

Good Day !

**WELCOME to the
Briefing on
“Reminders on Year-End
Compliance and Tax
Updates”**

REMINDERS ON YEAR-END COMPLIANCE

- 1. Enrollment with EFPS;**
- 2. Updating of registration information;**
- 3. Conduct of annualization of income of employees (year-end adjustment)**
- 4. Computerized Accounting System and/or components thereof (RR 9-2009)**
- 5. Registration of Books of Accounts**

AS PROVIDED UNDER RR 17-2010

- ✘ All existing LTs must have adopted and be maintaining, a working and duly-accredited Computerized Accounting System by Dec 31, 2010.
- ✘ Newly-identified LTs must have adopted, and secured the accreditation of, the required CAS within 6 months after having been officially notified, in writing, of their status as LTs.

PENALTY CLAUSE

- ✘ Upon conviction, the taxpayer shall be held liable to the penalties provided under Sec 255 of the NIRC, in addition to any other penalties otherwise payable.**

6. eSales Report

7. Submission of reports required

- 1604 CF with the Alphabetical List of employees**
- 1604 E with Alphabetical List of Payees**
- RELIEF (SLP, SLS, &/or SLI)**
- List of Regular Suppliers**
- Inventory List**
- RR 12-2011**

REVENUE REGULATIONS NO. 12-2011

Reportorial Requirement for Establishments Leasing or Renting Out Spaces for Commercial Activities

RESPONSIBILITY AND REPORTORIAL **REQUIREMENTS OF OWNERS OF** **ESTABLISHMENTS FOR LEASE**

- ✘ Ensure that the person intending to lease their commercial space is BIR registered
 - with TIN
 - with COR
 - duly registered receipts, sales or commercial invoices

- ✘ **Submit to RDO where the commercial establishment/building/ spaces are located the ff information, under oath, in hard and soft copies:**
 - **Bldg / space layout of the entire area being leased with proper unit / space address or reference;**
 - **Certified True Copy of Contract of Lease per Tenant; and**

- Lessee Information Statement in the prescribed format using an excel stored in a CD-R

- ✘ To be submitted every 31st of January starting from current year (for tenants as of Dec 31 of the previous year) and 31st of July (for tenants as of June 30th of the current year)

LESSEES INFORMATION STATEMENT
(FOR INITIAL FILING)

Name of Owner / Lessor _____ TIN _____

Address:

TENANT'S PROFILE

As of (June 30 ____) or (Dec 31 _____)

Location of Building / Space for Commercial Lease:

LESSEE INFORMATION STATEMENT
(FOR SUBSEQUENT FILING)

Name of Owner / Lessor _____ TIN _____

Address:

TENANT'S PROFILE

**For the Period (Jan to June 30, ____) or (July 1 to
Dec 31, ____)**

Location of Building / Space for Commercial Lease:

II. TERMINATED TENANTS

Location	Name of Tenant	TIN	Total Leased Area	Monthly Rental	Date Lease Ended (mm / dd / yyyy)
Floor / Unit No.					

PENALTY CLAUSE:

- > Sec 255
- > Sec 267

TRANSITORY PROVISION

- > **1st filing of Tenants Profile – Tenants as of July 31, 2011**
- > **Submit required documents on or before September 1, 2011 / Nov. 2, 2011 (RR 15-2011)**

EFFECTIVITY: 15 days following publication of RR

TAX UPDATES

REVENUE REGULATIONS NO. 14-2011

Amends certain provision of RR No. 5-2000, as amended, prescribing the regulations governing the manner of the issuance of Tax Credit Certificates and the conditions for their use, revalidation and transfer

SECTION 4 – ASSIGNMENT OR TRANSFER

“All Tax Credit Certificates (TCC) issued by BIR shall not be allowed to be transferred or assigned to any person.”

