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

June 28, 2012

REVENUE MEMORANDUM CIRCULAR No. 50-2012

SUBJECT : Prescribes the Issuance of Certificate of Tax Clearance to Public Transport Operators as a Pre-requisite for Acceptance by the Land Transportation Franchising and Regulatory Board of an Application for Approval of Sale and Transfer of a Certificate of Public Convenience

TO : All Revenue Officials, Employees and Others Concerned

I. Background

Pursuant to Executive Order No. 202 dated June 19, 1987, the Land Transportation Franchising and Regulatory Board (LTFRB) has the function, among others, to issue, amend, revise, suspend or cancel Certificates of Public Convenience (CPCs) or permits authorizing the operation of public land transportation services provided by motorized vehicles. Relative thereto, Department Order No. 2010-34 was issued by the Department of Transportation and Communications (DOTC) mandating, among others, that no application for the approval of sale and transfer of CPCs shall be accepted unless all fees/dues have been fully paid to the Land Transportation Office (LTO) and LTFRB and taxes to the Bureau of Internal Revenue (BIR).

II. Objective

This Circular is issued to ensure that public transport operators shall first secure a Certificate of Tax Clearance or CTC, attached herewith as Annex "A," from the concerned District Office of the BIR where he/it is registered before filing an application for the approval of sale and transfer of a CPC with the LTFRB.

III. Guidelines

1. To secure a CTC, the operator shall submit the following requirements to the concerned District Office:

    1.1 Duly accomplished and notarized Application Form for Certificate of Tax Clearance (Annex "B" or "C");
    1.2 Authorization letter, if filed by a representative, and two (2) valid IDs of the authorized representative;
    1.3 BIR Certification Fee of ₱100.00 to be paid to the authorized Revenue Collection Officer/Special Revenue Collection Officer at the Collection Section of the District Office where registered;
    1.4 Two (2) Documentary Stamps worth ₱15.00 each, to be affixed to the CTC and Application Form for Certificate of Tax Clearance; and
    1.5 Copy of the CPC for sale, duly certified by the LTFRB.

2. Prior to the issuance of the CTC, the concerned District Office where the operator is registered shall ensure the following:

   2.1 That the operator has no outstanding delinquent accounts;
   2.2 That the operator has no stop filer cases; and
   2.3 That the operator has filed the following returns:

      2.3.1 The quarterly and annual income tax returns, as well as all percentage tax returns, for the taxable year prior to the year of the sale/transfer of the CPC; and
      2.3.2 The quarterly income tax returns and monthly percentage tax returns for the concerned periods of the current year prior to the date of sale/transfer of the CPC.

   For purposes of this Circular, the term "delinquent account" shall denote an unpaid self-assessed tax, or an unpaid deficiency assessment which has become final and executory.

3. The CTC shall be sequentially numbered and shall consist of thirteen (13) digits where the first two (2) digits shall represent the month of issuance, the next four (4) digits shall represent the year, the next three (3) digits shall represent the Revenue District Office Number, and the last four (4) digits as the sequence number which shall start with 0001, 0002 and so on, regardless of the month, but shall start again from 0001 at the beginning of each calendar year.

   Example: The first CTC to be issued by Revenue District Office No. 40-Cubao for the month of July 2012 shall be numbered as follows:

   07-2012-040-0001

4. The concerned District Office shall maintain a logbook for all filed applications and maintain a file of all duplicate copies of CTCs issued pursuant to this Circular.

All internal revenue officials and personnel are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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