REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

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October 14, 2021

REVENUE MEMORANDUM CIRCULAR NO. 108-2021

SUBJECT : Clarification of Certain Issues on the Utilization of Tax Payment Certificate Issued Under the Comprehensive Automotive Resurgence Strategy (CARS) Program

TO : All Internal Revenue Officials, Employees and Others Concerned

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Revenue Regulations No. 12-2021 and Revenue Memorandum Circular No. 90-2021 have been issued prescribing respectively the general, as well as the specific guidelines and procedures, for the utilization of Tax Payment Certificate (TPC) issued under the Comprehensive Automotive Resurgence Strategy (CARS) Program of Executive Order No. 182, series of 2015, respectively.

However, certain issues and concerns arose from the utilization of this TPC. For the guidance of all Eligible and Registered Participants (ERPs), including other concerned stakeholders, this Circular is hereby issued to address these issues and concerns, in the form of Question and Answer, as follows:

Q1 : **May a TPC be used as advance payment or deposit for excise tax due? How about for payment of deficiency tax liability?**

A1 : No. Under both cases, TPC shall not be used as advance payment or deposit for excise tax due and for payment of deficiency tax liability. The issuance of TPC by the DTI-BOI is based on the statutory deadline for payment of tax and/or duty *(Item 6.3 of DOF-DBM-DTI-BOI Joint Administrative Order No. 01-2015)*

Q2 : **Can a TPC be used as payment for the quarterly income tax due? How about for payment for the monthly VAT due?**

A2 : No. A TPC shall not be used for payment of the quarterly income tax due and monthly VAT due.

The basis of computation of the quarterly income tax are transactions that are still subject to final determination at the end of the taxable year. Hence, the income tax liability is finally determined at the end of the taxable year where the amount of TPC shall be applied by submitting a copy of the TPC submitted to the BIR as attachment to the annual income tax return.

In a similar manner, the TPC shall be used as payment for the VAT due declared in the quarterly VAT returns, such being a final return.

Q3 **Is the receipt of TPC taxable?**

A3 No. The receipt of TPC is not taxable. TPC is intended for payment of taxes. If it is not presented or utilized for tax payment, the TPC shall be forfeited in favor of the government *(Item 6.7 of DOF-DBM-DTI-BOI Joint Administrative Order No. 01-2015)*

Q4 : Where exactly in the tax return should the TPC details be indicated?

A4 : The TPC details shall be indicated under the "Details of Payment" located at the lower portion of the tax return, specifically under the item, "Others" or "Others (specify)", wherein the corresponding boxes are provided for the details of payment.

Q5 : Aside from the TPC, what other document that should be attached by the ERP to the excise tax return for removal of automobiles that are covered by the CARS Program?

A5 : The ERP shall attach to the excise tax return a Detailed Schedule of Removals of Automobiles (Please refer to Annex "A" for the template), as a breakdown to Schedule 1A under Part V of the excise tax return (BIR Form No. 2200-AN).

Q6 : When shall the TPC be authenticated by the BIR?

A6 : Under the existing revenue issuances, the hard copies of tax returns and the corresponding prescribed attachments, are submitted to the Revenue District Office (RDO) where the taxpayer is duly registered within a prescribed period according to the filing and payment facilities availed of by the taxpayer. Thus, the authorized BIR personnel shall authenticate the TPC only after receipt of its hard copy, together with the tax return and other prescribed documents.

Q7 : Will the utilization of TPC as payment of the tax due already stop the running of the period of validity of TPC?

A7 : Yes, the utilization of TPC as payment of the tax due (i.e., the TPC details are declared in the tax return with the amount of TPC applied against the tax due and copies of the tax return and TPC are filed with the RDO) shall already stop the running of the period of validity.

Q8 **In case the TPC is found to be spurious, what shall be the liabilities of the ERP?**

A8 The ERP shall be liable to the amount of tax still due, inclusive of applicable penalties for failure to pay the tax, without prejudice to the filing of an appropriate criminal or civil action against the ERP for using a spurious TPC.

Q9 : What are the step-by-step procedures in using the DTI-BOI'S Online Facility System (OFS) that shall be followed by the authorized BIR revenue personnel in authenticating the TPC?

A9 : Please refer to Annex "B" (CARS TPC SCANNER USER GUIDE) for the step-by-step procedures in using the DTI-BOI'S Online Facility System (OFS).

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Q10 : When will the details of payment of the TPC be captured by the Integrated Tax System (ITS) and/or Internal Revenue Integrated System (IRIS) of the BIR?

A10 : Prior to the transmittal of the BIR copy of TPC by LTDPQAD/concerned Revenue District Office to the Revenue Accounting Division (RAD) for recording purposes, the TPC details shall be encoded/uploaded in the Integrated Tax System-Collection and Bank Reconciliation (ITS-CBR) and/or Internal Revenue Integrated System-Collection, Remittance and Reconciliation (IRIS-CRR), as the case may be, pursuant to existing policies and procedures.

All are enjoined to give this Circular a wide publicity as possible. The provisions of this Circular shall take effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

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