

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

October 25, 2007

REVENUE MEMORANDUM CIRCULAR NO. 76-2007

SUBJECT : Prescribing Additional Mandatory Documentary Requirements for One-time Transactions Involving Transfers of Real Property

TO : All Internal Revenue Officers and Others Concerned

To ensure that all internal revenue taxes due on transfers of real property have been correctly paid and remitted to the government, the following mandatory documentary requirements shall be submitted in addition to the checklist of requirements prescribed under Revenue Memorandum Order No. 15-2003:

1. Photocopy of the official receipts issued by the seller, for purposes of determining whether the sale of real property is on cash basis, a deferred-payment sale (when payments in the year of sale exceed 25% of the selling price) or on installment plan (when payments in the year of sale do not exceed 25% of the selling price). The original copy of the official receipts shall be presented to the Bureau for authentication during the processing of the application for Certificate Authorizing Registration (CAR). However, if the seller is not engaged in business, the acknowledgement receipts issued by the seller to the buyer or any proof of payment shall be presented.

While the Contract to Sell and official receipts of payments are among the documents required for installment sales in Annex A2 of Revenue Memorandum Order No. 15-2003, the taxpayer presents only the Deed of Absolute Sale which is, oftentimes, executed upon full payment. The purpose of requiring the submission of a photocopy of the official receipts is for the Revenue District Office to have a means of validating if the transaction is on cash basis, deferred payment or installment plan.

2. Certified true copy of the original CAR (copy of the Registry of Deeds) pertaining to the transfer of property prior to the issuance of Original/Transfer Certificate of Title (OCT/TCT) or Condominium Certificate of Title (CCT) which is the subject of the current sale/transfer, or certification issued by the Registry of Deeds indicating the serial number of the CAR, date of issuance of CAR, the Revenue District Office Number of the district office that issued the

CAR, the name of the Revenue District Officer who signed the CAR, the type of taxes paid and the amount of payment per tax type.

The aforementioned document shall be submitted for OCT/TCT/CCT issued starting 2007, in case the Register of Deeds fails to annotate the information contained in the CAR as prescribed under Section 5 of Revenue Regulations No. 24-2002 dated November 15, 2002 and Section 1 of Memorandum Order No. 233 dated December 11, 2006 issued by President Gloria Macapagal-Arroyo, as circularized in Revenue Memorandum Circular No. 3-2007.

All internal revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

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