REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

October 9 , 2007

REVENUE MEMORANDUM CIRCULAR NO. 72-2007

SUBJECT : Circularizing the Full Text of Administrative Order No. 186, Directing the City Assessor, Municipal Assessor and Provincial Assessor to Annotate in all Tax Declarations the Serial Number of the Certificate Authorizing Registration Issued by the Bureau of Internal Revenue.

TO : All Internal Revenue Officials, Employees and Others Concerned.

For the information and guidance of all concerned, quoted hereunder is the full text of Administrative Order No. 186 issued by the President of the Philippines on July 31, 2007.

"ADMINISTRATIVE ORDER NO. 186

DIRECTING THE CITY ASSESSOR, MUNICIPAL ASSESSOR AND PROVINCIAL ASSESSOR TO ANNOTATE IN ALL TAX DECLARATIONS THE SERIAL NUMBER OF THE CERTIFICATE AUTHORIZING REGISTRATION ISSUED BY THE BUREAU OF INTERNAL REVENUE

WHEREAS, tax collection is always among the top priority measures of the State;

WHEREAS, tax collection in the transfer of real property, due to brisk turnover, is an important source of funding for the government;

WHEREAS, prior to registering any deed and securing a Tax Declaration for registered and unregistered real properties, the Tax Reform Act of 1997 requires the payment of transfer taxes with the Bureau of Internal Revenue (BIR), and tax clearance is manifested by a Certificate Authorizing Registration with a unique serial number;

WHEREAS, Memorandum Order No. 233, dated December 11, 2006, was issued directing the Land Registration Authority, through the concerned Register of Deeds, to annotate in the Transfer Certificate of Title the serial number of the Certificate Authorizing Registration (CAR) issued by the Bureau of Internal Revenue;

WHEREAS, the City, Municipal and Provincial Assessors are the ones cancelling, issuing and revising a Tax Declaration both for registered and unregistered real properties;

WHEREAS, annotating the CAR serial number, not only in the Transfer Certificate of Title, but also in the Tax Declaration, will provide an effective measure to verify and back-check tax payments and ensure that transfer tax payments are paid as a condition precedent to the issuance of a new Tax Declaration by the Local Assessors;

WHEREAS, under the Local Government Code of 1991, the Local Assessors are mandated to establish a systematic method of real property assessment and to ensure that all laws and policies governing the apprais al and assessment of real properties for taxation purposes are properly executed;

WHEREAS, the President, under the Constitution, shall exercise general supervision over local government units to ensure that their acts are within the scope of their prescribed powers and functions.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Additional Annotation Requirement. – The City, Municipal and Provincial Assessors are hereby directed to annotate in all Tax Declarations the serial number of the Certificate Authorizing Registration (CAR) issued by the BIR, the date of its issuance, the Revenue District Office Number of the district office that issued the CAR, the name of the Revenue District Officer who signed the CAR and the taxes paid on each transfer of ownership. This shall be indispensable requirement prior to the issuance of a Tax Declaration by the respective Municipal, City and/or Provincial Assessors.

In case of revaluation and/or changes made in the Tax Declaration, all previous information contained in the previous tax declaration must be annotated at the back of the new tax declaration, including the information contained in the previous CAR.

SECTION 2. Objectives. – This additional annotation requirement shall allow the verification and back-checking of tax payments and shall ensure that transfer tax payments are paid as a precondition to the issuance of a new Tax Declaration.

SECTION 3. Scope. – The additional annotation requirement shall cover all transfers of registered real properties, as well as, unregistered real properties securing a copy of a new tax declaration.

SECTION 4. Announcement to the Public. – The BIR shall post in the BIR website the monthly list of CARs issued, with mention of the CAR number; date of issue; name and number of issuing Revenue District Office; name of the signing Revenue District Officer; name of transferor; name of transferee; land area; land classification; amount of tax; and tax type paid.

SECTION 5. Administrative Penalty. – Failure on the part of the City, Municipal and Provincial Assessors to comply with the directives under this Administrative Order shall make them liable for administrative sanction pursuant to existing laws, rules and regulations.

SECTION 6. Repealing Clause. – All executive issuance, rules and regulations or parts thereof, which are inconsistent with this Administrative Order, are hereby repealed or modified accordingly.

SECTION 7. Effectivity. – This Administrative Order shall take effect fifteen (15) days after its publication in a national newspaper of general circulation.

DONE in the City of Manila, on this 31st day of July in the year of Our Lord, Two Thousand and Seven.

(Original Signed)
GLORIA MACAPAGAL-ARROYO

By the President:

(Original Signed)
EDUARDO R. ERMITA
Executive Secretary"

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

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue