



Tax in a Dot Hot and fresh!

Dear Valued Clients and Friends,

Revenue Memorandum Circular No. 9-2014

Revenue Memorandum Circular (RMC) No. 9-2014 dated February 11, 2014 further amends RMC No. 57-2011 entitled "Revised Forms No. 1700, 1701, and 1702".

The Bureau of Internal Revenue (BIR) has again suspended the implementation of the Supplemental Information disclosure requirement for individuals who are obliged to file their income tax returns (BIR Form Nos. 1700 and 1701) on or before April 15, 2014.

Nonetheless, the disclosure requirement shall become mandatory for income tax filing covering and starting with calendar year 2014 (i.e. due for submission in 2015). Hence, individual taxpayers are advised to demand from their payors and properly document their BIR Form No. 2307 and other pieces of evidence for final taxes withheld. They should properly receipt and book their tax-exempt income, as well.

It was also clarified that in filing of tax returns, the individual taxpayers may opt to use either their: (a) community tax certificate, (b) passport, or (c) driver's license.

Revenue Memorandum Circular No. 8-2014

RMC No. 8-2014, dated February 6, 2014, prescribes the presentation of tax exemption certificate or ruling be exempt individuals and entities.

Pursuant to Sections 57 to 59 and Sections 78 to 83 of the Tax Code, in relation to Revenue Regulations (RR) No. 2-1998, as amended, certain items of income are made subject to the payment of withholding taxes. However, under the provisions of existing laws and administrative issuances, some individuals, entities and transactions are considered exempt from imposition of taxes on income and from withholding taxes.

On this regard, the concerned withholding agents shall require all individuals and entities claiming such exemption to provide a copy of a valid, current and subsisting tax exemption certificate or ruling before payments of the related income. The tax exemption certificate or ruling must explicitly recognize the grant of tax exemption. Failure on the part of the taxpayer to present the said tax exemption certificate or ruling shall subject him to the payment of appropriate withholding taxes due on the transaction. On the other hand, the withholding agent's failure to withhold notwithstanding the lack of tax exemption certificate or ruling shall cause the imposition of penalties under Section 251 and other pertinent Sections of the Tax Code.

http://www.bir.gov.ph/images/bir_files/old_files/pdf/81938RMC%20No%205-2014.pdf

http://www.bir.gov.ph/images/bir_files/old_files/pdf/82594RMC%20No%209-2014.pdf

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