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

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RECORDS MGT. DIVISION

January 28, 2021

REVENUE MEMORANDUM ORDER NO. 7-2021

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

SUBJECT: **CY 2021 BIR Collection Goal Allocation, By Implementing Office**

I. BACKGROUND

The Department of Finance (DOF) has set the Bureau of Internal Revenue's CY 2021 overall collection goal at P 2,081.161 Billion. This collection goal which is based on the CY 2021 Medium Term Revenue Program (MTRP) dated December 2020, is higher than the CY 2020 collection goal by P395.427 Billion, or 23.46%.

II. OBJECTIVE

This Order is being issued to establish the following:

1. The policies, methodology and guidelines used in the allocation of the CY 2021 Collection Goal; and,
2. The resulting distribution of the collection goal to the Large Taxpayers Service (LTS) and Revenue Regions (RRs), including the Revenue District Offices (RDOs).

III. DEFINITION OF TERMS

A. Collections from Non-BIR Operations – include Final Withholding Tax under Income Taxes and Documentary Stamp Tax collection from government securities transactions

B. Collections from BIR Operations – composed of Income Taxes, Value-Added Tax, Excise Taxes, Percentage Taxes, and Other Taxes generated from transactions not classified as "Non-BIR Operations"

C. Implementing Offices (IOs) – the major BIR collecting offices: LTS, RRs and RDOs

IV. GENERAL POLICIES AND GUIDELINES

The following policies and guidelines were observed relative to the data requirements and goal allocation methodology used in the computation of the final goal for the implementing offices:

A. Data Used

1. The CY 2020 estimated collection, which is the sum of:

   a. The total actual collections for the period January – November, 2020, based on data from the Consolidated Monthly Statistical Report of Revenue Collections (BIR Form No.1209) as updated and validated by the concerned implementing offices with the Research and Statistics Division (RSD) as of January 6, 2021; and

   b. The December 2020 collection goal per RMO 45-2020

2. Data considered as refinements for CY 2020 Collections:

   a. Special Taxes comprising of Taxes on Government Securities and Excise Taxes for CY 2020, per BIR Form No. 1209 reports updated as of January 6, 2021.

   b. Non-recurring transactions from January – December, 2020 where each single transaction accounts for at least ten percent (10%) of a particular Region's / LTS total collections for a specific month, based on figures provided in BIR Form No. 1209 Reports updated as of January 6, 2021.

3. Other Data Considered:

   a. Economic assumptions / indicators provided in the MTRP (Table 1);

   b. Collection Goals, by major tax type, culled from the MTRP;

   c. The CY 2021 program government securities and their corresponding taxes (FWT) as provided in the MTRP. The Documentary Stamp Tax [DST]) goal for Non-BIR Operations based on Bureau of the Treasury (BTr) program as of January 6, 2021.

   d. January – December, 2020 collections from transferred-in/out taxpayers, extracted by ISDOS, ISG from the ITS-CBR, as of January 6, 2021

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C. Goal Allocation Methodology

The CY 2021 Goal for BIR Operations was allocated to all IOs.

1. Goal Allocation by IO

   a. The Refined CY 2020 Collections is the Actual CY 2020 Collections which were refined by taking into account the following:

      a.1 Netting-out the 2020 collections from all Special Taxes;
      a.2 Netting-out the non-recurring collections;
      a.3 Addition/Reduction of CY 2020 collections from transfer-in/out taxpayers;

   b. The Estimated CY 2021 Collections were computed by growing the refined CY 2020 using the collection growth of refined CY 2020 collection vs CY 2021 BIR Operations Goal net from special taxes.

   c. The following taxes have been directly allocated to the LTS:

      d.1 Goal on Excise Taxes amounting to ₱ 331.561 Billion; and
      d.2 VAT on Excisable Products goal of ₱ 4.386 Billion

   d. The Final CY 2021 Goal by IO was computed by adding-up the respective computed figures in Sec. IV.B.1.b and Sec. IV.B.1.c.

2. Goal Allocation by Major Tax Type and Month

   The Final CY 2021 Goals of IOs (Table 5A) were distributed monthly by major tax type based on the following:

   a. The total CY 2021 target allocated to IOs per tax type was aligned with the program in the MTRP; and

   b. The monthly distribution of goal was based on the Refined CY 2019 Monthly Collections with adjustment in monthly collections due to the change in the payment deadlines of the Quarterly Corporate Income Tax (BIR Form 1702Q).

D. Attachments

The following tables are attached for the reference of all concerned revenue officials and personnel:

Table 1	Macroeconomic Assumptions and Collection Goal By Major Tax Type, CY 2021
Table 2	Monthly BIR Collection Goal By Major Tax Type, CY 2021

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Table 3	Total Collection Goal Allocation By Implementing Office, CY 2021
Table 4	Total Collection Goal Allocation By Implementing Office and Major Tax Type, CY 2021
Table 5A	Monthly Total Collection Goal by Implementing Office, CY 2021
Table 5B	Monthly Collection Goal For Income Taxes By Implementing Office, CY 2021
Table 5C	Monthly Collection Goal Allocation For Excise Taxes By Implementing Office, CY 2021
Table 5D	Monthly Collection Goal Allocation For Value-Added Tax By Implementing Office, CY 2021
Table 5E	Monthly Collection Goal Allocation For Percentage Taxes By Implementing Office, CY 2021
Table 5F	Monthly Collection Goal Allocation For Other Taxes By Implementing Office, CY 2021

E. Other Requirements

1. The LTS shall allocate its collection goal among its divisions, and prepare the corresponding memorandum within five (5) working days upon the issuance of this Order; and

2. The Deputy Commissioner for Operations Group and the Assistant Commissioner of LTS shall provide the Deputy Commissioner for Resource Management Group the individual goal allocation of the concerned personnel assigned in the implementing units under their respective jurisdictions, *not later than March 1, 2021.*

V. EFFECTIVITY

This Order takes effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

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