

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS

Quezon City

May 5, 2008

REVENUE MEMORANDUM CIRCULAR NO. 44 - 2008

SUBJECT : Publishing the Full Text of Department Order No. 9-08, "Implementing Rules and Regulations on the Accessibility of Information on Taxpayers Between the Bureau of Internal Revenue and the Local Government Units for Tax Collection Purposes Pursuant to Executive Order No. 646."

To : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officials, employees and others concerned, quoted hereunder is the full text of Department Order No. 9-08 issued by the Department of Finance Secretary Margarito B. Teves on March 26, 2008.

"DEPARTMENT ORDER NO. 9-08

**IMPLEMENTING RULES AND REGULATIONS ON THE
ACCESSIBILITY OF INFORMATION ON TAXPAYERS BETWEEN
THE BUREAU OF INTERNAL REVENUE AND THE LOCAL
GOVERNMENT UNITS FOR TAX COLLECTION PURPOSES
PURSUANT TO EXECUTIVE ORDER NO. 646**

TO: All BIR Regional Directors and Revenue District Officers, BLGF Regional Directors, Local Treasurers and Assessors and Others Concerned

Pursuant to Section 4 of Executive Order No. 646 dated August 3, 2007, the following rules and regulations are hereby promulgated to implement the provisions of said Executive Order:

A. The Bureau of Internal Revenue (BIR) shall:

1. Furnish the Local Government Unit (LGU) thru the local treasurers, a soft copy of the following data/documents in Excel format using diskette/Compact Disk (CD) or e-mail or on-line via BIR Portal, upon availability of the system, for the purpose of evaluating tax compliance and collection of correct amount of local taxes, fees or charges:

- 1.1. Updated Masterlist of Taxpayers as to Type of Ownership (e.g., Individuals / Corporations / Partnership / Estate / Trust, etc.) classified by industry for newly registered taxpayers of the preceding year and taxpayers whose business permits were renewed for the current year (refer to *Annex "A"* hereof) on or before June 30;
- 1.2. Masterlist of Retired Businesses of the preceding year (refer to *Annex "B"*) on or before June 30;
- 1.3. Masterlist of Taxpayers with Discrepancies on Gross Sales/Receipts for the preceding year arising from the reconciliation of the LGU report with that of the BIR to be submitted not later than ninety (90) days from receipt of the Updated Masterlist of Taxpayers as to Type of Ownership (*Annex A*) from the LGU;
- 1.4. Updated List of Taxpayers Registered with the BIR but Unregistered with the LGU for the preceding year classified by industry, to be submitted not later than ninety (90) days from receipt of the Updated Masterlist of Taxpayers as to Type of Ownership (*Annex A*) from the LGU;
2. Furnish the Bureau of Local Government Finance (BLGF) a soft copy, in Excel format using diskette/Compact Disk (CD) or e-mail or on-line via BIR Portal, upon availability of the system, of the nationwide Updated Masterlist of Taxpayers as to Type of Ownership (e.g., Individuals / Corporations / Partnership / Estate / Trust, etc.) classified by the LGU by industry for newly registered taxpayers of the preceding year and taxpayers whose business permits were renewed for the current year (refer to *Annex "A"*) and the nationwide Masterlist of Retired Businesses for the preceding year (refer to *Annex "B"*) on or before June 30;
3. Upon written request of the Local Treasurer, or his/her duly authorized representative, make available through the Revenue District Officer (RDO), other BIR records such as but not limited to the following: income tax returns, VAT returns, percentage tax returns pertaining to any person, partnership, corporation or association subject to local taxes, fees and charges. *Provided, however, that the information that will be gathered shall be exclusively utilized to ascertain, assess, and collect the correct amount of local taxes, fees or charges and that it shall not be disclosed to any unauthorized person, with due regard to the security of taxpayers' information as provided in Section 4 of Executive Order No. 646.*

B. The Local Government Units (LGUs) shall:

1. Furnish the BIR thru the RDO, a soft copy of the following data/documents in Excel format using diskette/Compact Disk (CD) or e-mail or on-line via BIR Portal, upon availability of the system (for non-computerized LGUs, hard copies may be allowed), for the purpose of evaluating tax compliance and collection of correct internal revenue taxes:
 - 1.1. Updated Masterlist of Taxpayers as to Type of Ownership (e.g., Individuals / Corporations / Partnership / Estate / Trust, etc.) classified by industry for newly registered taxpayers of the preceding year and taxpayers whose business permits were renewed for the current year (refer to *Annex "A"*) on or before April 15 which shall be prepared by the Local Treasurer;
 - 1.2. Masterlist of Retired Businesses for the preceding year (refer to *Annex "B"*) on or before April 15 which shall be prepared by the Local Treasurer;
 - 1.3. Copy of Assessment Roll as of December 31, 2007 (List of Existing Tax Declaration of Real Properties) on or before April 15 of the current year, with subsequent quarterly updates (refer to *Annex "C"*) on the 15th working day following the end of the quarter as prepared by the Local Assessor;
2. Upon written request of the Commissioner of Internal Revenue or his duly authorized representative, make available through the Local Treasurer, other LGU records such as but not limited to the following lists: Contractors/Suppliers engaged in Projects in their respective LGUs, Market Vendors, Cockpit Operators, Quarry Operators/Owners, as well as the cost and volume of production, receipts or sales and gross incomes pertaining to any person, partnership, corporation or association subject to internal revenue taxes. Provided, however, that the information that will be gathered shall be exclusively utilized to ascertain, assess, and collect the correct amount of internal revenue taxes and that it shall not be disclosed to any unauthorized person, with due regard to the security of taxpayer's information as provided in Section 4 of Executive Order No. 646.

C. Administrative Penalty

Failure on the part of the concerned officials of the BIR and LGUs to comply with the directives under said Executive Order shall make them liable for administrative sanction pursuant to existing laws, rules and regulations.

D. Issuance of Implementing Guidelines

Implementing guidelines shall be issued by the BIR and BLGF to define and delineate the duties and responsibilities of their respective offices.

E. Effectivity

This Department Order shall take effect after fifteen (15) days following publication in a newspaper of general circulation.

Done in the City of Manila this 26th day of March, 2008.

(Original Signed)
MARGARITO B. TEVES
Secretary"

All internal revenue officers, employees and others concerned are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
LILIAN B. HEFTI
Commissioner of Internal Revenue

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