

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

January 20, 2010

**REVENUE MEMORANDUM CIRCULAR NO. 6-2010**

**SUBJECT:** Publishing the full text of the Memorandum of Agreement between the Bureau of Internal Revenue (BIR) and the Philippine National Police (PNP)

**TO :** All Internal Revenue Officers and Others Concerned

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For the information and guidance of all concerned, quoted hereunder is the full text of the Memorandum of Agreement (MOA) between the Bureau of Internal Revenue (BIR) and the Philippine National Police (PNP) signed on January 20, 2010 at the BIR National Training Center Auditorium, BIR, National Office, Diliman, Quezon City.

**"MEMORANDUM OF AGREEMENT"**

KNOW ALL MEN BY THESE PRESENTS:

This **MEMORANDUM OF AGREEMENT** is entered into by and between:

The **BUREAU OF INTERNAL REVENUE (BIR)**, a government agency under the Department of Finance, with office address at BIR Road, Diliman, Quezon City, herein represented by **Commissioner JOEL L. TAN-TORRES**, hereinafter referred to as "**BIR**";

-and-

The **PHILIPPINE NATIONAL POLICE (PNP)**, a government agency under the Department of Interior and Local Government (DILG), with office address at Camp Crame, Cubao, Quezon City, herein represented by **Police Director General JESUS A. VERZOSA**, hereinafter referred to as "**PNP**";

**WITNESSETH:**

WHEREAS, all parties are willing to coordinate and cooperate to improve service to taxpayers and to improve tax collection and compliance.

WHEREAS, records, documents and information can be defined to improve the withholding of tax on payments to uniformed and non-uniformed personnel of the PNP.

WHEREAS, in order to effectively and correctly deduct the withholding tax of uniformed and non-uniformed personnel of the PNP whose salaries are being paid by the PNP Finance Service, this service shall conduct the general updating of exemptions by requiring all uniformed and non-uniformed personnel to file the updated Certificate of Update of Exemption and of Employer's and Employee's Information (BIR Form No. 2305) to ensure that tax due equals tax withheld and to

ensure convenience of no longer filing Income Tax Return if they comply with the requisites of substituted filing.

WHEREAS, it is necessary that measures are to be taken to ensure the proper accomplishment and filing of BIR Form No. 2305 by uniformed and by the non-uniformed personnel of the PNP to effectively implement the provisions of the Tax Code.

WHEREAS, ensure cooperation and correct filling-up of BIR Form No. 2305 and the timely filing thereof by the uniformed and non-uniformed personnel of the PNP.

Therefore, for and in consideration of the foregoing premises, the BIR and PNP have agreed to do the following duties and responsibilities:

### **PHILIPPINE NATIONAL POLICE**

#### **A. PNP FINANCE SERVICES shall:**

1. Send to all PNP Regional Finance Officers and all its subordinate and support offices the Transmittal List of BIR Form No. 2305 (Annex A) duly filled – up with names of PNP officials and support employees whose salaries are paid by PNP- Finance Service showing the account number, TIN, name, unit code (place of assignment), rank/salary grade and step for non-uniformed personnel, basic salary, name of dependent children, relationship (son/daughter) and their birthdates (mm/dd/yyyy), updated exemption status (blank for updating) (e.g. S, ME1, ME4) in hard and softcopy (CD).
2. Advice the Regional Finance Officers and all its subordinate and support offices to coordinate if needing additional forms from the RDO-Taxpayer Assistance Section having jurisdiction over the Region/province concerned, copies of blank BIR Form No. 2305 based on the number of police and support employees listed in the transmittal form.
3. Require Regional Finance Officer to accomplish the Employer's portion of the BIR Form No.2305 upon receipt from all its subordinate and support offices
4. Submit the duly accomplished copies of BIR Form No. 2305 with soft-copy (CD) showing name, exemption status code etc. to Revenue District No. 40 – Cubao, and have all copies of the form stamped "RECEIVED" together with necessary documents (e.g. certified copy of birth certificate of dependents, marriage contract etc.) by said office.
5. Retain duplicate copy of the BIR Form No. 2305 duly received by the RDO No. 40-Cubao for file, and transmit the triplicate copies to the Employees/ Police officials/support services and quadruplicate copies for the PNP Regional office file thru the Regional Finance Officer, for their file.
6. Retain the duplicate copy of the transmittal list (hard copy only) duly received by RDO No. 40-Cubao for their file and future reference.
7. Encode and/or upload information gathered after inspection, validation and counter-checking from the file copies of the BIR Form No. 2305 received for the purpose of computing the correct withholding tax of uniformed and non-uniformed personnel. Ensure that the TIN be a

part of the requirements in all applications for government permit, license, clearance, official paper or any other similar document as prescribed under Executive Order No. 98, Series of 1999.

8. Require all Regional Finance Officers to coordinate with RDOs having jurisdiction over their regions for the conduct of information dissemination.

**B. PNP REGIONAL FINANCE OFFICER shall:**

1. Receive the transmittal lists hard and soft-copy (CD) excel format with names and exemption status code (e.g. (S, ME4 etc) of uniformed and non-uniformed police personnel from PNP-Finance Service.
2. Request for copies of blank BIR Form No. 2305 from the RDO-Taxpayer Assistance Section having jurisdiction over the Region/province concerned, based on the transmittal listings supplied by PNP-Finance Service.
3. Distribute the transmittal lists in hard copy to the Provincial/District Finance Officers having jurisdiction over the uniformed and non-uniformed employees named in the list within ten (10) working days.
4. Receive from PNP-Finance Service the triplicate and quadruplicate copies of the BIR Form No. 2305 duly stamped “RECEIVED by RDO No. 40-Cubao” for distribution to Police and non-police personnel for the latter's file.
5. Retain quadruplicate copy of the BIR Form No. 2305 duly received by the RDO No. 40-Cubao for file, and transmit the triplicate copies to the uniformed and non-uniformed personnel for their file.
6. Ensure to include the Taxpayer Identification Number (TIN) as one of the requirements in all applications for all government permit, license, clearance, official paper or other similar document.
7. Coordinate with the nearest Revenue Regional Office/Revenue District Office for the conduct of information dissemination and proper filling-up of forms.

