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

RECEIVED
9:07 A.M.
MAY 28 2020
RECORDS MGT. DIVISION

January 30, 2020

REVENUE REGULATIONS NO. 14-2020

SUBJECT : Amending the Pertinent Provisions on Cash Conversion of Unutilized Tax Credit Certificate under Revenue Regulations No. 5-2000

TO : All Internal Revenue Officials, Employees and Others Concerned

---

BACKGROUND

As defined by Revenue Regulations No. 5-2000, the amount reflected in a Tax Credit Certificate (TCC) represents the amount due to a taxpayer resulting from an overpayment of a tax liability or erroneous payment of a tax due. A TCC may be applied for by the taxpayer instead of filing a claim for refund with the Bureau of Internal Revenue (BIR). It may be used as payment of any tax liability by way of applying for Tax Debit Memo (TDM) or may be converted into cash, in case the taxpayer-owner has no longer use for it.

While TCCs, thru the TDMs, are used in payment of internal revenue taxes, it is not generally recognized as actual tax collections because it does not represent the real or true yield of the taxes prescribed and sought to be generated by the Tax Code. The attainment of targeted collections from any tax initiative, whether thru legislative or administrative, should be measured by the amount of cash actually collected by the BIR. Thus, the need for this Regulations in order to achieve this objective.

SECTION 1. SCOPE. – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to amend the pertinent provisions of Section 5.b) under Revenue Regulations (RR) No. 5-2000, re: Prescribing the Regulations Governing the Manner of the Issuance of Tax Credit Certificates, and the Conditions for their Use, Revalidation and Transfer.

SEC. 2. AMENDATORY PROVISIONS. – The pertinent provisions of Section 5.b) under RR No. 5-2000 are hereby amended and shall be read as follows:

"SEC. 5. PERIOD OF VALIDITY, CONVERSION AND REVALIDATION.

a) **Validity Period.** – xxx

b) **Conversion Period.** – Any request for conversion into cash refund of unutilized tax credits may be allowed during the validity period of the TCC. Provided, however, that the original copy of the Tax Credit Certificate showing a creditable balance is surrendered to the Asst. Commissioner, Collection Service or other duly authorized Revenue Officer for verification and cancellation. Provided, further, that a refund check or treasury warrant issued in accordance with the pertinent provisions of the Tax Code of 1997, *as amended,* which shall remain uncashed or unclaimed within five (5) years from the date of issue, mailing or delivery, whichever comes later, shall be

forfeited in favor of the Government and the amount thereof shall revert to the general fund.

Provided, furthermore, that, any TCC which remains unutilized for more than one (1) year at any given interval of time during its validity shall be converted into cash with prior written notice by the BIR, subject to the availability of funds in accordance with the procedural requirements that will be issued by the BIR for this purpose.

c) **Revalidation Period.** – xxx

SEC. 3. TRANSITORY PROVISIONS. – All TCCs which are already expired upon the effectivity of this Regulations shall be automatically cancelled by the BIR, except those TCCs which are with the BIR, for purposes of utilization thru TDM, conversion or revalidation, before the expiration of their respective dates of validity: *Provided*, however, That the list of expired TCCs and names of its taxpayers-owners shall be circularized/posted with the BIR's official website, within thirty (30) days from the date of effectivity of these Regulations. The said circular or posting of the list is deemed a sufficient notice to the concerned taxpayer-owner of the TCC.

SEC. 4. REPEALING CLAUSE. – All revenue issuances inconsistent with the provisions of these Regulations are hereby amended, modified or repealed accordingly.

SEC. 5. EFFECTIVITY. – The provisions of these Regulations shall take effect after fifteen (15) days immediately following the date of publication thereof in any newspaper of general circulation.

CARLOS G. DOMINGUEZ III
Secretary of Finance

MAR 0 6 2020

Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue

032626

J-5

BUREAU OF INTERNAL REVENUE
RECEIVED
9:07 A.M.
MAY 28 2020
RECORDS MGT. DIVISION