

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

July 27, 2010

REVENUE MEMORANDUM ORDER NO. 66-2010

TO : Deputy Commissioner for Operations
Assistant Commissioners, Head Revenue Executive Assistants
Regional Directors, Revenue District Officers, Division Chiefs
and Other Officers Concerned

SUBJECT : Adjustments to RMO No. 31-2010 on the Allocation
of the CY 2010 BIR Collection Goal by Implementing Office

I. Objective

The purpose of this Memorandum is to adjust the collection goals per RMO 31-2010 affected by the revision in the assigned collection goal of the Bureau for CY 2010.

II. CY 2010 Overall Collection Goal

The revised overall CY 2010 collection goal of the Bureau as provided by the Department of Finance (DOF) is ₱ 860,441 million. This is 14.68% higher than CY 2009 actual collection of ₱ 750,288 million. Out of the ₱ 860,441 million, ₱ 819,598 million is for BIR Operations and ₱ 40,843 million is for Non-BIR Operations based on the Medium-Term Revenue Program (MTRP) run date July 7, 2010.

The breakdown of the goal, by major tax type, is as follows:

COLLECTION GOAL BY MAJOR TAX TYPE, CY 2010
BIR OPERATIONS AND NON-BIR OPERATIONS
(In Million Pesos)

TAX CLASSIFICATION	TOTAL	BIR OPERATIONS			NON-BIR OPERATIONS
		EXISTING MEASURES	NEW MEASURES	TOTAL	
TOTAL	₱ 860,441	809,588	10,010.00	819,598.00	40,843
I. INCOME TAXES	492,076	517,006	(59,983)	457,023.00	35,053
II. EXCISE TAXES	62,425	52,748	9,677	62,425.00	
III. VALUE-ADDED TAX	212,447	157,422	55,025	212,447.00	
IV. PERCENTAGE TAXES	46,739	49,180	(2,441)	46,739.00	
V. OTHER TAXES	46,754	33,232	7,732	40,964.00	5,790

III. Data Used

The following data were used in the computation of the revised final goal allocation:

- A. CY 2010 goal allocation by implementing unit per RMO No. 31-2010 submitted by implementing offices, as of July 22, 2010;
- B. Data Considered as Refinements for CY 2010 Goal Allocation per RMO No. 31-2010:
Special Taxes: Goals on Tax on Government Securities, Travel Tax, Stock Transactions, Excise Taxes and MALAMPAYA based on MTRP, dated December 14, 2009;
- C. Economic assumptions/indicators and revised goal by tax type in the MTRP, dated July 7, 2010 from the DOF (Annex A);
- D. Revised CY 2010 Excise Taxes monthly allocation by product as provided by the LTS (Excise group), dated July 15, 2010;
- E. Amended CY 2009 Regular Corporate Income Tax Collections from MALAMPAYA per LTS-Excise report, as of July 21, 2010;
- F. CY 2009 Monthly collections of stock transactions tax by implementing office per BIR Form No. 1209 report, as of March 18, 2010; and
- G. CY 2009 Monthly collections of LTS by tax type and implementing unit per BIR Form No. 1209 report, as of March 18, 2010.

IV. Adjustments in the Goal Allocation Methodology

All data necessary for this goal allocation utilized statistics available as of July 22, 2010. The revised CY 2010 goal will be based on the methodology below.

A. General Methodology

1. The revised BIR goal was divided into BIR Operations and Non-BIR Operations (Annex B). The goals on stock transactions tax and travel tax which were previously part of the goals on Non-BIR Operations per RMO No. 31 – 2010 shall now be included in the assigned goal for BIR Operations.
2. CY 2010 goals of implementing offices per RMO No. 31 – 2010 were refined by using the data enumerated in Section III.B. (Annex C).
3. The revised preliminary total goal on BIR Operations (Annex C-1) was pro-rated to all implementing offices using the CY 2010 refined goal per RMO No. 31-2010. The revised CY 2010 total goal by implementing office is shown in Annex C-2.

B. Goal Allocation by Major Tax Type and Month

1. CY 2010 total monthly goal was based on the refined average monthly share of collection, CYs 2006 – 2009. The refinements that were taken out from the actual collections for trending purposes include collections from excise taxes, tax on treasury bills/government securities, MALAMPAYA, selected 2009 SARO and travel tax.
2. CY 2010 revised total goal by major tax type was based on the MTRP run date July 7, 2010 as provided by DOF (Annex A).
3. Revised allocation for Excise Taxes by period was provided by the LT-Excise Group, Field Operations Division
4. CY 2010 allocation for Stock Transactions was based on actual CY 2009 collections by implementing office as reported in BIR Form 1209 as of March 18, 2010.
5. For the remaining tax types, Income Taxes, VAT, Percentages Taxes (exclusive of stock transactions) and Other Taxes, goal allocation were based on CY 2009 actual collections.

C. Goal Allocation by Implementing Offices/Revenue District Office/Implementing Unit

The revised CY 2010 goal by implementing office was allocated by period and major tax type using ratio and proportion method applied on the CY 2010 goal allocation by Revenue District Office (RDO) per RMO 31-2010 as provided by the Regional Offices.

For the Large Taxpayers Service (LTS), the total goal allocation per implementing group was based on the simulation done by Statistics Division following the methodology prescribed in RMO No. 31-2010. This was further allocated by period and major tax type using ratio and proportion method applied to the CY 2009 actual collections as reported in the BIR Form No. 1209 report.

The revised breakdown by implementing office/RDO/implementing unit, period and tax type are presented in Annexes D, D-1 to D-6.

V. List of Annexes

Annex A	Revised Macroeconomic Assumptions and Collection Goal By Major Tax Type, CY 2010
Annex B	Revised Monthly Collection Goal By Major Tax Type, BIR Operations and Non-BIR Operations, CY 2010
Annex C	Refined Goal by Implementing Office (Per RMO No. 31 -2010), CY 2010
Annex C-1	Computation of the Breakdown of Revised Preliminary Total Goal on BIR Operations, CY 2010
Annex C-2	Revised Collection Goal Allocation By Implementing Office, CY 2010
Annex D	Revised Total Collection Goal Allocation By Implementing Office and Major Tax Type, CY 2010
Annex D-1	Revised Monthly Total Collection Goal Allocation By Implementing Office, CY 2010
Annex D-2	Revised Monthly Collection Goal For Income Taxes By Implementing Office, CY 2010
Annex D-3	Revised Monthly Collection Goal Allocation For Excise Taxes By Implementing Office, CY 2010
Annex D-4	Revised Monthly Collection Goal Allocation For Value-Added Tax By Implementing Office, CY 2010
Annex D-5	Revised Monthly Collection Goal Allocation For Percentage Taxes By Implementing Office, CY 2010
Annex D-6	Revised Monthly Collection Goal Allocation For Other Taxes By Implementing Office, CY 2010

VI. Repealing Clause

This Revenue Memorandum Order revises RMO 31-2010 and all other issuances inconsistent herewith.

VII. Effectivity

This Order takes effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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