REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAGAWARAN NG RENTAS INTERNAS
Quezon City

August 5, 2010

REVENUE MEMORANDUM ORDER NO. 75-2010

SUBJECT: GUIDELINES AND PROCEDURES IN THE PREPARATION AND SUBMISSION TO THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) OF THE CERTIFICATION OF EXCISE TAX COLLECTIONS FROM MINERALS, MINERAL PRODUCTS AND QUARRY RESOURCES AND THE CORRESPONDING 40 % SHARE OF LOCAL GOVERNMENT UNITS (LGUs) THEREFROM PURSUANT TO THE LOCAL GOVERNMENT CODE

TO: ALL INTERNAL REVENUE OFFICIALS, EMPLOYEES AND OTHERS CONCERNED

I. OBJECTIVES

This Order is issued to:

1. Facilitate the processing of the claims of concerned LGUs of their 40% share in the excise taxes collected by the Bureau from minerals, mineral products and quarry resources pursuant to Section 290 of Republic Act (RA) No. 7160 (1991 Local Government Code), in relation to Section 287 of the National Internal Revenue Code (NIRC) of 1997, as amended.

2. Issue a Joint Certification of excise taxes collected from minerals, mineral products and quarry resources with the corresponding share of LGUs in a timely manner, in accordance with the provisions of Joint Circular No. 2009-1 dated March 31, 2009.

3. Delineate the responsibilities of the different offices for purposes of compliance with the abovementioned Joint Circular.

II. POLICIES

1. The Large Taxpayers Service (LTS) and Revenue District Office (RDO) shall issue a certification on the excise taxes collected on minerals, mineral products and quarry resources from the large taxpayers and the mining quarry site under the jurisdiction of the respective RDOs thru Authorized Agent Banks (AABs) and Revenue Collections Officers (RCOs). These certifications shall be submitted to the Revenue Accounting Division (RAD) within thirty (30) days after the close of each month.

2. The "Joint Certification" required by the DBM as their basis for the release of the share of LGUs for excise taxes collected on minerals, mineral products and quarry resources shall be prepared by the Revenue Accounting Division (RAD) on a quarterly basis.

3. The LTS and the concerned RDOs must properly identify the sites where these mineral products were extracted so that the 40% LGUs' shares can be released by the Department of Budget and Management (DBM) to the appropriate LGUs.

4. In case collections were not captured in the quarter when the certifications are due, these should be included in the certifications to be issued for next/succeeding quarter(s).

III. GUIDELINES AND PROCEDURES

1. The Large Taxpayers Service (LTS) and Revenue District Office (RDO) shall:

   1.1 Maintain the database of all taxpayers liable to pay the excise taxes pursuant to Section 151 of the NIRC, as amended;

   1.2 Determine the amount of excise taxes collected from minerals, mineral products and quarry resources on a monthly basis;

   1.3 Prepare duly accomplished certification of collections received thru AABs (Annex "A") and Revenue Official Receipts (RORs) (Annex "B") as verified from the taxpayers' database, the monthly collection report, and the certification issued by the Regional Finance Division;

   This certification of excise tax collections shall be distributed as follows:

   Original copy – To RAD
   Duplicate copy – To Finance Division (for RDOs only)
   Triplicate copy – Issuing Office file copy

   1.4 Act on discrepancies in excise tax collections referred by the RAD for resolutions/actions within ten (10) days from receipt of the said referral. Provide RAD with additional documentations/proofs to support those tax collections from Excise Mineral Products (XM) that were erroneously encoded in the Integrated Tax System (ITS) under different tax type(s) other than XM, as viewed in the BIR Bank Reconciliation System Payment Information; and

   1.5 Submit to RAD the monthly certification of excise tax collection from minerals, mineral products and quarry resources made within thirty (30) days after the close of each month together with the following attachments for excise tax collections received thru RORs:

a) Certification of remittances issued by the Chief, Finance Division;

b) List of Deposited Collection(s); and

c) Deposit Slip(s)

2. The Finance Division (FD) shall:

2.1 Receive request from LTS and/or concerned RDOs for the issuance of certification of excise tax collections from minerals, mineral products and quarry resources received thru RORs;

2.2 Verify from all available records if the excise tax collections are actually deposited by the RCOs with Authorized Government Depository Banks (AGDBs) and subsequently remitted to the Bureau of the Treasury (BTr);

2.3 Issue certification that the excise tax collections were remitted to the BTr thru the depository banks; and

2.4 Forward the certification of excise tax collections to the LTS and/or concerned RDOs, together with the certified true copy/ies of Remittance Advice, List of Deposited Collection(s) and Deposit Slip(s).

3. The Revenue Accounting Division (RAD) shall:

3.1 Receive from LTS and/or concerned RDOs the certifications of excise tax collections on a monthly basis, together with all the required attachments;

3.2 Consolidate LTS and RDOs' reports and ensure that there are no double reporting of excise tax collections;

3.3 Verify if the complete extraction sites of minerals, mineral products and quarry resources are properly identified;

3.4 Validate the accuracy of the reports of excise tax collections thru AABs submitted by the LTS and/or concerned RDOs from the ITS.

In case there are noted discrepancies, communicate the same to the LTS and/or concerned RDOs for their appropriate action;

3.5 Identify the BTr- Journal Entry Voucher (BTr – JEV) that corresponds to the reported excise tax collections;

3.6 Prepare and issue a Joint Certification with the BTr on the excise tax collection on minerals, mineral products and quarry resources and the corresponding 40% share of LGUs, based on the prescribed policy on distributions:

i) Where the natural resources are located in the province:

Province	-	20%
City/Municipality	-	45%
Barangay	-	35%

ii) Where the natural resources are located in a highly urbanized or independent component city:

City/Municipality	-	65%
Barangay	-	35%

3.7 Forward to the Collection Service the Joint Certification for signature by the Assistant Commissioner (ACIR);

3.8 Receive the signed Joint Certification from the Collection Service to be forwarded to the BTr; and

3.9 Transmit to the BTr the Joint Certification for confirmation of tax remittances within the following time tables:

Period	BIR Submission of Joint Certification to BTr
1st Quarter Collection	June 15 of the current year
2nd Quarter Collection	September 15 of the current year
3rd Quarter Collection	December 15 of the current year
4th Quarter Collection	March 15 of ensuing year

4. Collection Service

4.1 Receive from RAD the Joint Certification for review, approval and signature by the ACIR;

4.2 Forward to RAD the signed Joint Certification.

IV. TRANSITORY PROVISION

For excise tax collections from minerals, mineral products and quarry resources pertaining to Calendar Years (CYs) 2006 and prior years, the provisions of Revenue Memorandum Order (RMO) No. 25-93 dated April 14, 1993 shall still apply. However, for excise taxes collected during CYs 2007-2008 which have not yet been included in the previous Certifications that were already issued, the same shall be processed pursuant to the provisions of this RMO.

V. REPEALING CLAUSE

This supersedes all other existing revenue issuances or any portion thereof inconsistent with this Order.

VI. EFFECTIVITY

This Order shall take effect immediately.

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

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