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

May 7, 2012

REVENUE MEMORANDUM ORDER NO. 11-2012

TO : **All Revenue Officials and Employees Concerned**

SUBJECT : **Further Amending Revenue Memorandum Order (RMO) No. 4 - 2012, Due to the Adjustments in the Allocation of CY 2012 BIR Collection Goal by Implementing Office Affected by Delisting/Enlisting of Taxpayers and Updates in the CY 2011 Collection Data**

I. Objective

This Order is issued to amend RMO No. 4-2012 due to adjustments in the goal allocation by implementing office affected by the updates in CY 2011 collection data, corrections in the goal attributed to selected delisted taxpayers from the Revenue Regions effective January 1, 2012 and taking into consideration the compliance of the Large Taxpayers Service (LTS) to Section IV (A) of RMO No. 4-2012.

II. General Policies and Guidelines

Herein are the policies and guidelines in the revision of the goal allocation methodology used in the computation of the final goal for the implementing offices.

A. Data Used

1. CY 2011 actual collection by GFS Classification format based on BIR Form No. 1209 reports submitted to Statistics Division (SD) as of May 4, 2012

2. Refinements for CY 2011 Collections:

   a. Special Taxes: Tax on Government Securities, Travel Tax, and Excise Taxes for CY 2011 per BIR Form No. 1209 report as of May 4, 2012;

b. CY 2011 collections from non-recurring transactions where each single transaction accounts for at least 10% of the region's total collection in a particular month, per updated report of implementing offices as of May 4, 2012. Only fifty percent (50%) of the actual amount will be considered as refinement;

c. CY 2011 regular Corporate Income Tax Collections from MALAMPAYA per Large Taxpayer Excise Audit Division II report, as of February 28, 2012;

d. CY 2011 Bangko Sentral ng Pilipinas (BSP) remittance of final withholding tax (FWT) on interest due from domestic borrowings under the reverse repurchase agreements (RRPs) and other similar transactions per BIR Form 1209 report submitted by RR 6-Manila as of March 20, 2012; and

e. CY 2011 collections from Tax Remittance Advice (TRA) per BIR Form No. 1209 report as of May 4, 2012.

3. Other Data Considered:

a. Economic assumptions / indicators provided in the BESF (Annex A);

b. Goal by major tax type culled from the abovementioned BESF;

c. CY 2012 program on the volume of issuance of government securities and corresponding taxes (final withholding tax and documentary stamp tax) as provided by the Bureau of the Treasury (BTr);

d. Summary of 20% final withholding tax on domestic borrowings withheld and remitted to BIR, CY 2009 – 2011 as provided by BSP;

e. CY 2011 collection from other BSP tax collections (i.e., non-FWT) based on the report submitted by RR 6-Manila as of March 20, 2012;

f. CY 2011 collections from the 34 corporate taxpayers enlisted to LTS effective January 1, 2012 based on Integrated Tax Systems generated report received by SD dated February 22, 2012; and

g. CY 2012 total monthly goal per RMO No. 4-2012.

B. Goal Allocation Methodology

1. Goal Allocation by Implementing Offices/Revenue Districts/Implementing Units

a. The total monthly allocation of CY 2012 goal per RMO 4-2012 was retained.

b. The preliminary total goal on BIR Operations was allocated to all implementing offices based on their CY 2011 percent share to total collections that was subjected to refinements. The revised CY 2012 total goal by implementing office is shown in Annex B;

c. CY 2012 goal on BSP FWT remittance was estimated by SD based on actual BSP collections and corporate income withholding tax at source CY 2011 growth (GFS report as of February 29, 2012);

d. The following taxes are directly allocated to the Large Taxpayers Service:
   i. Goal on Excise taxes amounting to ₱ 71.096 billion was allocated to the LT Excise group;
   ii. Income tax goal of ₱ 9.185 billion on MALAMPAYA; and
   iii. Estimated goal on BSP-FWT in the amount of ₱ 19.946 billion;

e. The CY 2012 TRA Goal per RDO/implementing unit was estimated by applying the three-year average (CY 2009-2011) TRA national growth rate to CY 2011 TRA collections;

f. RDO target was set to effect a growth rate range between 17% - 20% (i.e., not lower than 17% but not higher than 20%) from CY 2011 actual refined collections such that LTS gets an approximate share of 65% and the revenue regions share of 35%;

g. The total monthly goal allocation by implementing office for January – April, 2012 per RMO No. 4-2012 was retained.

2. Goal Allocation by Major Tax Type and Month (May – December, 2012)

The total goal allocation by major tax type was allocated proportionately using the actual May to December, 2011 collections. See Annex C.

Adjustments were reflected in the May – December, 2012 goal using the monthly trend of actual CY 2011 collections reported by the implementing offices. See Annexes D-1 to D-6.

III. Attachments

The following are Annexes A to E for your reference:

Annex A	Macroeconomic Assumptions and Collection Goal By Major Tax Type, CY 2012
Annex B	Revised Collection Goal Allocation By Implementing Office, CY 2012
Annex C	Revised Total Collection Goal Allocation By Implementing Office and Major Tax Type, CY 2012
Annex D-1	Revised Monthly Collection Goal For Income Taxes By Implementing Office, CY 2012
Annex D-2	Revised Monthly Collection Goal Allocation For Excise Taxes By Implementing Office, CY 2012
Annex D-3	Revised Monthly Collection Goal Allocation For Value-Added Tax By Implementing Office, CY 2012
Annex D-4	Revised Monthly Collection Goal Allocation For Percentage Taxes By Implementing Office, CY 2012
Annex D-5	Revised Monthly Collection Goal Allocation For Other Taxes By Implementing Office, CY 2012
Annex D-6	Revised Monthly Total Collection Goal Allocation By Implementing Office, CY 2012
Annex E	Monthly Collection Goal By Major Tax Type, CY 2012

IV. Requirements

A. The Large Taxpayers Service shall allocate its goal to the corresponding implementing units within five (5) working days upon receipt of this memorandum and prepare the corresponding issuance. The same shall be submitted to the Policy and Planning Service for evaluation.
B. The assigned goal of the implementing units/revenue district offices shall further be allocated to its concerned personnel. The manner or methodology of the goal allocation to individuals shall be based on a separate issuance to follow.

V. Repealing Clause

This Order supersedes RMO No. 4-2012 and other issuances or portions thereof inconsistent herewith.

VI. Effectivity

This Order takes effect immediately.

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

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