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

February 12, 2018

REVENUE MEMORANDUM ORDER NO. 13-2018

TO   :   All Internal Revenue Officials and Employees Concerned

SUBJECT   :   Re-classification of Revenue District Offices

I.   OBJECTIVE

This Order is issued to update the classification of Revenue District Offices (RDOs) per Revenue Memorandum Order No. 35 – 2011.

II.   DATA USED AND METHODOLOGY

1.   Data by Implementing Office

a. Average share of RDO collection to total BIR collection from CY 2014 – CY 2016;
b. Share of RDO number of active registered taxpayers to total BIR number of active register taxpayers as provided by Taxpayers Service Programs Monitoring Division (TSPMD) for CY 2016;
c. Share of RDO number of registered ATPs (Authority to Print) to total BIR number of registered ATPs, CY 2016; and
d. Share of RDO number of tax returns filed to total BIR number of tax returns filed, CY 2016.

2.   Methodology

The Class Indicator (CI) of each RDO is the sum of the following:

a. Forty percent (40%) of the RDO's average share of RDO collection to the total BIR collection;
b. Twenty percent (20%) of the share of RDO's number of active registered taxpayers to the total BIR number of active register taxpayers;
c. Ten percent (10%) share of RDO's number of registered ATPs to the total BIR number of registered ATPs; and
d. Thirty percent (30%) share of RDO's number of tax returns filed to the total BIR number of tax returns filed.

Formulas:

$CI = A + B + C + D$, where

$$A = \frac{\text{RDO Collection}}{\text{Total BIR Collection}} \times 40\%$$

$$B = \frac{\text{RDO Number of Active Registered Taxpayers}}{\text{BIR Total Number of Active Registered Taxpayers}} \times 20\%$$

$$C = \frac{\text{RDO Number of Registered ATPs}}{\text{BIR Total Number of Registered ATPs}} \times 10\%$$

$$D = \frac{\text{RDO Number of Returns Filed}}{\text{BIR Total Number of Returns Filed}} \times 30\%$$

3. Distribution of Revenue Districts by Class

It was predetermined that there shall be five (5) classes of RDOs, A, B, C, D, and E under the revised classification. The number of RDOs per class were normally distributed using CI.

The following table shows the distribution of RDOs by class.

DISTRIBUTION OF REVENUE DISTRICTS BY CLASS

CLASS	NO. OF RDOs
A	12
B	25
C	38
D	31
E	17
TOTAL	**123**

III. RDO CLASSIFICATIONS

The list of RDOs with their corresponding classifications is attached as Annex A of this Order.

IV. UPDATING OF REVENUE DISTRICT CLASSIFICATION

RDO Classification shall be updated when necessary but not sooner than two (2) years.

V. REPEALING CLAUSE

This order repeals all existing regulations that are inconsistent herewith.

VI. EFFECTIVITY

This Order takes effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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