

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

September 14, 2007

REVENUE MEMORANDUM CIRCULAR NO. 28-2008

SUBJECT : Interim Procedure in the Handling of Tax Subsidy Availment Certificate (TSAC) and Tax Subsidy Debit Memo (TSDM) Used in Payment of Internal Revenue Taxes Through the Electronic Filing and Payment System (eFPS)

TO : All Revenue Officials and Others Concerned

Revenue Regulations (RR) 31-2003 provides that TSAC may be used by manufacturers, producers or suppliers as payment of their VAT liability on their sales to the Armed Forces of the Philippines Commissary and Exchange Service (AFPCES) and by suppliers/local refiners on Excise Tax Liabilities on petroleum products purchased exclusively for AFPCES. On the other hand, RR 17-2005 prescribed the use of Tax Subsidy Debit Memo (TSDM) to evidence the amount of tax payment actually made by the primary contractors, consultants, subcontractors, suppliers, sub-subcontractors and sub-suppliers, using the subsidy in connection with the Subic-Clark-Tarlac Expressway Project (SCTEP).

While the handling of TSAC and TSDM payment is not yet available in the eFPS pending enhancement of its capabilities, the following interim procedures shall be followed:

1. The taxpayer shall e-file the pertinent tax return and may either e-pay using TSAC/TSDM payments only or e-pay with cash and TSAC/TSDM payments;

a. For TSAC/TSDM payment only

Taxpayer shall submit to the Large Taxpayers Document Processing and Quality Assurance Division (LTDPOQAD) or Collection Section of the concerned Revenue District Office (RDO), on or before the deadline for e-payment, the following:

1. Print-out of the Filing Reference Number (FRN);
2. Corresponding tax return;
3. Original or the Duplicate plus one (1) photo-copy of the TSAC for AFPCES transactions; and
4. One (1) photocopy of the TSDM for SCTEP transactions.

b. For cash and TSAC/TSDM payment

The taxpayer shall e-pay and submit to the LTDPQAD or Collection Section of the RDO concerned, on or before the deadline for e-payment, the following:

1. Print-out of the Filing Reference Number (FRN) and Confirmation Number (CN);
 2. Corresponding tax return;
 3. Original or the Duplicate plus one (1) photo-copy of the TSAC for AFPCES transactions; and
 4. One (1) photocopy of the TSDM for SCTEP transactions.
2. The Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD)/Collection Section of the Revenue District Office (RDO) concerned shall -
 - a. Receive, validate and check completeness of documents received from the taxpayer;
 - b. Encode TSAC/TSDM payment as "Cash" using BCS number series '90001' in the Collections and Bank Reconciliation System (CBRS) and encode in Excel Format, the other pertinent information for TSAC/TSDM monitoring;
 - c. Prepare monthly report of TSAC/TSDM payment and submit the soft and hard copy of the report to the Assistant Commissioner (ACIR), Large Taxpayer Service (LTS)/Head Revenue Executive Assistant (HREA) concerned (in the absence of ACIR, LTS) or RDO, who will forward the same to the ACIR, Collection Service, for proper recording and monitoring by the Revenue Accounting Division;
 - d. File documents and monitor TSAC/TSDM payments.

All officials and employees of the BIR are hereby enjoined to comply with the provisions of this Circular and be guided accordingly.

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

H-2