REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

January 30, 2007

REVENUE MEMORANDUM CIRCULAR NO. 11-2007

SUBJECT: Circularizing the Full Text of the Unnumbered Memorandum Issued by Commissioner Guillermo L. Parayno, Jr. dated March 31, 2004 on the Settlement of Outstanding Withholding Tax Liabilities of Local Government Units (LGUs).

TO : All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidance of all concerned, quoted hereunder is the full text of the unnumbered memorandum issued by Commissioner Guillermo L. Parayno, Jr. dated March 31, 2004.

" MEMORANDUM

T O:	***The Regional Directors, Chief Assessment Division, Chief Collection Division and Revenue District Officers Concerned***
SUBJECT:	***Settlement of Outstanding withholding tax liabilities of Local Government Units (LGUs) within your jurisdiction***
DATE:	***March 31, 2004***

In order to minimize the number of delinquent accounts and lessen the amount of accounts receivable, you are hereby directed to cause the immediate settlement of the withholding tax liabilities of LGUs within your jurisdiction by

encouraging said LGUs to pay the basic tax and/or interest and file an application for abatement of other penalties imposed.

In this connection, a report on the payment/s of each LGU and the action taken by that office should be submitted immediately to the Assistant Commissioner, Collection Service through the Chief, Withholding Tax Division for monitoring purposes.

On the other hand, the duly accomplished three (3) copies of the Application for Abatement or Cancellation of Tax, Penalties and/or Interest (BIR Form No. 2110), with letter stating the reasons or cause for the request and payment forms evidencing payment of basic and/or interest, if any, should be submitted by the taxpayer to that office for evaluation and thereafter be forwarded to the Technical Working Committee on Abatement through the ACIR, Collection Service as Chairman.

You may use the attached sample letter to LGUs (addressed to Head of LGU).

Sgd:
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue ”

All concerned are hereby enjoined to be guided accordingly and to give this circular as wide a publicity as possible.

(Original Signed)
JOSE MARIO C. BUÑAG
Commissioner of Internal Revenue