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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City



**BAGONG
PILIPINAS**
FEB 19 2025

REVENUE MEMORANDUM CIRCULAR NO. 014-2025

SUBJECT : Clarifies Certain Issues Pertaining to the Mandatory Requirements for Tax Credit or Refund of Excess/Unutilized Creditable Withholding Taxes (CWT) on Income Pursuant to Section 76(C), in relation to Sections 204(C) and 229 of the National Internal Revenue Code of 1997, as Amended (Tax Code)

TO : All Internal Revenue Officials, Employees and Others Concerned

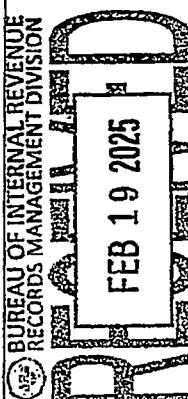
This Circular is issued to provide clarifications and realign inconsistencies on certain provisions of Revenue Memorandum Circular (RMC) No. 75-2024 relative to the mandatory requirements for Tax Credit Certificates or cash refund of excess/unutilized CWT on income under Section 76(C), in relation to Sections 204(C) and 229 of the Tax Code.

I. Clarification to certain provisions and requirements

Q1: In the list of mandatory requirements under Annexes "A.1" for those taxpayers of going-concern status and "A.2" for taxpayers undergoing cessation or dissolution of business of RMC No. 75-2024, Annex "A.1" required original copies of duly accomplished Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) whereas Annex "A.2" is silent whether the said documents should be original or copies only. Will this result in the disallowance of the CWT if the taxpayer submitted scanned, facsimile, photocopy or a notarized or certified copy of the original or electronic document is considered duplicate only?

A1: No. In this digital era, transmission of documents such as the BIR Form No. 2307 is not limited only to the physical delivery of documents from the sender to the receiver, which could also be through digital means such as but not limited to electronic mails, facsimile, cellphones, or other emerging technologies. Hence, the copies produced and submitted by the recipient of BIR Form No. 2307 may not necessarily be the original copy.

Included in the verification procedures of the processing office is the validation of the authenticity and veracity of the claimed BIR Form No. 2307 by comparing the CWT claimed per Summary Alphalist of Withholding Agents of Income Payments Subjected to Withholding Tax at Source (SAWT) submitted by the taxpayer claimant with the annual or quarterly Alphalist of payees as attached in the BIR Form No. 1604E or 1601E submitted by the withholding agents of the taxpayer-claimant. If the data matches, the BIR can already be assured that the BIR Form 2307 claimed by the taxpayer-claimant is valid and authentic which makes the question as to whether or not the submitted document is an original copy already moot and academic.



In this regard and for consistency of application, the third item in Annex A.1 shall now read as: "Copies of duly accomplished Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) or Withholding Tax Remittance Return for Onerous Transfer of Real Property Other Than Capital Asset (BIR Form No. 1606), whichever is applicable, issued by the payor (withholding agent) to the payee".

Q2: If the taxpayer claimant is engaged in real estate business, should the Withholding Tax Remittance Return for Onerous Transfer of Real Property Other Than Capital Asset (BIR Form No. 1606) be original as required in Annex "A.1"?

A2: No. The processing office is mandated to verify from the BIR database if the said return was indeed filed by the taxpayer claimant to establish the authenticity and veracity of the said document. A reproduction of the original copy of the said form would suffice.

Q3: Section 76(C) of the Tax Code pertains to corporate claimants only. In case an individual taxpayer incurred unutilized CWT and intends to refund or credit the said excess income taxes, what will be the basis of the claim?

A3: It is confirmed that Section 76 of the Tax Code covers tax credit or refund claims of CORPORATIONS as defined under Section 22(B) of the Tax Code. For individual taxpayers, the claim may be anchored under Section 58(E), in relation to Section 204 of the Tax Code, to quote:

"Sec. 58. Returns and Payment of Taxes withheld at Source.—

xxx xxx xxx

E. Income of Recipient. — Income upon which any creditable tax is required to be withheld at source under Section 57 shall be included in the return of its recipient but the excess of the amount of tax so withheld over the tax due on his return shall be refunded to him subject to the provisions of Section 204. xxx"

Q4: RMC No. 75-2024, in relation to Revenue Memorandum Order (RMO) No. 25-2024, pertain to claims of income tax credit or refund filed under Section 76(C) of the Tax Code, which, consequently is for corporate taxpayers. Will a new set of documentary requirements be required for individual taxpayer-claimants?

A4: Yes. A new set of mandatory requirements will be prescribed for individual taxpayers who intend to claim for tax credit or refund unutilized CWT pursuant to Section 58(E), in relation to Section 204 of the Tax Code. However, the general policies and guidelines in the mandatory documentary requirements in RMC No. 75-2024 and the procedures in the processing hereof pursuant to RMO No. 25-2024 remain the same for both corporate and individual taxpayer-claimants.

Q5: What is the implication to the claim of tax returns filed after filing of the income tax credit/refund claim or the issuance of the Electronic Letter of Authority (eLA), whichever comes first?

- A5:** Once the claim for income tax credit has been filed or an eLA has been issued covering the same period of the claim, the taxpayer-claimant is already precluded from amending the tax returns. In the existing procedures for processing of income tax credit/refund certain BIR Forms are no longer required to be submitted by the taxpayer-claimants but the processing offices are mandated to verify and produce copies of the said tax returns filed by the taxpayer to be attached to the corresponding tax docket of the claim. Once the application for income tax credit or refund has been officially received by the processing office of the BIR and the verification process commences, only the tax returns filed on or before the receipt of the application shall be considered in the evaluation of the claim. Should there be discrepancies, this may result in the disallowance of the portion of the claim or full denial thereto.

II. Changes in Documentary Requirements

To effect the changes above, Annex "A.1" is hereby renumbered as Annex "A.1.1" and Annex "A.1.2" is added as the mandatory requirements for individual taxpayer-claimant. Copies of the said Annexes are hereto attached for reference. This correspondingly amends Annexes "A.1", "A.2" and "A.4" of RMC No. 75-2024.

III. Repealing Clause

All revenue issuances and BIR Rulings inconsistent herewith are hereby amended, modified or revoked accordingly.

IV. Effectivity

This Circular shall take effect immediately.

