

(To be filled up by the BIR)  
DLN:



Republika ng Pilipinas  
Kagawaran ng Paganalapi  
Kawanihan ng Rentas Internas

# Annual Income Tax Return

BIR Form No.  
**1700**  
October 2001 (ENCS)

For Individuals Earning Compensation Income  
(Including Non-Business / Non-Profession Related Income)

Fill in all applicable spaces. Mark all appropriate boxes with an "X".

1 For the Year (YYYY)	2 Amended Return <input type="checkbox"/> Yes <input type="checkbox"/> No	3 No. of sheets attached	4 ATC <input type="checkbox"/> Compensation Earner <input type="checkbox"/> Marginal Income Earner <input type="checkbox"/> Other Income/Earnings	11011 11040 11041
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Part I Background Information							
Taxpayer/ Filer				Spouse			
5 TIN	6 RDO Code	7 TIN	8 RDO Code				
9 Taxpayer's Name (Last Name, First Name, Middle Name)				10 Spouse's Name (Last Name, First Name, Middle Name)			
11 Registered Address				12 Registered Address			
13 Date of Birth (MM/DD/YYYY)	14 Zip Code	15 Telephone Number	16 Date of Birth (MM/DD/YYYY)	17 Zip Code	18 Telephone Number		
19 Exemption Status <input type="checkbox"/> Single <input type="checkbox"/> Head of the Family <input type="checkbox"/> Married		19A Number of Qualified Dependent Children		19B Is the wife claiming the additional exemption for qualified dependent children? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Part II Computation of Tax			
		Taxpayer/ Filer	Spouse
20 Gross Taxable Compensation Income (Schedule 1)	20A		20B
Other Taxable Income (Non-business/Non-profession Income Including Net Income of Marginal Income Earners)	21A		21B
21	22A		22B
22	23A		23B
23 Gross Taxable Income (Sum of Items 20A, 21A, 22A/20B, 21B, 22B)	24A		24B
24 Less: Total Personal & Additional Exemptions (Schedule 2)	24C		24D
Premium paid on health and/or hospitalization insurance not to exceed P2,400 per year. (See Instructions)	24E		24F
Total (Sum of Items 24A & 24C/24B & 24D)	25A		25B
25 Taxable Income (Item 23A less Item 24E/ Item 23B less Item 24F)	26A		26B
26 Tax Due	26C		
[Aggregate Tax Due - (Sum of Items 26A and 26B)]	27A		27B
27 Less: Tax Credits/Payments	27C		27D
Tax Withheld Per BIR Form No. 2316	27E		27F
Foreign Tax Credits	27G		27H
Tax Paid in Return Previously Filed, if this is an amended return	28A		28B
Total Tax Credits/Payments (Sum of Items 27A, 27C, 27E/27B, 27D, 27F)	29A		29B
28 Tax Payable (Overpayment)(Item 26A less Item 27G/ Item 26B less Item 27H)	29C		29D
29 Add: Penalties	29E		29F
Surcharge	29G		29H
Interest	30A		30B
Compromise	30C		
Total Penalties (Sum of Items 29A, 29C & 29E/29B, 29D, & 29F)	31		
30 Total Amount Payable/(Overpayment)(Sum of Items 28A & 29G / 28B & 29H)	32		
Aggregate Amount Payable/(Overpayment)(Sum of Items 30A & 30B)			
31 Less: Amount Paid in this Return/First Installment			
32 Amount Still Due on or before July 15, if taxpayer is allowed to pay by installment			

I declare, under the penalties of perjury, that this return has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and regulations issued under authority thereof.

