March 13, 2018

BIR RULING NO. 473-18

R.A. 9520; 000-00

Jagna Multi-Purpose Cooperative
Canjulao, Jagna, Bohol

Attention: *AAA*

Gentlemen :

This refers to your letter dated July 9, 2012 requesting enlightenment on the procedures for Income Tax Refund of a Cooperative registered with the Cooperative Development Authority, in particular the issuance of Letter of Authority (LA) authorizing the investigation of its internal revenue taxes for 2010.

It is represented that Jagna Multi-Purpose Cooperative (JMPC) obtained its Certification of Registration from Cooperative Development Authority on March 22, 2010 under Reg. No. 9520-07014184. On September 1, 2011, JMPC obtained a certificate of tax exemption (COOP-266-11-RR-13-RDO-84) dated September 1, 2011 valid until March 22, 2014 as a cooperative transacting with members only, thus entitled to the tax exemptions and incentives provided by Article 60 of Republic Act No. 9520, as implemented by Section 7 of the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of RA No. 9520; that prior to the issuance of its Certificate of Exemption, it paid the amount of P_____ for failure to timely secure its Certificate of Exemption; and that JMPC now filed for the claim of refund; and that a Letter of Authority (LA) with eLA No. 2012-00000042 dated May 24, 2012 was issued to JMPC which authorizes the investigation of all its internal revenue taxes and liabilities for the period of January 1, 2010 to December 31, 2010 pursuant to Revenue Memorandum Order (RMO) No. 62-2010.

In reply, please be informed that Section 13 of Joint Rules and Regulations [1] on the procedure on the availment of tax exemption provide as follows:

> **Section 13**. *DOCUMENTS TO BE ATTACHED TO THE LETTER.* — APPLICATION FOR THE ISSUANCE OF A CERTIFICATE OF TAX EXEMPTION/RULING.

Copyright 2020 CD Technologies Asia, Inc.

xxx xxx xxx

For applications for tax exemption not filed within the prescribed period, the late applicants shall be subjected to internal revenue taxes prior to the issuance of the Certificate of Tax Exemption/Ruling; however they can apply for tax credit/refund of taxes previously paid from the date of registration with the CDA up to the issuance of the Certificate of Tax Exemption/Ruling, subject to the rules and procedures for processing tax credit/refund. The BIR shall act on the request for tax refund of taxes previously paid within one hundred twenty (120) days from submission of the complete documents in support of the application filed.

xxx xxx xxx

Take note that the provision allows the cooperative to apply for the refund of taxes previously paid from the date of registration up to the issuance of the Certificate of Tax Exemption subject to the rules and procedures for processing of tax refund. The issuance of LA is part of the evaluation process to determine whether or not the applicant is entitled to refund and the amount of refund, should it be granted.

Please be guided accordingly.

Very truly yours,

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. JOINT RULES AND REGULATIONS IMPLEMENTING ARTICLES 60, 61 AND 144 OF REPUBLIC ACT 9520, OTHERWISE KNOWN AS "THE PHILIPPINE COOPERATIVE CODE OF 2008" IN RELATION TO RA NO. 8424 OR THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.

Copyright 2020 CD Technologies Asia, Inc.