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

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JAN 16 2020
RECORDS MGT. DIVISION

January 15, 2020

REVENUE MEMORANDUM ORDER NO. 2-2020

TO: All Revenue Officials and Employees Concerned

SUBJECT: CY 2020 BIR Collection Goal Allocation, By Implementing Office

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I. BACKGROUND

The Department of Finance (DOF) has set the Bureau's CY 2020 overall collection goal at P2.576 Trillion. This is inclusive of P0.090 Trillion additional revenues from the Tax Reform Acceleration and Inclusion (TRAIN) Act. The collection goal which is based on the FY 2020 Budget of Expenditures and Sources of Financing (BESF) dated July, 2019 is higher than the previous year's goal based on BESF by P 0.245 Trillion or 10.53%.

II. OBJECTIVES

This Order is being issued to establish the following:

1. The policies, methodology and guidelines used for the allocation of the CY 2020 Collection Goal; and,

2. The collection goals of 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 - Final Withholding Tax 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 Operation

C. Implementing Offices (IOs) - LTS, RRs and RDOs

D. Non-Recurring Transaction - refers to single transaction that accounts for at least ten percent (10%) of a particular Region's / LTS total collections for a specific month (Attrition Act of 2005).

IV. GENERAL POLICIES AND GUIDELINES

The following policies and guidelines were observed in determining the data requirements and goal allocation methodology used in the computation of the final goal for IOs:

A. Data Used

1. The CY 2019 collection:

   a. Actual collections for the period January - October 2019, based on the Consolidated Monthly Statistical Report of Revenue Collections (BIR Form No. 1209) as of November 20, 2019. The CY 2019 Actual collection is net of collection from Non-Recurring Transactions and Enlisted/Delisted Taxpayers.

   b. Collection Goal for the month of November - December 2019 as per RMO 18 - 2019.

2. Other Considerations:

   c. Economic assumptions / indicators provided in the BESF FY 2020 (please refer to Table 1);

   d. Collection Goals, by major tax type, culled from the BESF FY 2020;

   e. The CY 2020 program on the volume of issuance of government securities and their corresponding taxes (FWT) from BESF. Documentary Stamp Tax (DST) goal for Non-BIR Operations based on the monthly program from the Bureau of the Treasury as of December 2019.

   f. Collections from Enlisted/Delisted Taxpayers were extracted by the ISG from the ITS-CBR as of December 2019.

   g. Adjusted 2019 monthly collections due to the change in the payment deadlines of the Quarterly Corporate Income Tax (BIR Form 1702Q).

B. Goal Allocation Methodology

The CY 2020 Goal allocation for BIR Operations was determined using the following factors to all IOs.

1. Goal Allocation by IO

   a. Growth Rate on BIR Operations

$$\text{Growth Rate} = \frac{\left\{\begin{bmatrix}\text{CY 2020 Goal less} \\ \text{Non-BIR Operations Goal}\end{bmatrix} - \begin{bmatrix}\text{CY 2019} \\ \text{BIR Operations Collections}\end{bmatrix}\right\}}{\text{CY 2019 BIR Operations Collections}} \times 100\%$$

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$$= \frac{\{[2.576\ T - 0.081\ T\ ] - 2.136\ T\}}{2.136\ T} \times 100\%$$

= **16.79%**

b. Goal by Implementing Office

CY 2020 Goal = CY 2019 Collection x 116.79%

2. Goal Allocation by Major Tax Type and Month

The monthly distribution of CY 2020 Goals of IOs by major tax type (Table 5A) was based on the following:

a. The total CY 2020 target allocated to IOs per tax type was aligned with the estimates specified in the BESF dated July 2019; and

b. The monthly distribution of goal was based on the CY 2019 Monthly Collection trend.

C. 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 2020
Table 2	Monthly BIR Collection Goal By Major Tax Type, CY 2020
Table 3	Total Collection Goal Allocation By Implementing Office, CY 2020
Table 4	Total Collection Goal Allocation By Implementing Office and Major Tax Type, CY 2020
Table 5A	Monthly Total Collection Goal by Implementing Office, CY 2020
Table 5B	Monthly Collection Goal For Income Taxes By Implementing Office, CY 2020
Table 5C	Monthly Collection Goal Allocation For Excise Taxes By Implementing Office, CY 2020
Table 5D	Monthly Collection Goal Allocation For Value-Added Tax By Implementing Office, CY 2020
Table 5E	Monthly Collection Goal Allocation For Percentage Taxes By Implementing Office, CY 2020
Table 5F	Monthly Collection Goal Allocation For Other Taxes By Implementing Office, CY 2020

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D. Other Requirements

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.

V. EFFECTIVITY

This Order takes effect immediately.

CAESAR R. DULAY
Commissioner of Internal Revenue

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RMO CY2020 Goal