33

Taxpayer/Authorized Agent (Signature over Printed Name)

Community Tax Certificate No.	Place of Issue	Date of Issue (MM/DD/YYYY)	Amount
34	35	36	37

Stamp of Receiving  
Office and  
Date of Receipt

Part III Details of Payment						
Particulars	Drawee Bank/ Agency	Number	Date			Amount
			MM	DD	YYYY	
38 Cash/Bank Debit Memo						38
39 Check	39A	39B	39C	39D	39E	39D
40 Tax Debit Memo	40A	40B	40C	40D	40E	40C
41 Others	41A	41B	41C	41D	41E	41D

Machine Validation/Revenue Official Receipt Details (If not filed with the bank)

## Schedule 1

## Gross Compensation Income and Tax Withheld

BIR Form 1700 (ENCS)-Page 2

Name of Employer	TIN	Tax Withheld		Compensation Income	
		Taxpayer/Filer	Spouse	Taxpayer/Filer	Spouse

## Schedule 2

## Qualified Dependent Children

Name	Birth Date (MM/DD/YYYY)	Name	Birth Date (MM/DD/YYYY)
Other Dependents (to be accomplished if taxpayer is Head of the Family)			
Name	Birth Date (MM/DD/YYYY)	Relationship to Taxpayer	

## TAX TABLE

If Taxable Income is:	Tax Due is:	If Taxable Income is:	Tax Due is:
Not over P 10,000	5 %		
Over P 10,000 but not over P 30,000	P 500 + 10 % of the excess over P 10,000	Over P 140,000 but not over P 250,000	P 22,500 + 25 % of the excess over P 140,000
Over P 30,000 but not over P 70,000	P 2,500 + 15 % of the excess over P 30,000	Over P 250,000 but not over P 500,000	P 50,000 + 30 % of the excess over P 250,000
Over P 70,000 but not over P 140,000	P 8,500 + 20 % of the excess over P 70,000	Over P 500,000	P 125,000 + 34 % of the excess over P 500,000

Note : Effective January 1, 1999, the maximum rate will be changed to 33% and 32% on January 1, 2000.

## BIR Form 1700 - Annual Income Tax Return

## Guidelines and Instructions

## Who Shall File

This return shall be filed, in triplicate copies, by every resident citizen deriving compensation income from all sources, or resident alien and non-resident citizen with respect to compensation income from within the Philippines, except the following:

- An individual whose gross compensation income does not exceed his total personal and additional exemptions;
- An individual whose compensation income derived from one employer does not exceed P60,000 and the income tax on which has been correctly withheld;
- An individual whose income has been subjected to final withholding tax (alien employee as well as Filipino employee occupying the same position as that of the alien employee of regional or area headquarters and regional operating headquarters of multinational companies, petroleum service contractors and sub-contractors, and offshore banking units; non-resident alien not engaged in trade or business); and
- An individual who is exempt from income tax.

Married individuals shall file a single return for the taxable year to include the income of both spouses, separately computing their individual income tax based on their respective taxable compensation income. Where it is impracticable for the spouses to file one return, each spouse may file a separate return.

## When and Where to File

The income tax return with a tax payable shall be filed with any Authorized Agent Bank (AAB) of the Revenue District Office where the taxpayer is required to register or where the taxpayer has his legal residence or place of office in the Philippines. In places where there are no AABs, the return shall be filed with the Revenue Collection Officer or duly Authorized City or Municipal Treasurer. If taxpayer has no legal residence or place of office in the Philippines, the return shall be filed with the Office of the Commissioner or Revenue District Office No. 39, South Quezon City. However, income tax returns which are "no-payment returns" at the time of filing shall be filed directly with the Revenue District Office (RDO) where the taxpayer is required to register or where the taxpayer has his legal residence or place of office in the Philippines.

The returns of the taxpayers shall be filed on or before the fifteenth (15<sup>th</sup>) day of April of each year covering income for the preceding taxable year.

(It is suggested, however, that the tax return be filed with the appropriate collection agent of the Revenue District Office where the taxpayer is required to register.)

## When and Where to Pay

Upon filing this return, the total amount payable shall be paid to the AAB where the return is filed. In places where there are no AABs, the tax shall be paid with the Revenue Collection Officer or duly Authorized City or Municipal Treasurer who will issue a Revenue Official Receipt (BIR Form No. 2524). When the tax due exceeds P2,000.00, the taxpayer may elect to pay in two equal installments, the first installment to be paid at the time the return is filed and the second, on or before July 15 of the same year.

Where the return is filed with an AAB, the lower portion must be duly machine-validated and stamped received to serve as receipt of payment. The machine validation shall reflect the amount paid, date of payment and transaction code whereas the stamp mark shall show the name of the AAB, branch code, teller's code and teller's initial. The AAB shall also issue an official receipt as additional proof of payment.

