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

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3:00 pm
SEP 22 2023
CORDOVA
RECORDS MGT. DIVISION

SEP 2 2 2023

REVENUE MEMORANDUM CIRCULAR NO. 97-2023

SUBJECT : Tax Compliance Reminders to All Candidates and Other Participants in Any National or Local Elections, Including Barangay or Sangguniang Kabataan (SK) Elections

TO : All Internal Revenue Officers and Others Concerned

This Circular is being issued relative to Revenue Regulations (RR) No. 8-2009 and Revenue Memorandum Circular (RMC) No. 31-2019 to remind everyone, particularly those who are running as candidates or participating in any other manner in any national or local elections in the country, including Barangay or SK elections, of their obligations under pertinent revenue issuances.

Q1: Is it necessary for individuals filing a certificate of candidacy for national or local elections, including Barangay or SK elections, to register with the BIR and pay the corresponding registration fee?

A1: No. BIR registration and payment of registration fee are not prerequisites for filing a certificate of candidacy for any national or local elections, including Barangay or SK elections. A candidate ***may****, however, register with the BIR as taxpayer under E.O. 98 using BIR Form No. 1904 to get a Taxpayer Identification Number (TIN) which he or she may use in government transactions. He or she shall not be required to pay the annual registration fee.*

Q2: If candidates become involved in business or accept donations and make campaign-related purchases or other financial activities after filing their candidacy, what BIR-related requirements should they do?

A2: Candidates who later engage in business, have purchased goods and/or services for the campaign and election activities, have received donations and campaign contributions, or, in general, have income payments subject to withholding tax, must register or update their BIR registration details with the RDO where such candidate is registered and pay the corresponding registration fee.

Q3: What is the obligation of a candidate, political party, or contributor in relation to its campaign related income payments?

A3*: Income payments made by political parties and candidates of any national and local elections, including Barangay and SK elections, on all their purchase of goods and services related to campaign expenditures, and income payments*

made by individuals or juridical persons for their purchases of goods and services intended to be given as campaign contributions to political parties and candidates shall be subject to five percent (5%) creditable withholding tax pursuant to RR No. 11-2018.

Q4: What records should all candidates maintain?

A4: All candidates must maintain a record of contributions, donations, and expenditures, which will be used for the Statement of Contributions and Expenditures submitted to COMELEC pursuant to RR No. 8-2009.

Q5: If candidates receive donations or campaign contributions, what are the required documentation?

A5: All candidates receiving donations and campaign contributions shall purchase from the RDO where they are registered, the Non-VAT BIR Printed Receipts to be issued for every contribution in cash or in kind. For contribution in kind, it shall be valued at fair market value.

Q6: Are there penalties for non-compliance with BIR requirements?

A6: All candidates who fail to register and comply with the requirements of the BIR will be subjected to penalties under existing laws and issuances.

All revenue issuances inconsistent herewith are hereby repealed or amended accordingly.

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

This Circular shall take effect immediately.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
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