REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

June 4, 2004

REVENUE MEMORANDUM ORDER NO. 25-2004

SUBJECT: EXTENSION OF THE CENTENNIAL TAXPAYERS RECOGNITION PROGRAM (CTRP) UP TO JUNE 30, 2004 AND EXPANSION OF THE PROGRAM TO COVER TAXPAYERS USING FISCAL YEAR REPORTING ENDING JANUARY 31, 2004.

T O: All Taxpayers and Revenue Officer Employees and Others Concerned

---

I. BACKGROUND:

Several District Officers called attention to the readiness of some taxpayers to make additional payments to qualify as CTRP awardees and be accorded last priority in audit. Said taxpayers, unclear as to the meaning of certain issuances consequently failed to meet the qualification standards as of the close of office hours of 31 May 2004. Following the agreement during the 2nd Regional Directors Conference of 2004, an RMO that would allow for late payments and qualification for CTRP participation for a limited period is hereby issued.

II. OBJECTIVES:

1. To maximize revenue generation from the CTRP.

2. To differentiate the treatment of those who already complied with the qualification standards on or before 31 May (Early Qualifiers) from those who did so after (Late Qualifiers) and attain a measure of fairness in the treatment between the two.

III. QUALIFYING STANDARDS FOR LATE QUALIFIERS:

In addition to fulfilling the qualification required to become a CTRP awardee provided under previous issuances, the taxpayer who will meet all the qualifications below may still be qualified as CTRP awardee and accorded last priority in audit:

1. Make a CTRP voluntary payment to cover the shortfall required to attain the growth rate in income tax payment for CTRP awardees, plus an interest rate of 20% per annum computed daily from 1 June 2004 to date of actual payment, which in no case shall be later than 30 June

2004. (This CTRP voluntary payment shall be referred to as "VA1"), and

2. Make a CTRP voluntary payment not lower than 1% of tax due for their annual income tax for tax year 2003 and income tax for the 1st quarter of tax year 2004, plus an interest rte of 20% per annum computed daily from 1 June 2004 to date of actual payment, which in no case shall be later than 30 June 2004. (This CTRP voluntary payment shall be referred to as "VA2".

IV. MECHANICS:

1. Late Qualifiers CTRP Participation Forms should be filed with all necessary attachments on or before June 30, 2004.

2. CTRP Participation Forms should be endorsed by the RDOs showing the validation of CTRP voluntary payments, and compliance with the growth rates/ratio requirements;

3. There must have been no duly authorized enforcement action at the time of participation. This is to thwart those who will apply to participate in CTRP only as a means to escape the enforcement action already started against them.

4. Both the CTRP voluntary payments referred to as VA1 and VA2 inclusive of the 20% per annum interest referred to above shall have been paid on or before 30 June 2004. Thus, an example, a CTRP voluntary payment of P1,000,000 to be paid on June 30, 2004 will amount to P1,017,000 (P1,000,000 * 101.7%).

V. ADDITIONAL FISCAL YEAR TAXPAYERS:

In addition to the fiscal year periods mentioned in RMO No. 14-2004, the following fiscal year 2003 period have been added, to wit:

Beginning	Ending
February 1, 2003	January 31, 2004

Taxpayers following the above-mentioned fiscal period are to observe the CTRP rules and regulations subject to the mechanics mentioned in this Order EXCEPT for the rule on monthly incremental to be added on the CTRP Voluntary Payment. Thus, taxpayers following the fiscal period mentioned above may pay their CTRP Voluntary Payments without any monthly incremental.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue