



BUREAU OF INTERNAL REVENUE

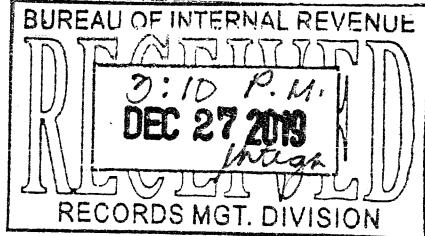
REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF FINANCE

BUREAU OF INTERNAL REVENUE

Quezon City

27 DEC 2019



December 12, 2019

REVENUE MEMORANDUM CIRCULAR NO. 142-2019

SUBJECT : Circularizing the eDST System's Balance Adjustment as an Option for Recovery of Erroneously Deducted DST

TO : All Revenue Officials, Employees and Other Concerned

This Circular is hereby issued in order to provide all concerned taxpayers-users of the Electronic Documentary Stamp Tax (eDST) System of this Bureau another option for the recovery of erroneously deducted amount of DST from their respective ledger balances in the eDST System arising from erroneously encoded information by the taxpayer-user, or multiple affixture/printing of stamps due to taxpayer-user's error or a system error.

Aside from filing a claim for refund, a request for adjustment to the taxpayer's ledger balance in the eDST System may be filed by the concerned taxpayer, provided that the following conditions are satisfied:

- a. The revised BIR Form No. 2000 filed with this Bureau is properly accomplished, more particularly on the tax computations for the eDST System (i.e., Part II. A. and Schedule I); and
- b. The erroneously deducted amount from the taxpayer's ledger account in the eDST System has not been declared in Schedule I of the said return.

When the above conditions are satisfied, the following guidelines and procedures shall strictly be observed by all concerned taxpayers and revenue personnel:

1. The request for adjustment in the taxpayer's ledger balance shall be filed in writing by the taxpayer-user to the Chief, Miscellaneous Operations Monitoring Division (MOMD), Collection Service located in the National Office of this Bureau, together with all the relevant documentary proofs on the incident(s) that gave rise to the erroneous deductions from the taxpayer's ledger balance in the eDST System including the taxable document where the eDST was affixed. These documents shall include a sworn declaration that the amount of DST requested for balance adjustment has not been applied to other taxable documents/transactions nor was it claimed as a deductible expense from the taxable income in the taxpayer's income tax return.
2. The MOMD shall conduct a preliminary evaluation of the taxpayer's request to determine whether the basis of the request arose from erroneously encoded information by the taxpayer-user, or from multiple affixture/printing of stamps due to taxpayer-user's error or a system error.
 - a. If it arose from an erroneously encoded information or multiple affixture/printing of stamps both due to taxpayer's error, a written request for verification shall be prepared and transmitted to the Revenue District Office (RDO) or the concerned division of the Large Taxpayer Service (LTS) where the taxpayer is registered. The said request shall be accompanied by an eDST System-generated transaction report containing the pertinent information covered by the request such as, but not limited to, the date of transaction, ATC and tax due, together with the taxpayer's written request for adjustment and supporting documents.

- b. If it arose from multiple affixture/printing of stamps due to a system error, a written or emailed request for investigation/adjustment to the taxpayer's ledger balance shall be transmitted to the Chief, Administrative System Division (ASD), together with the taxpayer's written request for adjustment and supporting documents.

The ASD shall transmit the results of their investigation, including an accomplished Data Fix Request Form to the MOMD for validation purposes and subsequent approval by the ACIR, Collection Service. The approved Form shall be returned to the ASD to effect the adjustment on the taxpayer's ledger balance.

Under both instances, the respective requests for verification and investigation/adjustment shall be transmitted by MOMD to the concerned revenue offices within five (5) working days from receipt of the taxpayer's written request for adjustment.

3. The head of the concerned RDO or LTS division shall issue a Memorandum of Assignment (MOA) authorizing revenue officer(s) to conduct a verification of the taxpayer's request for adjustment and directing the submission of a written memorandum containing the results of their verification and corresponding recommendation for approval or denial, as the case may be, of the taxpayer's request. The said memorandum shall be approved by the head of the concerned RDO or LTS division and transmit the same, together with the supporting documents, to the Chief, MOMD, within thirty (30) working days from receipt of the request for verification.
4. The recommendation, whether for approval or denial of the taxpayer's request for adjustment, shall be evaluated by MOMD and subsequently endorsed to the Assistant Commissioner, Collection Service for final approval.
 - a. In case of approval, the Chief, MOMD shall approve the taxpayer's request and briefly indicate the reasons for adjustment in the box provided for, both under the "Balance Adjustment Details" functionality of the eDST System.
 - b. The taxpayer-user shall be notified, in writing or thru email, on the approval or denial of its request for balance adjustment within five (5) working days from receipt of the written recommendation and supporting documents of the concerned RDO or LTS division. The reason(s) for the denial of the taxpayer's request shall, at all times, be clearly stated in the notice to the taxpayer. Should it be determined that a request for refund should have been filed instead by the taxpayer-user, the same should be categorically stated in the notice of denial. In case the taxpayer's request does not arise from a system error and there is a need for a further verification at the taxpayer's side, the same shall be informed to the taxpayer.

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



CAESAR R. DULAY
Commissioner of Internal Revenue

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