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

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 08 2019
2:25 pm
RECORDS MGT. DIVISION

Date APR 05 2019

# REVENUE REGULATIONS NO. 4-2019

**SUBJECT:** Implementing Rules and Regulations of Republic Act No. 11213, Otherwise Known as the "Tax Amnesty Act", Providing for the Guidelines on the Processing of Tax Amnesty Application on Tax Delinquencies

**TO** : All Revenue Officers and Others Concerned

---

**SECTION 1. SCOPE**. Pursuant to the provisions of Section 244 in relation to Section 245 of the 1997 Tax Code, as amended, and Section 27 of Republic Act (RA) No. 11213, these Regulations are hereby promulgated to implement the provisions on Tax Amnesty on Delinquencies under Title IV of the Tax Amnesty Act.

**SECTION 2. DEFINITION OF TERMS**. For purposes of these Regulations, the words used herein shall be defined as follows:

A. **Delinquent Account** - shall pertain to a tax due from a taxpayer arising from the audit of the Bureau of Internal Revenue (BIR) which had been issued Assessment Notices that have become final and executory due to the following instances:

1. Failure to pay the tax due on the prescribed due date provided in the Final Assessment Notice (FAN)/Formal Letter of Demand (FLD) and for which no valid Protest, whether a request for reconsideration or reinvestigation, has been filed within thirty (30) days from receipt thereof;

2. Failure to file an appeal to the Court of Tax Appeal (CTA) or an administrative appeal before the Commissioner of Internal Revenue (CIR) within thirty (30) days from receipt of the decision denying the request for reinvestigation or reconsideration; or

3. Failure to file an appeal to the CTA within thirty (30) days from receipt of the Decision of the CIR denying the taxpayer's administrative appeal to the Final Decision on Disputed Assessment (FDDA).

B. **Assessment Notice** – refers to a notice issued to a taxpayer stating the amount and basis of the deficiency tax assessed. This term includes FAN/FLD and FDDA;

C. **Basic Tax Assessed** – The term refers to any of the following:

1. Tax due shown on the Assessment Notice, net of any basic tax paid prior to the effectivity of these Regulations, exclusive of civil penalties;

2. The computed basic tax liabilities as shown in the criminal complaint filed by the BIR with the Department of Justice (DOJ)/ Prosecutor's Office or in the information filed in the Courts for violations of tax laws and regulations; and

3. The basic tax liabilities as per Court's final and executory decision.

D. **Criminal Cases** – refer to cases involving crimes and other offenses defined and enumerated under Chapter II of Title X and Section 275 of the 1997 Tax Code, as amended.

E. **Withholding Agent** – is a person required to withhold, account for, and remit within the prescribed period any tax imposed by the 1997 Tax Code, as amended.

**SECTION 3. COVERAGE.** All persons, whether natural or juridical, with internal revenue tax liabilities covering taxable year 2017 and prior years, may avail of Tax Amnesty on Delinquencies within one (1) year from the effectivity of these Regulations, under any of the following instances:

A. Delinquent Accounts as of the effectivity of these Regulations, including the following:

1. Delinquent Accounts with application for compromise settlement either on the basis of (a) doubtful validity of the assessment or (b) financial incapacity of the taxpayer, whether the same was denied by or still pending with the Regional Evaluation Board (REB) or the National Evaluation Board (NEB), as the case may be, on or before the effectivity of these Regulations;

2. Delinquent Withholding Tax liabilities arising from non-withholding of tax; and

3. Delinquent Estate Tax liabilities.

B. With pending criminal cases with the DOJ/Prosecutor's Office or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the Tax Code, as amended, with or without assessments duly issued;

C. With final and executory judgment by the courts on or before the effectivity of these Regulations; and

D. Withholding tax liabilities of withholding agents arising from their failure to remit withheld taxes.

SECTION 4. TAX AMNESTY RATES. The tax amnesty rates shall be as follows:

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 08 2019
2:25 pm
RECORDS MGT. DIVISION

| | |
|---|---|
| A. Delinquent accounts and assessments which have become final and executory | 40% of the basic tax assessed |
| B. Tax cases subject of final and executory judgment by the courts | 50% of the basic tax assessed |
| C. Pending criminal cases filed with the DOJ/Prosecutor's Office or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the Tax Code, as amended | 60% of the basic tax assessed |
| D. Withholding agents who withheld taxes but failed to remit the same to the Bureau | 100% of the basic tax assessed |

The tax amnesty rate of one hundred percent (100%) provided in letter (D) shall apply in all cases of non-remittance of withholding taxes, even if the same shall fall under letters (A), (B) or (C) above.