Overwithholding of income tax on compensation due to the fault of the employee shall be forfeited in favor of the government.

## Personal and Additional Exemptions

The filer's civil status shall be indicated by marking with an "x" the appropriate box. The amount of personal exemption are as follows:

- |  |          |
|--|----------|
| a. For single individual, widow/widower or married individual judicially decreed as legally separated with no qualified dependents | P 20,000 |
| b. For Head of the Family  | P 25,000 |
| c. For each employed married individual  | P 32,000 |

In the case of married individuals where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption.

An additional exemption of P8,000.00 shall be allowed for each qualified dependent child, not exceeding four (4). The additional exemption for dependents shall be claimed by the husband, who is deemed the head of the family unless he explicitly waives his right in favor of his wife.

In the case of legally separated spouses, additional exemption may be claimed only by the spouse who has custody of the child or children; Provided, that the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions allowed by the Tax Code.

## Change of Status

If the taxpayer marries or should have additional dependent(s) during the taxable year, the taxpayer may claim the corresponding personal or additional exemption, as the case may be, in full for such year.

If the taxpayer dies during the taxable year, his estate may still claim the personal and additional exemptions for himself and his dependent(s) as if he died at the close of such year.

If the spouse or any of the dependents dies or if any of such dependents marries, becomes twenty-one (21) years old or becomes gainfully employed during the taxable year, the taxpayer may still claim the same exemptions as if the spouse or any of the dependents died, or as if such dependents married, became twenty-one (21) years old or became employed at the close of such year.

## Gross Taxable Compensation Income

The gross taxable compensation income of the taxpayer does not include SSS, GSIS, Medicare and Pag-ibig Contributions, and Union Dues of individuals.

The non-business/non-profession related income reported under "other taxable income" should reflect only the net taxable amount.

## Premium Payment on Health and/or Hospitalization Insurance

Premium payment on health and/or hospitalization insurance of an individual taxpayer, including his family, in the amount of P2,400.00 per year, per family, may be deducted from gross income: Provided, that said taxpayer, including his family has a yearly gross income of not more than P250,000.00. In case of married taxpayers, only the spouse claiming the additional exemption for dependents shall be entitled to this deduction.

## Definition of Terms

"Head of the Family" means an unmarried or legally separated man or woman with one or both parents, or with one or more brothers, sisters, or with one or more legitimate, recognized natural or legally adopted children, living with and dependent upon him for their chief support, where such brothers or sisters or children are not more than twenty-one (21) years of age, unmarried, not gainfully employed, or regardless of age, are incapable of self-support because of mental or physical defect. The term also includes a benefactor of a senior citizen under Republic Act 7432.

"Dependent Child" means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer if such dependent is not more than twenty-one (21) years of age, unmarried and not gainfully employed or if such dependent, regardless of age, is incapable of self-support because of mental or physical defect.

## Penalties

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

- A surcharge of twenty five percent (25%) for each of the following violations:
  - Failure to file any return and pay the amount of tax or installment due on or before the due date;
  - Unless otherwise authorized by the Commissioner, filing a return with a person or office other than those with whom it is required to be filed;
  - 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;
  - 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 on the basis of such return 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
  - In case a false or fraudulent return is willfully made
- Interest at the rate of twenty percent (20%) per annum, or such higher rate as may be prescribed by rules and regulations, on any unpaid amount of tax, from the date prescribed for the payment until it is fully paid.
- Compromise penalty.

## Attachments Required

- Certificate of Income Tax Withheld on Compensation (BIR Form 2316).
- Waiver of the husband's right to claim additional exemption, if applicable.
- Duly approved Tax Debit Memo, if applicable.
- Proof of Foreign Tax Credits, if applicable.
- For amended return, proof of the payment and the return previously filed.

Note: All background information must be properly filled up.

- Box No. 1 refers to transaction period and not the date of filing this return.
- The last 3 digits of the 12-digit TIN refers to the branch code.
- TIN - Taxpayer Identification Number

ENCS