REVENUE REGULATIONS NO. 16-2011

Increasing the Amount of Threshold Amounts for Sale of Residential Lot, Sale of House and Lot, Lease of Residential Unit and Sale or Lease of Goods or Properties or Performance of Services covered by Section 109 (P), (Q) and (V) of the Tax Code of 1997, as amended, thereby Amending Certain Provisions of Revenue Regulations No. 16-2005, as amended Otherwise Known as Consolidated VAT Regulations of 2005

ADJUSTED THRESHOLD AMOUNTS:

SECTION	AMOUNT (2005)	ADJUSTED THRESHOLD
Sec 109 (P)	1,500,000.-	1,919,500.-
Sec 109 (P)	2,500,000.-	3,199,200.-
Sec 109 (Q)	10,000.-	12,800.-
Sec 109 (V)	1,500,000.-	1,919,500.-

Effectivity:

Starting January 1, 2012

REVENUE REGULATIONS NO. 18-2011

Providing Penalties for Violation of the Requirement that Output Tax on the Sale of Goods and Services Should be Separately Indicated in the Sales Invoice or Official Receipt

SCOPE -

All VAT-registered taxpayersto issue sales or commercial invoices or official receipts should separately bill the VAT corresponding thereto. The amount of tax shall be shown as a separate item in the invoice or receipt.

PENALTY:

Failure or refusal to comply with the requirement shall, upon conviction, for each act or omission, be punished by a fine of not less than P1,000.- but not more than P50,000.- AND suffer imprisonment of not less than 2 years but not more than 4 years.

RMC NO. 48-2011

Circularization of the relevant excerpts from the En Banc Supreme Court Decision in the case of Commissioner of Internal Revenue vs. _____, G.R. Nos. 163653 and 167689 dates July 19, 2011, on the imposition of Documentary Stamp Tax on inter-office memo covering advances granted by an affiliated corporation.

..... Applying the aforesaid provisions.... We find that the instructional letter as well as the journal and cash vouchers evidencing the advances ___ extended to its affiliates ... as loan agreements upon which documentary stamp tax may be imposed.

UPDATES

Revenue Memorandum Circular
No. 27-2011

**Revocation of BIR Ruling Nos. 002-99,
DA-184-04, DA-569-04 and DA-087-06**

**Excludes from gross income of taxpayer
the contributions to Pag-ibig, GSIS, SSS,
Life Insurance, Pre-Need Plan, in excess
of the mandatory monthly contribution**

... the mandatory / compulsory contributions under Sec 32 of the NIRC are the only contributions exempt from income tax of the employees, thus, voluntary contributions in excess of what the law allows is not exempt from income tax and Withholding Tax

>>> All revenue officers conducting audit investigations shall take the provisions into consideration, any claim for exemption for voluntary contributions shall be disallowed, the corresponding assessment shall be made.

REVENUE MEMORANDUM CIRCULAR NO. 53-2011

**Effectivity and Application of Revocation
of BIR Ruling Nos. 002-99, DA-184-
04, DA-569-04 and DA-087-06 Under
Revenue Memorandum Circular No.
27-2011 ***
and Amending Certain Phrases
Thereof**

... revocation of ruling covers exemption from income tax of contributions of employees / individuals to SSS, GSIS, HDMF, also known as Pag-ibig and PHIC, also known as Philhealth

Amended Provision:

“Therefore, contributions referred to cover only the mandatory/compulsory contributions of the concerned employees to SSS, GSIS, PHIC and HDMF.

Thus, this office holds that voluntary contributions to these institutions in excess of the amount considered compulsory are not excludible from the gross income of the taxpayer and hence, NOT exempt from income tax and withholding tax.

EFFECTIVITY:

Employees' contributions beginning July 1, 2011.***

REVENUE MEMORANDUM CIRCULAR NO. 57-2011

**Revised BIR Forms No. 1700, 1701,
and 1702**

AMENDED RMC NO. 40-2011

Amendment consists mainly in making the disclosure of Supplemental Information under BIR Form Nos. 1700 and 1701 optional on the part of the taxpayer for income tax filing covering and starting with calendar year 2011, due for filing on or before April 15, 2012.

However, starting CY 2012, disclosure of Supplemental Information will be MANDATORY.

[1700 rev2.pdf](#)

[1701_2011.pdf](#)

[1702 june 2011 FINAL.pdf](#)

**Thank You
And
God Bless!**

Janette R. Cruz
Chief, LT Assistance Division 1