In cases where the delinquent taxes have been the subject of application for compromise settlement pursuant to Section 204 of the Tax Code, whether denied or pending, the amount of payment shall be based on the net basic tax as certified by the concerned office following the procedure under Section 5(C) of these Regulations.

**Illustration 1:**

**With denied/pending Application for Compromise Settlement:**

| | | |
|---|---|---|
| Basic Tax per FAN | P | 1,000,000.00 |
| Basic Tax paid per Compromise Settlement application | | 400,000.00 |
| Net Basic Tax prior to the effectivity of these Regulations | P | 600,000.00 |
| Multiply by the Tax Amnesty Rate | | 40% |
| Amount of Tax Amnesty to be paid | P | 240,000.00 |

For all other cases with partial/installment payments, the amount of payment shall be based on the net amount as certified by the concerned office as specified under Section 5(C) of these Regulations.

**Illustration 2:**

**With partial/installment payments:**

| | | |
|---|---|---|
| Basic Tax per FAN | P | 1,000,000.00 |
| Partial payment/s made prior to the effectivity of these Regulations (net of payment applied to penalties) | | 200,000.00 |

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 08 2019
2:25 pm
RECORDS MGT. DIVISION

| | | |
|---|---|---|
| Net Basic Tax | P | 800,000.00 |
| Multiply by the Tax Amnesty Rate | | 40% |
| Amount of Tax Amnesty to be paid | P | 320,000.00 |

In case the delinquent account/assessment consists only of unpaid penalties due to either late filing or payment, and there is no basic tax assessed, the taxpayer may avail of the tax amnesty in accordance with the procedure set forth in Section 5 of these Regulations, without any payment due.

**SECTION 5. MANNER OF AVAILMENT OF TAX AMNESTY ON TAX DELINQUENCIES**. Any person, whether natural or juridical, who wishes to avail of the Tax Amnesty on Delinquencies shall file, within one (1) year from the effectivity of these Regulations, an application therefor in accordance with the procedures set forth below.

A. **DOCUMENTARY REQUIREMENTS:** The taxpayer shall submit the following:

1. Tax Amnesty Return (TAR) (BIR Form No.2118-DA, Annex "A"), completely and accurately accomplished and made under oath;

2. Acceptance Payment Form (APF) (BIR Form No. 0621-DA, Annex "B") duly validated by the Authorized Agent Banks (AABs) or APF duly stamped "received" with accompanying bank deposit slip duly validated by the concerned AABs or Revenue Official Receipt (ROR) issued by the Revenue Collection Officers (RCOs);

3. Certificate of Tax Delinquencies/Tax Liabilities issued by concerned BIR offices (Annex "C"); and

4. In case of applications under Section 3(A)(2) of these Regulations, a copy of the assessment found in the FAN/FDDA: *Provided that*, in cases of applications under Section 3(D), either delinquent account or not, with or without FAN/FDDA, the Preliminary Assessment Notice (PAN)/Notice for Informal Conference or equivalent document is sufficient.

B. **PLACE OF FILING** - The Tax Amnesty Return and other documentary requirements shall be filed with the following BIR offices:

| Classification | Place of Filing |
|---|---|
| Non-Large Taxpayers | Revenue District Office (RDO) where applicant-taxpayer is registered |
| Large Taxpayers – Cebu or Davao | Large Taxpayers Division (LTD) Office where applicant-taxpayer is registered |
| Large Taxpayers – Excise and Regular | Large Taxpayers Collection Enforcement Division (LTCED) |

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 08 2019
2:25 pm
RECORDS MGT. DIVISION

