REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

MAY 10 2023

REVENUE MEMORANDUM CIRCULAR (RMC) NO. 52-2023

SUBJECT : **Optional Filing and Payment of Monthly VAT Returns (BIR Form No. 2550M) for VAT-Registered Persons**

TO : All Internal Revenue Officers, Employees and Others Concerned

I. BACKGROUND

To simplify the filing of value-added tax (VAT) returns, Section 37 of Republic Act (RA) No. 10963 or the *"Tax Reform for Acceleration and Inclusion (TRAIN) Law"*, amending Section 114 (A) of the National Internal Revenue Code of 1997, as amended (Tax Code), and as implemented under Section 4.114-1 of Revenue Regulations (RR) No. 13-2018, states that beginning January 1, 2023, the filing and payment of VAT imposed under the Tax Code shall be done within twenty-five (25) days following the close of each taxable quarter. With said provision, VAT-registered taxpayers are no longer required to file the Monthly VAT Declaration (BIR Form No. 2550M) but will instead file the corresponding Quarterly VAT Return (BIR Form No. 2550Q).

However, despite the above amendments to the Tax Code and its implementing revenue issuance, the Bureau has observed that there are taxpayers who are requesting that they be allowed to file their VAT returns and pay the corresponding VAT on a monthly basis through the use of BIR Form No. 2550M.

In line with RA No. 11032 or the *"Ease of Doing Business and Efficient Government Service Delivery Act of 2018"*, the Bureau is continuously improving its policies and processes to streamline and reduce financial burden for the convenience of the taxpayers. Considering that the Tax Code follows the pay-as-you-file system of taxation under which the taxpayer computes its own tax liability, prepares the return, and pays the tax as it files the return, VAT-registered persons may still choose to file their VAT returns and pay the corresponding VAT liabilities on a monthly basis if they deem so convenient. However, should they choose to file the VAT returns on a monthly basis, they are still required to file the quarterly VAT return and pay the corresponding VAT liabilities as mandated under the Tax Code.

In view of the foregoing, this RMC is issued to clarify that VAT-registered persons may continue to file and pay their VAT liabilities on a monthly basis and use BIR Form No. 2550M for the purpose.

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II. OPTIONAL USE OF BIR FORM NO. 2550M

While the Tax Code now mandates the filing of VAT returns and payment of the corresponding VAT liabilities on a quarterly basis, VAT-registered persons may continue to file and pay the VAT on a monthly basis and still use BIR Form No. 2550M.

In this regard, the procedures and guidelines set forth in RR Nos. 16-2005, 6-2014, RMC No. 68-2005 and other related revenue issuances, regarding the use of BIR Form No. 2550M shall continue to apply.

It bears emphasis that if the VAT-registered person opts to switch from filing the VAT return and paying tax on a monthly basis using BIR Form No. 2550M to quarterly filing using BIR Form No. 2550Q, or vice versa, no penalties shall arise. However, the filing of BIR Form No. 2550Q and payment of VAT must be made within the period provided under the Tax Code which is within twenty-five (25) days following the close of each taxable quarter. As to the monthly filing of BIR Form No. 2550M, there shall be no prescribed deadline thereof.

All revenue officials concerned are enjoined to give this RMC as wide a publicity as possible.

This Circular takes effect immediately.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
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