

**REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE**

January 06, 2003

REVENUE MEMORANDUM CIRCULAR NO. 2-2003

SUBJECT : Clarifying Certain Issues Relative to the Staggered Filing of Returns Pursuant to Revenue Regulations No. 26-2002.

TO : All Internal Revenue Officers and Others Concerned.

This Circular presented in question and answer format is being issued for the purpose of clarifying issues identified relative to the staggered filing of returns promulgated by Revenue Regulations No. 26-2002.

1. What is staggered filing of returns?

Staggered filing of returns refers to the observance of returns filing deadline by industry group. Revenue Regulations 26-2002 prescribes specific deadline dates per tax type and form type per industry.

Example: The deadline date for the e-filing of the monthly VAT Declaration of a construction company is on the twenty fifth (25th) day following end of the month while that of a taxpayer whose primary industry is renting of goods and equipment is on the twenty second (22nd) day following end of the month. The former belongs to Industry Group A while the latter belongs to Industry Group D.

2. Who are covered by staggered filing?

Taxpayers mandated by existing regulations to file returns through Electronic Filing and Payment System (EFPS) of the Bureau as well as those who voluntarily enrolled in EFPS shall observe the industry group deadline when e-filing their returns.

3. What is the scope of staggered filing?

Only monthly withholding tax returns (except withholding of value-added tax), monthly VAT declarations and monthly percentage tax returns are covered by the requirement of staggered filing of returns under Revenue Regulations No. 26-2002 based on industry group prescribed deadlines.

December Returns which are due for e-filing on January 11-15 shall no longer have an additional 5-day grace period as previously prescribed by Revenue Regulations No. 12-2001. However, since RR 26-2002 speaks only of e-filing of returns, the payment of the tax due thereon shall still follow the deadline set in RR 12-2001 (i.e., additional five days from due date which is on January 20, 2003)

4. Are the payment due dates affected by RR 26-2002?

RR 26-2002 speaks only of e-filing and, therefore, due dates on the payment of taxes remain unaffected by the Regulations.

5. What are the different scenarios of effecting e-payment?

Payment shall be made through the e-Payment facility of EFPS after e-filing of a return. Since the different Accredited EFPS Banks have their own ways of acknowledging and implementing the e-Payment Instruction of a taxpayer, it is the responsibility of the EFPS Banks to train their clients on how to use the bank's system in preparing and confirming payment.

5.1 Scenario 1 - e-Payment through an EFPS Bank with Payment Warehousing or Maker/Authorizer facility.

Immediately after the e-filing of a return, the taxpayer shall "Proceed to Payment", indicate the amount to be paid and select a bank. On the bank's website, the taxpayer "submits" his payment instruction. Depending on the bank's e-Payment facility, actual debit of the taxpayer's account shall only be effected:

- (a) upon confirmation of the taxpayer by logging in directly to the bank's website to confirm the implementation of a debit instruction on or before the payment due date; or,
- (b) automatically, if the bank's system includes a provision for the taxpayer to specify the date when to debit his account in favor of tax payment without the need for a confirmation on the said date.

5.2 Scenario 2 – e-Payment through an EFPS Bank with no Payment Warehousing Capability.

The taxpayer needs to log-in to the BIR website and access EFPS on the date when he wants to pay the tax due for the return e-filed earlier. The taxpayer must then select the Return Filing Reference number and “Proceed to Payment” in order to select a bank and pay the corresponding tax due on the return.

Since the payment due dates per tax type and form type are the same for all industry groups, the taxpayer employing this scenario is encouraged to e-pay earlier than payment due date to avoid the long queue and network traffic during deadlines.

It is the intention of RR 26-2002 for all Accredited EFPS Banks to comply with Scenario 1. Inasmuch as this is a new requirement, the banks are given time to effect the necessary enhancement to their system. It is therefore the responsibility of the banks to inform and train their clients on any change implemented in their system affecting client interface.

6. When is the deadline for the submission of attachments to the returns and is there a penalty for late submission thereof?

Submission of the attachments to a return is due fifteen (15) days after the e-filing deadline for each industry group and should not be construed to be reckoned from the date of e-payment.

Failure to file an information return and other attachments is penalized under Section 250 and other pertinent provisions of the Tax Code of 1997 as well as other applicable issuances thereto.

7. Up to what time can a return be e-filed?

EFPS is available twenty-four (24) hours a day seven (7) days a week. To ensure that the BIR receives the e-filed return before midnight of the due date, taxpayers are encouraged to e-file and “submit” their returns on or before 10:00 p.m. of the said due date.

- 8. Is there a penalty to be imposed in case a return was filed beyond the due date prescribed under RR 26-2002 even if the payment was made on the due date prescribed for payment?**

Yes, as provided for under Section 255 and other pertinent provisions of the Tax Code of 1997 as well as other applicable issuances thereto.

All internal revenue officials are hereby enjoined to give this Circular as wide a publicity as possible.

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