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

December 7, 2007

REVENUE MEMORANDUM ORDER NO. 40-2007

SUBJECT : Further Amending Pertinent Provisions of Revenue Memorandum Order (RMO) No. 57-2000, as Amended by RMO 20-2002 and RMO 35-2007, Relative to the Effect of Lifting of Closure Order.

TO : All Internal Revenue Officers and Others Concerned.

I. Objective. – This Order is being issued to further amend certain provisions of RMO No. 57-2000, as amended by RMO 20-2002 and RMO 35-2007, in relation to Section V, Effect of Lifting of Closure Order, in order to update the rates specified for business tax to be considered as compliant for recommendation of the lifting of the closure order, as it was observed that these were no longer attuned to the prevailing economic circumstances at this time.

II. Amendatory Provisions. – Pertinent portions of Section V of RMO 57-2000, as renumbered and amended by RMO 20-2002, is hereby further amended to read as follows:

> **"V. Effect of Lifting of Closure Order. -** xxx xxx xxx
> (1) xxx xxx xxx
> (2) xxx xxx xxx
> (3) xxx xxx xxx
> (4) xxx xxx xxx
>
> If there is no 100% compliance with the tentative figures but the taxpayer partially complies by amending returns which amended figures are based on the ratio and percentages reflected in the original returns filed, such compliance shall still be recommended for the issuance of the written order of lifting of the closure order, provided that the tax payments in the amended returns filed or on returns initially filed, in case of no previously filed returns, for business tax shall not be less than the following:
>
> (a) In case of seller of service, **five percent** (5%) of gross receipts based on the tentative gross receipts as found by the BIR; or

(b) In case of seller of goods, **three percent (3%)** of gross sales except for sellers engaged in the grocery and/or pharmaceutical business stores where the minimum amount of tax payment shall be not less than **one percent (1%)** of gross sales, based on the tentative gross sales as found by the BIR.

xxx xxx xxx."

III. **Transitory Provision.** – For closure cases initiated prior to the issuance of this Order but whose disposition have remained pending as of its effectivity, the pertinent provisions herein shall apply to the remaining stages. Thus, in a closure case where the action left to be done prior to the effectivity of this Order is the lifting thereof, the provisions relative to the lifting of the closure order and other procedures to be performed thereafter are herein provided shall be observed.

IV. **Effectivity.** – This Order shall take effect immediately.

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