

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

January 8, 2008

REVENUE MEMORANDUM CIRCULAR NO. 12-2008

SUBJECT : Reiterating the Requirement for the Submission of Tax Identification Number (TIN) and Other BIR-Prescribed Returns/Documents As Conditions for the Issuance/Renewal of Mayor's Permit/License/Privilege Tax Receipt by the Concerned Local Government Unit.

TO : All Municipal/City Mayors/Treasurers of Local Government Units and Others Concerned.

I. BACKGROUND

Pursuant to Section 4 of the 1997 National Internal Revenue Code (Code), as amended, in relation to Section 236 thereof; Executive Order No. 98 dated April 28, 1999; and, Memorandum of Agreement (MOA) dated March 2, 2001 entered into by and among the DOF, BIR, DILG, League of Provinces of the Philippines, League of Cities of the Philippines, League of Municipalities of the Philippines, and Liga ng mga Barangay ng Pilipinas regarding commitment of all parties to help one another in the implementation of strategies to enhance tax enforcement and collection efforts as circularized under RMC 21-2001, and; DILG Circular No. 2001-33, the LGUs are required and have agreed to assist the BIR in monitoring tax compliance by requiring the submission of Taxpayer Identification Number (TIN) as well as other BIR-prescribed returns/documents as conditions precedent to the issuance of mayor's permits to business registrants or privilege tax receipts (PTR) to professionals.

II. REQUIREMENT FOR THE SUBMISSION/PRESENTATION OF COPY OF TAXPAYER'S TIN AND OTHER BIR-PRESCRIBED RETURNS/DOCUMENTS BEFORE ISSUANCE OF MAYOR'S PERMIT/LICENSE TO OPERATE BUSINESS/PRIVILEGE TAX RECEIPT BY THE OFFICE OF THE CITY/MUNICIPAL MAYOR/TREASURER OF THE CONCERNED LGU.

Before any new application for mayor's permit/license/PTR or renewal thereof may be given due course, the Office of the City or Municipal Mayor/Treasurer of the concerned LGU shall first require the submission of photocopy/presentation of the original (for authentication) of the following documents:

(a) For initial application:

- 1) Taxpayer Identification Number (TIN);
- 2) BIR-issued Certificate of Registration (COR);
- 3) Proof of Payment of Annual Registration Fee (₱500) per establishment paid to the BIR.

(b) For renewal:

- 1) Documents listed in Item (a)(1) to (3) above;
- 2) Annual Income Tax Return (ITR) with proof that it has been duly filed and paid with the BIR collecting agent, covering the taxable year where the prescribed return is duly filed in the year immediately preceding the renewal of the mayor's permit/license to operate a business/Privilege Tax Receipt;
- 3) Monthly/quarterly VAT declarations/returns or monthly percentage tax returns, whichever is applicable, pertinent to the year immediately preceding the year of renewal.

The application for issuance of mayor's permit/business license as well as the subsequent renewal thereof shall not be processed by the Office of the City/Municipal Mayor/Treasurer unless all documentary requirements as above set forth have been submitted.

In the case of professionals applying for privilege tax receipts (PTR), the same documents shall be required by the Office of the City/Municipal Treasurer where, likewise, full compliance thereon is necessary before the application for the issuance of PTR may be given due course.

All concerned are hereby enjoined to be guided accordingly and give this circular as wide a publicity as possible.

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