REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

December 12, 2007

REVENUE MEMORANDUM ORDER NO. 39-2007

SUBJECT: Issuance of Warrants of Distraint and Garnishment, and/or Levy on Disputed Assessments Finally Decided by the Bureau Against the Taxpayer on Assessments Upheld by the Court of Tax Appeals

TO: All Internal Revenue Officers and Others Concerned

I. LEGAL PROVISIONS

Under Section 11 of R.A. No. 1125, as amended by R.A. No. 9282, no appeal taken to the Court of Tax Appeals (CTA) from the decision of the Commissioner of Internal Revenue on a disputed assessment shall suspend the payment, levy, distraint, and/or sale of any property of the taxpayer for the satisfaction of his tax liability, unless the CTA suspends the collection under certain conditions. Also, under Section 13 of said law, upon the issuance of any ruling, order or decision of the CTA favorable to the national government, the CTA shall issue an order authorizing the Bureau of Internal Revenue to seize and distraint any goods, chattels, or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interests in and rights to personal property and/or levy the real property of the taxpayer in sufficient quantity to satisfy the tax together with any increment thereto incident to delinquency. Moreover, under Section 218 of the Tax Code, no court (except the CTA) shall have the authority to grant an injunction to restrain the collection of any national internal revenue tax, fee or charge imposed by said Code.

II. SCOPE

This Memorandum Order covers the following:

1. Disputed assessments finally decided by the Commissioner or Regional Director, as the case may be, against the taxpayer.

2. Assessments upheld by the CTA in Division whether or not appealed to the CTA En Banc, or upheld by the CTA En Banc whether or not appealed to the Supreme Court.

III. ISSUANCE AND SERVICE OF WARRANTS OF DISTRAINT AND GARNISHMENT, AND/OR LEVY

Upon issuance by the Commissioner or Regional Director of the final decision on the disputed assessment against the taxpayer or upon issuance by the CTA in Division or En Banc of its decision upholding the assessment, Warrants of Distraint and Garnishment, and/or Levy shall forthwith be immediately issued and served.

IV. EFFECTIVITY

This Order takes effect immediately.

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