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

October 24, 2012

REVENUE MEMORANDUM CIRCULAR NO. 74-2012

Subject: Violations Committed by Revenue Collection Officers (RCOs) in the Acceptance of Tax Payments of Internal Revenue Taxes

To : All Internal Revenue Officials, Employees and Others Concerned

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It has been observed that a number of RCOs are continuously committing the violations listed below in the acceptance and remittance of tax payments as well as in the manner of their dealing with taxpayers despite the issuance of several Revenue Memorandum Orders (RMOs), Revenue Memorandum Circulars (RMCs), Operations Memoranda (OM), and reminder letters prohibiting the same.

1. Acceptance of tax returns with incomplete information and/or without signature of taxpayer;
2. Acceptance of a single check in payment of taxes due on multiple tax returns/ forms;
3. Acceptance of accommodation checks in payment of the taxpayer's tax liability;
4. Acceptance of late returns/payments without computation/imposition of penalties;
5. Substitution of cash payments received from taxpayers to personal checks upon deposit of collections to Authorized Government Depository Banks (AGDBs);
6. Acceptance of tax payments not only during the authorized specified tax deadlines in areas where there are Authorized Agent Banks (AABs);
7. Acceptance of cash tax payments in excess of the Twenty Thousand Pesos (Php 20,000.00) threshold in areas where there are AABs;
8. Acceptance of out-of-district tax returns;
9. Reservation/accommodation of Revenue Official Receipts (RORs) to preferred taxpayers during tax deadlines;
10. Ante-dating of RORs even if the tax payments are received by the RCOs after the prescribed due dates for such payments;
11. Delayed/Non-remittance of tax collections to AGDBs;
12. Non-issuance/Late issuance of RORs/Official Receipts (ORs) to taxpayers evidencing receipts of tax payments;
13. Issuance of RORs wherein the amount reflected in the original copies released to the paying taxpayers are different from the duplicate and other copies that were used as basis in the recognition of tax collections and deposits to AGDBs;
14. Incomplete accomplishment of RORs in so far as mode of payments made, period covered and kind of tax;

15. Cancellation of RORs issued for legitimate payments without prior validation/approval of the Revenue District Officer (RDO);
16. Non-reporting/Delayed reporting of tax collections; and
17. Discourtesy and disrespect in dealing with taxpayers.

In this connection, this Circular is being issued to reiterate to all concerned officials and employees that the above-mentioned practices are not in accordance with the existing rules and regulations and violate civil service laws, rules, and regulations.

In addition, all RDOs, Supervisors and Section Chiefs are hereby reminded of their responsibilities in the monitoring of all the RCOs under their respective jurisdiction, to ensure that all the activities they undertake are in accordance with the existing rules, policies and regulations; and that the tax collections received are fully reported, accounted for, deposited intact and on time, pursuant to the existing guidelines and procedures.

Furthermore, all RDO/Head of Offices, Supervisors and RCOs are hereby reminded of the following penalties/sanctions prescribed under existing issuances and civil service laws, rules, and regulations in case of above mentioned infractions:

1. Section 52 (A) Rule IV of the Uniform Rules on Administrative Cases in the Civil Service:

   "The following are grave offenses with their corresponding penalties:
   1. Dishonesty
      1st offense – Dismissal
   2. Gross Neglect of Duty
      1st offense – Dismissal
   3. Grave Misconduct
      1st offense – Dismissal"

   Dishonesty is the concealment or distortion of truth in a matter of fact relevant to one's office as connected with the performance of his duties, or an absence of integrity, disposition to betray, cheat, deceive or defraud, and there is bad faith (CSC Resolution No 96-1392 dtd. February 23, 1996; Moreno, Philippine Law Dictionary, Third Edition); Gross Neglect of Duty is characterized by want of even the slightest case, or by cautious indifference to the consequences, or by flagrant and palpable breach of duty (Brucal vs. Desierto, 501 Phil. 453); Misconduct is a transgression of some established and definite rule of action, more particularly unlawful behavior or gross negligence by a public officer. The misconduct is grave if it involves any of the additional elements of corruption, willful intent to violate the law or disregard of established rules. (Valera vs. Ombudsman, G.R. No. 167278, February 27, 2008)

2. Chapter IV-Other Penal Provisions, Section 275. Violation of other Provisions of this Code or Rules or Regulations in General of the Tax Code of 1977, as amended:

"Any person who violates any provision of this Code or any rule or regulation promulgated by the Department of Finance, for which no specific penalty is provided by law, shall, upon conviction for each act or omission, be punished by a fine of not more than one Thousand pesos (P1,000.00) or suffer imprisonment of not more than six (6) months, or both."

3. Revised Code of Conduct for Revenue Officials and Employees dated June 11, 2010:

   a. Section 11. Enforcement of BIR Policies and Programs:

      "Every Revenue Official or Employee shall endeavor to implement the BIR's policies and programs promptly, conscientiously, efficiently and effectively, and should do his/her part in supporting the BIR's efforts to attain its goals and objectives. Moreover, he/she is expected to be familiar with the Mission and Vision statements of the BIR.

      Non-compliance therewith shall be considered as inefficiency and incompetence in the performance of the Official Duties and shall constitute a Grave Offense."

   b. Section 12. Responsibility as Head of Office:

      "Every Revenue Official who is a Head of Office shall be held fully accountable for his/her decisions and actions. Similarly, he/she shall be liable for the acts, conduct and/or behavior of those under his/her jurisdiction/supervision, if it is proven that he/she has knowledge of, ought to have known of, such acts, conduct or behavior. He/She likewise be responsible for upholding and enhancing the efficiency of all BIR personnel under his/her supervision, and shall report in writing to the proper authorities any incidence of neglect of duty, incompetence or malfeasance of which he/she may obtain knowledge, with a statement of all the facts and/or any evidence relating to each case.

      He/She shall also ensure that all pertinent issuances affecting the enforcement of the National Internal Revenue Code and its implementing rules are faithfully complied with and enforced by the BIR personnel under his/her supervision.

      Non-compliance therewith shall be considered Simple Neglect of Duty and shall constitute a Less Grave Offense."

   c. Section 17. Maintenance of Good Public Relations:

      All Revenue Officials and Employees are expected to uphold good public relations in the discharge of their official duties. A Revenue Official/Employee should conduct himself/herself in a manner that will enhance public respect and confidence. Fair, impartial, effective and efficient dealing with the taxpayers and the general public should be upheld without any fear or favor.

Non-compliance therewith shall be considered as Gross Discourtesy in the Discharge of Official Functions and shall constitute a Less Grave Offense."

d. Section 43. Classification of Offenses of the Revised Code of Conduct for Revenue Officials and Employees:

   Inefficiency and incompetence in the performance of official duties:

   1st Offense, Suspension for six (6) months and one (1) day to one (1) year
   2nd Offense, Dismissal

   Simple Neglect of Duty:

   1st Offense-Suspension (1 month, 1 day to 6 months)
   2nd Offense, Dismissal, and

e. Section 44. Additional Circumstances as Grounds for Administrative Disciplinary Action with their Corresponding Penalties

   Discourtesy in the discharge of official functions:

   1st Offense, Reprimand
   2nd Offense, Suspension for one (1) to thirty (30) days
   3rd Offense, Dismissal

In view of all the foregoing, you are therefore, hereby reminded that all your actions must be in strict compliance with the existing rules and regulations; otherwise the abovementioned penalties/sanctions shall be strictly enforced.

All internal revenue officers and other concerned are enjoined to give this Circular as wide a publicity as possible.

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

J-1