C. **PROCEDURES** – The taxpayer-applicant shall:

**Step 1**. Secure the Certificate of Delinquencies/Tax Liabilities from the concerned BIR Office as specified below:

| Nature of Tax Liabilities | Large Taxpayer | Non-Large Taxpayer |
|---|---|---|
| Delinquent tax cases, including withholding tax liabilities of withholding agents arising from failure to remit withheld taxes and those with pending or denied application for compromise settlement. | Large Taxpayers Division (Cebu or Davao)/ Large Taxpayers Collection Enforcement Division (LTCED) | a. Regional Collection Division - For taxpayer-applicants under the jurisdiction of Revenue Regions (RR) Nos. 5, 6, 7 and 8 (Caloocan, Manila, Quezon City and Makati, respectively);<br>b. Revenue District Office (RDO) where the taxpayer-applicant is registered - For other taxpayer-applicants including RDO No. 36 (Puerto Princesa). |
| Tax cases subject of final and executory judgment by the courts | Litigation/ Prosecution Division of the National Office, which handled the case | a. Legal Division of the Regional Office - For taxpayer-applicants under the jurisdiction of Revenue Regions (RR) Nos. 5, 6, 7 and 8 (Caloocan, Manila, Quezon City and Makati, respectively);<br>b. Legal Division of the Regional Office or Litigation/Prosecution Division in the National Office which handled the case - For taxpayer-applicants under the jurisdiction of Revenue Regions other than the RRs mentioned under (a) hereof. |
| Tax liabilities covered by a pending criminal cases filed with the DOJ/Prosecutor's Office/Courts | Prosecution Division of the National Office | a. Legal Division - For taxpayer-applicants under the jurisdiction of Revenue Regions (RR) Nos. 5, 6, 7 and 8 (Caloocan, Manila, Quezon City and Makati, respectively);<br>b. Legal Division of the Regional Office or Prosecution Division in the National Office which handled the case - For taxpayer-applicants under the jurisdiction of Revenue Regions other than the RRs mentioned under (a) hereof. |

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 08 2019
2:25 pm
RECORDS MGT. DIVISION

**Step 2.** Present the duly accomplished TAR made under oath and APF, together with the other required documents, to the concerned RDO/LTD/LTCED for endorsement of the APF and pay the tax amnesty amount with the AABs or RCOs, whichever is applicable, by presenting the RDO/LTD/LTCED-endorsed or approved APF: *Provided,* that if no payment is required as in the case when assessment consists only of unpaid penalties due to either late filing or payment, the phrase "no payment required" shall be indicated in the APF.

**Step 3**. Submit/file immediately to the RDO/LTD/LTCED where the taxpayer is registered, in triplicate copies, the duly accomplished TAR, made under oath, together with the complete documentary requirements and proof of payment, which in no case shall be beyond the one (1) year availment period. The taxpayer/applicant shall be furnished with a copy, stamped as received, of said TAR and APF.

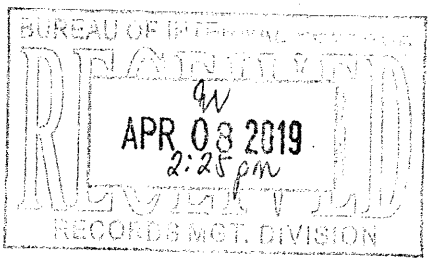
Availment of Tax Amnesty on Delinquencies shall be considered fully complied with upon completion of the above enumerated steps within the one (1) year availment period.

**SECTION 6. ISSUANCE OF AUTHORITY TO CANCEL ASSESSMENT (ATCA) AND LIFTING OF THE VALIDITY OF THE ISSUED NOTICES AND WARRANTS.** The Notice of Issuance of Authority to Cancel Assessment (NIATCA) shall be issued by the BIR to the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission of the APF and TAR. Otherwise, the stamped-"received" duplicate copies of the APF and TAR shall be deemed as sufficient proof of availment.

Insofar as the tax delinquencies covered by the TAR is concerned, any notice, attachment and/or warrant of garnishment issued against the taxpayer by the concerned BIR office shall be set aside pursuant to the lifting of the said notices and warrants issued by the concerned BIR Office.

**SECTION 7. REPORT TO OVERSIGHT COMMITTEE.** Report to the Congressional Oversight Committee shall be submitted by the BIR within six (6) months after the one (1) year period of availment of the Tax Amnesty on Delinquencies.

**SECTION 8. IMMUNITIES AND PRIVILEGES OF AVAILING TAX AMNESTY ON TAX DELINQUENCIES.** The tax delinquency of those who avail of the Tax Amnesty on Delinquencies under these Regulations, upon full compliance with all the conditions set forth hereof, shall be considered settled, and the criminal case in connection therewith and its corresponding civil or administrative case, if applicable, shall be terminated. The taxpayer shall be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal and administrative cases, and penalties under the 1997 Tax Code, as amended, as such relate to the internal revenue taxes for taxable years that are subject of the tax amnesty availed of.



The availment of the Tax Amnesty on Delinquencies herein provided and the issuance of the corresponding APF do not imply any admission of criminal, civil or administrative liability on the part of the availing taxpayer.

**SECTION 9. EFFECTIVITY**. These Regulations shall take effect fifteen (15) days from date of its publication in the newspaper of general circulation or Official Gazette.

**CARLOS G. DOMINGUEZ**
Secretary of Finance
APR 02 2019

006417

Recommending Approval:

**CAESAR R. DULAY**
Commissioner of Internal Revenue
025018

BUREAU OF INTERNAL REVENUE
RECEIVED
APR 08 2019
2:25 pm
RECORDS MGT. DIVISION