**C. PROVINCIAL/DISTRICT FINANCE OFFICER/SERGEANT shall:**

1. Distribute BIR Form No. 2305 to the corresponding city/municipal finance officer/sergeant under them within two (2) working days after receipt.
2. Collect all accomplished BIR Form No. 2305 together with supporting documents from the city/municipal finance officer/sergeant and verify if all the uniformed and non-uniformed personnel under his jurisdiction have submitted said BIR Form No. 2305 on time.
3. Review and check the correctness based on data attached for each BIR Form No. 2305 transmitted by the city/municipal finance officer/sergeant.
4. Administrative Officer of each unit shall sign in the space/portion provided for employers.

5. Transmit all BIR Form No. 2305 to the Regional Finance Office for validation, consolidation and encoding within ten(10) working days after receipt of BIR Form No. 2305 from the city/municipal finance officer/sergeant.
6. Coordinate with the nearest Revenue Regional Office/Revenue District Office for the conduct of information dissemination and proper filling-up of forms.

**D. CITY/MUNICIPAL POLICE STATION HEAD shall:**

1. Distribute BIR Form No. 2305 to all PNP personnel under his/ her jurisdiction within five (5) working days from receipt of said form.
2. Require the PNP personnel to accomplish the BIR Form No. 2305 with attached documents Annex "B" attached and submit the same within ten(10) working days to provide them sufficient time to secure required documents.
3. Prepare and submit duly accomplished BIR Form Nos. 2305/1902 (for new employees) with attached documents (e.g. certified copy of birth certificates of dependent children, marriage contract etc.) to the provincial/district head within five (5) working days after receipt of said form.

**BUREAU OF INTERNAL REVENUE**

**A. REGIONAL DIRECTOR shall:**

1. Coordinate with the Revenue District Office and PNP offices for the proper implementation of this Memorandum of Agreement.
2. Assists and give proper direction to all RDOs for the immediate dissemination of information.
3. Ensure for the availability of all required forms needed by PNP personnel.

**B. REVENUE DISTRICT OFFICE (RDO) shall:**

1. Provide BIR Form Nos. 2305/1902 to PNP personnel within their jurisdiction.
2. Assists, coordinate and conduct information campaign for the efficient implementation of the memorandum of Agreement.

Note: Revenue Collection Officer (RCO) available in the area (island town) or where their proximity of their place of assignment to PNP office may extend immediate assistance in the proper implementation of the MOA.

**C. REVENUE DISTRICT OFFICE NO. 40-CUBAO shall:**

1. Stamp "RECEIVED" all copies of the BIR Form No. 2305 and CD with updated exemption status details of uniformed and non-uniformed personnel submitted by PNP -Finance Service.

2. Transmit the duplicate, triplicate and quadruplicate copies of the BIR Form No. 2305 to PNP-Finance Center after they are stamped "RECEIVED" to be distributed as follows:
 

Duplicate	- PNP-Finance Service (Withholding Tax Section)
Triplicate	- uniformed and non-uniformed employees
Quadruplicate	- PNP Regional Finance Office copy
3. Transmit original copies of BIR Form Nos. 2305/1902 and CD with updated exemption status details with the original copy of the transmittal list to the Quezon City Regional Data Center, BIR.
4. Keep original copies of BIR Form No. 2305 with attached documents (e.g. certified copies of birth certificates, marriage contract etc) for file.
5. Coordinate with Revenue Regional Offices/Revenue District Offices on PNP concerns.

**D. QUEZON CITY REGIONAL DATA CENTER shall:**

1. Receive CD with updated exemption status details and the corresponding transmittal list from Revenue District Office No. 40-Cubao.
2. Upload information gathered from BIR Form Nos. 2305/1902 submitted for reference, (i.e. Name and Address of Employee, Name and Address of Employer and the Total Amount of Personal and Additional Exemptions Claimed).
3. Transmit back to RDO 40– Cubao the processed and uploaded CD for RDO file.

In witness hereof, the parties have hereunto signed this Memorandum of Agreement, this 20th day of January, 2010.

**BUREAU OF INTERNAL REVENUE**

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

Signed in the presence of:

(Original Signed)  
 Director Antonio A. Montemayor  
 Revenue Region No. 7-Quezon City

(Original Signed)  
 Claverina S. Nacar  
 Revenue District Officer  
 RDO No. 40-Cubao

**PHILIPPINE NATIONAL POLICE**

BY: (Original Signed)  
**JESUS A. VERZOSA**  
 Police Director General  
 Philippine National Police

(Original Signed)  
 Police Director Romeo C. Hilomen  
 Director for Comptrollership

(Original Signed)  
 Police Chief Superintendent Juan G. Luna  
 Director, Finance Service"

## TRANSMITTAL LIST OF BIR FORM NO 2305/1902

## TAX EXEMPTION UPDATE

AS OF \_\_\_\_\_

AGENCY: PNP

TIN #: 000-088-079

S e q  N r	Acc t Nr	T I N	Name of Employee	Unit Cod e	Ra nk	Sala ry Gra de / Step	Basi c Sala ry	Name of Dependents (Spouse & children 21 yrs old and below only) (Last Name, First Name, Middle Name)	Birthdat e (mm/dd/ yyyy)	Updat ed Exemp tion Status Code (S, ME)
1										
2										
3										

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