set forth under Section 3 of these Regulations."