

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

May 25, 2010

REVENUE MEMORANDUM CIRCULAR NO. 40-2010

SUBJECT : GUIDELINES IN REGISTRATION, UPDATE AND TAGGING OF REGISTRATION INFORMATION OF POLITICAL PARTIES, CANDIDATES & CAMPAIGN CONTRIBUTORS RELATIVE TO REVENUE MEMORANDUM ORDER NO. 35-2009 RE: PROJECT "IBOTO MO"

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all concerned, prescribed herewith are the guidelines and procedures to ensure the registration, update and tagging of correct registration information of all political parties, candidates of local and national elections and campaign contributors relative to Revenue Memorandum Order (RMO) No. 35-2009: Project "IBOTO MO" as follows:

1. The Taxpayer Service Section (TSS) of the concerned Revenue District Office (RDO) having jurisdiction over registering political parties/party lists, candidates and campaign contributors shall verify the existence/non-existence of the aforesaid individuals and political parties in the Bureau's Integrated Tax System (ITS) and TIN Verification System (TINVER) databases.
2. For political parties/party lists, candidates or campaign contributors that are **NOT YET REGISTERED** with the BIR:

A. Candidates

1. Require the candidate to submit properly accomplished BIR Form 1904 together with photocopy of any document/s to prove their candidacy e.g., certificate of candidacy (COC) from the Commission on Election (COMELEC) as attachments.
2. The TSS Chief of the concerned RDO shall register and tag him/her in the ITS with the following:
 - a. Taxpayer Type: "E.O. 98 (EO98)";
 - b. Special Code: "Politician (POLIT)";
 - c. Tax type: "Withholding Tax Expanded (WE)";
 - d. Form type: "Monthly Remittance Return of Creditable Income Taxes Withheld (1601E)";
 - e. Alphanumeric Tax Code (ATC): "WI680".

B. Political Parties/Party Lists

1. Require the political party/party list to submit properly accomplished BIR Form 1903 together with photocopy of any document/s to prove their candidacy e.g., COC from the COMELEC as attachments.
2. The TSS Chief of the concerned RDO shall register and tag the political parties/party lists in the ITS with the following:
 - a. Taxpayer Type: "Non-stock/Non-profit Organizations (NONST)";
 - b. Philippine Standard Industry Code (PSIC): "7511";
 - c. Tax type: "Withholding Tax Expanded (WE)";
 - d. Form type: "1601E";
 - e. Alphanumeric Tax Code (ATC): "WC680".

C. Campaign Contributors

1. If Individual, follow the guidelines prescribed in 2.A above;
2. If Non-individual, follow the guidelines prescribed in 2.B above.
3. For political parties/party lists, candidates or campaign contributors **REGISTERED** with the BIR:
 - A. **Candidates and Political Parties/Party Lists registered as Business Taxpayer** whether the registered address is the same with the place of residence or not:
 1. Require to submit properly accomplished BIR Form 1901 for candidates and BIR Form 1903 for political parties/party lists together with photocopy of any document/s to prove their candidacy e.g., COC from the COMELEC, as attachments.
 2. The TSS Chief of the concerned RDO shall register the above individual or political party as **BRANCH** and tag in the ITS the following:
 - a. Special Code: "Politician (POLIT)" (for Individual only)
 - b. Philippine Standard Industry Code: "7511" (for political parties/party lists only);
 - c. Tax type: "Withholding Tax Expanded (WE)";
 - d. Form type: "1601E";
 - e. Alphanumeric Tax Code (ATC): "WI680 (if Individual) or WC680 (if Non-individual)", whichever is applicable.
 - B. **Campaign contributors registered as Business taxpayers** shall be registered as **BRANCH** with the prescribed BIR Forms applicable (BIR Form 1901 for Individual and BIR Form 1903 for Non-individual) together with the attachments from COMELEC and shall be tagged in the ITS with the following:
 1. Special Code: "Politician (POLIT)" (for Individual only);
 2. Philippine Standard Industry Code: "7511" (for Non-individual only);
 3. Tax type: "Withholding Tax Expanded (WE)";

4. Form type: "1601E";
5. Alphanumeric Tax Code (ATC): "WI680 (Individual)" or "WC680 (Non-individual)", whichever is applicable.

C. **Candidates registered under Executive Order No. 98 (EO98), One-Time Transaction (ONETT) or Local Employee (LOCAL) taxpayer types:**

1. Require the candidate to submit properly accomplished BIR Form 1905 for registration updates together with photocopy of any document/s to prove their candidacy e.g., COC from the COMELEC, as attachments.
2. The TSS Chief of the concerned RDO shall update and tag him/her in the ITS with the following:
 - a. Special Code: "Politician (POLIT)";
 - b. Tax type: "Withholding Tax Expanded (WE)";
 - c. Form type: "1601E";
 - d. Alphanumeric Tax Code (ATC): "WI680".

D. **Candidates running for electoral office under national or local elections within the jurisdiction of a Revenue District Office (New RDO) other than the RDO (Old RDO) where he/she is registered as LOCAL, EO98 or ONETT:**

1. Require the candidate to submit properly accomplished BIR Form 1905 to the New RDO for registration updates together with photocopy of any document/s to prove their candidacy e.g., COC from the COMELEC, as attachments;
2. The TSS Chief of the New RDO shall fax the above BIR Form (with attachments) to the Old RDO;
3. The Old RDO shall transfer the registration information of the candidate to the New RDO;
4. The New RDO shall update the candidate's registration information and tag him/her in the ITS with the following:
 - a. Special Code: "Politician (POLIT)";
 - b. Tax type: "Withholding Tax Expanded (WE)";
 - c. Form type: "1601E";
 - d. Alphanumeric Tax Code (ATC): "WI680".

4. If the political party/party list, candidate or campaign contributor is registered with the BIR but not yet uploaded in the ITS nor existing with Old Status in TINVER:

- A. The TSS Chief of the concerned RDO shall encode/tag the registration information of the political party/party list, candidate or campaign contributor by following the preceding guidelines above, whichever is applicable, in the ITS for computerized RDOs and in TRU Stand alone system (Foxpro) for non-computerized RDOs.

5. All political party/party list, candidate or campaign contributor registered with the BIR prior to the issuance of this circular shall be updated based on the above guidelines by the Taxpayer Service Section of the RDO concerned, whichever is applicable. In addition, the TSS shall monitor all registered political parties/party lists, candidates or campaign contributors that were elected and otherwise, to make appropriate updates of their respective registration information after the elections.
6. Thirty (30) days after the elections, the TSS Chief of the concerned RDO shall end date the Form Type 1601E and Tax Type WE of political parties/party lists, candidates or campaign contributors that were registered and/or updated, and cancel the Branch Code of those that were registered as BRANCH for purposes of this circular.

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

(Original Signed)
JOEL L. TAN-TORRES
Commissioner of Internal Revenue

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