

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

June 5, 2017

**REVENUE MEMORANDUM ORDER NO. 14 – 2017**

**SUBJECT:** Prescribing the 2017 Collection Target from Audit and Basis for the Computation of the Audit Goal

**TO :** All Regional Directors, Revenue District Officers, Chiefs, VAT Audit Sections of Revenue Region Nos. 5 – Caloocan City, 6 – Manila, 7 – Quezon City and 8 – Makati City, Revenue Officers and Others Concerned

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**I. Objective**

This Order is issued to prescribe the minimum collection goal from audit of Revenue District Offices and the VAT Audit Sections in the Assessment Division of Metro Manila revenue regional offices, to define what comprises collection from audit and the basis for the computation thereof.

**II. Policies**

1. Collection from audit shall include deficiency taxes collected, including penalties, as a result of audit/verification under a duly issued electronic Letter of Authority (eLA) and Letter Notice (LN).

Collection arising from the voluntary filing of estate tax returns and as a result of verification of said returns under a duly issued Tax Verification Notice (TVN) shall not be considered as collection from audit.

2. The following payments made by the taxpayers shall be considered as collection from audit:

- 2.1 Payment made before the issuance of an assessment notice, in relation to Item No. 2 of Revenue Memorandum Circular No. 11-2014, wherein the taxpayer may be allowed to make voluntary payments of probable deficiency taxes and penalties; and

- 2.2 Payment made after the case has been reviewed, based on deficiency assessment per Preliminary Assessment Notice (PAN), Final Assessment Notice or Final Decision on Disputed Assessment (FDDA).

Collections from delinquent accounts, although arising from an issuance of eLA and LN shall not be considered as collection from audit.

3. The minimum collection target from audit for Revenue District Offices shall be 3% based on the adjusted assigned collection goal to be computed as follows:

Collection from Audit (eLAs + LNs)  
Assigned Collection Goal (net of voluntary compliance collections from withholding tax on compensation income, TRA of NGAs, withholding taxes of LGUs, SARO and Taxes on ONETT)

4. For the VAT Audit Sections, the goal shall be at least 105% of prior year's collection from VAT audit/investigation of the said sections.
5. For purposes of assigning the collection goal per Revenue Officer, the Revenue District Officer/Chief, VATAS shall divide the RDO's/VATAS' collection goal from audit by the number of Revenue Officers assigned to perform assessment functions in the district office/section, excluding the number of Group Supervisors and the Chief, Assessment Section.
6. The concerned Revenue District Officer/Chief, VAT Audit Section shall ensure that the reports of investigation for all the cases considered in computing the attainment of the office's collection goal are actually submitted and the necessary updates are encoded in the Electronic Letter of Authority Monitoring System (eLAMS) and/or Case Management System (CMS) of the Electronic Tax Information System (eTIS).
7. Only cases where the reports of investigation are actually submitted and received by the Revenue District Officer/Chief of the VAT Audit Section shall be considered in computation of the performance on collection from audit.

### **III. Repealing Clause**

All revenue issuances or portions thereof inconsistent herewith are hereby revoked and/or amended accordingly.

### **IV. Effectivity**

This Order shall take effect immediately for the Performance Evaluation of all concerned offices for calendar year 2017.

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