

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

May 20, 2003

REVENUE MEMORANDUM ORDER NO. 20-2003

TO: All Assistant Commissioners, Regional Directors, Revenue District Officers and Other Officers Concerned

SUBJECT: Allocation of the BIR Collection Goal for CY 2003

I. CY 2003 Overall Collection Goal

CY 2003 revenue target of the Bureau as set by the Department of Finance is ₱ 424,007 M, which is 7.47% higher than CY 2002 actual collection of ₱ 394,549 M (per Bureau of Treasury). The following is the breakdown of said goal by major tax types:

Tax Type		Total Goal
Income Taxes	₱	242,672 M
Excise Taxes		58,406
Value Added Taxes		73,265
Percentage Taxes		27,357
Other Taxes		22,307
TOTAL	₱	424,007 M

II. Data Used

The following data were used in the allocation of the total goal among the implementing offices :

1. Refined CY 2002 actual collections by implementing office taking into account the following:
 - a) Actual CY 2002 collections of implementing offices based on BIR Form No. 12.09 report as of February 27, 2003 runcate;
 - b) Collections from transferred – in/out taxpayers;
 - c) Collections from non-recurring transactions based on the following:
 - (i) Deficiency taxes paid by one taxpayer which accounts for more than 20% of the RDO's collection for a particular month; and
 - (ii) Taxes on one-time transactions in 2002, i.e., Capital Gains Tax (on Real Property and Shares of Stocks), Estate/Donor's Taxes, Expanded Withholding Taxes and DST on real property transactions paid by one

- taxpayer which accounts for more than 20% of the RDO's collection for a particular month.
- d) Closures of establishments.
 - 2. CY 2002 collections from Tax Remittance Advice (TRA) of implementing offices dated February 27, 2003 as reported by the Revenue Accounting Division;
 - 3. Consolidated CY 2003 Revised Estimates of Implementing Offices submitted February, 2003;
 - 4. National Government Revenue Program (NGRP) dated March 10, 2003; and
 - 5. CY 2002 BIR Collections by GFS Classification per BTr Report, as of March 13, 2003.

III. Regional Goal Allocation Methodology

A. Total Goal By Major Tax Types (See Table 1)

CY 2003 goal for Excise Taxes was based on the figures given in the 2003 NGRP.

For other tax types, CY 2003 goal was allocated using the distribution of the consolidated CY 2003 revised estimates, by major tax type (net of excise tax) submitted by the Regions last February, 2003. Thus, for Tax Type N, the goal G_N is computed as :

$$G_N = (E_N / T_o) \times (\text{P} 424,007 - G_E)$$

where E_N = Estimated Collection in 2003 from Tax Type N based on the consolidated Regions' estimates

T_o = Total Estimated Collection in 2003 net of excise taxes based on consolidated Regions' estimates

G_E = Excise Tax Goal for 2003 = NGRP projection

B. Monthly Collection Goal by Major Tax Type (See Table 2)

Based on the monthly distribution of the consolidated CY 2003 revised estimates, the overall revenue target of P 424,007 M was allocated monthly. Thus, for a particular Month M, the goal G_M is computed as follows:

$$G_M = (E_M / T) \times \text{P} 424,007$$

where E_M = Estimated Collection in 2003 for month M based on consolidated Regions' estimates

T = Total Estimated Collection in 2003 for all tax types based on consolidated Regions' estimates

C. Total Collection Goal By Implementing Office (Table 3)

Generally, an 11.21% rate of increase was applied on the region's refined 2002 collection, net of the collections from the following:

1. Tax Remittance Advices (TRAs), for which zero growth was assumed; and
2. Special taxes (i.e., taxes on T-Bills, Travel Tax, Stock Transactions Tax and Excise Taxes), goals for which were taken from the NGRP estimates.

D. Goal Allocation By Major Tax Type and By Implementing Office

(See Tables 4 to 9)

Using the ratio and proportion technique based on the revised estimates of implementing offices, as aligned with the goals computed in items III.A, III.B and III.C above, the monthly goals by tax type were allocated per implementing office.

IV. Treatment of Goal on Special Taxes

a) Excise Taxes

The goal on Excise Tax of ₱ 58,406 M is solely allocated to the LTS .

b) Tax on Treasury-Bills and Travel Taxes

The goals on tax from T-Bills of ₱ 28,172 M and Travel Tax of ₱ 413 M per NGRP are allocated to RR 6 – Manila since it has jurisdiction over Bangko Sentral ng Pilipinas (BSP) and Department of Tourism.

c) Stock Transactions Tax

The goal on Stock Transactions Tax of ₱ 1,118 M under the Percentage Taxes is allocated to RR 7 – Quezon City since the Philippine Stock Exchange (PSE) is within the jurisdiction of said Region.

d) Tax Remittance Advice

CY 2003 collection through TRAs was assumed to be equal to CY 2002 collection across all implementing offices.

V. Revenue District Goal Allocation

Revenue district goal allocation shall be based on the distribution provided in the revised revenue estimates submitted last February, 2003. The Statistics Division (SD) shall prepare the RDO goal allocation following the procedure used in the regional goal allocation. Copies of the RDO goals shall be sent to all regional offices by the Statistics Division within three (3) days upon the approval of this Memorandum.

VI. List of Tables

Table 1	Total Collection Goal By Major Tax Type, CY 2003
Table 2	Monthly Collection Goal By Major Tax Type, CY 2003
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Table 4	BIR Collection Goal By Implementing Offices By Major Tax Type, CY 2003
Table 5	Monthly Collection Goal By Major Sources, CY 2003 Total Taxes
Table 6	Monthly Collection Goal By Major Sources, CY 2003 Income Taxes
Table 7	Monthly Collection Goal By Major Sources, CY 2003 Value Added Taxes
Table 8	Monthly Collection Goal By Major Sources, CY 2003 Percentage Taxes
Table 9	Monthly Collection Goal By Major Sources, CY 2003 Other Taxes

For your reference and compliance.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of the Internal Revenue