FILING OF TAX RETURNS AND PAYMENT OF INTERNAL REVENUE TAXES.

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Reports have been received by this Office that for inconsequential reasons, some revenue personnel have willfully refused to accept taxpayer's tax returns, or payment of taxes. Such acts, not only wrecks the tax collection effort of the Government, it also creates resentment on the part of the taxpayers. Thus, for the guidance of all concerned, pertinent provisions of the Tax Code are quoted hereunder.

A.
Income Tax

"Sec. 49. Payment and assessment of income tax for individuals and corporations.

> "(a) Payment of tax. - (1) In general - The total amount of tax imposed by this Title shall be paid by the person subject thereto at the time the return is filed. In the case of tramp vessels, the shipping agents or the husbanding agents, and in their absence, the captains thereof are required to file the return herein provided and pay the tax due thereon before their departure. Upon failure of the said agents or captains to file the return and pay the tax, the Bureau of Customs is hereby authorized to hold the vessel and prevent its departure until proof of payment of the tax is presented or a sufficient bond is filed to answer for the tax due.
>
> "(2) Installment payment: - When the tax due is in excess of P2 ,000, the taxpayer other than a corporation may elect to pay the tax in two (2) equal installments in which case, the first installment shall be paid at the time the return is filed and the second installment, on or before July 15 following the close of the calendar year. If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid becomes due and payable, together with the delinquency penalties."

B.
Estate Tax

"Sec. 84. Payment of tax. - (a) Time of payment. - The estate tax imposed by Section 77 shall be paid at the time the return is filed by the executor, administrator or the heirs.

C.
Donor's Tax

"Sec. 97. Payment of tax. - (a) Time and place of payment of tax. - The donor's tax imposed by Section 92, shall be paid at the time the return is filed. The tax shall be paid by the donor to the Revenue District Officer, Collection Agent or duly authorized treasurer of the city or municipality in which the donor was domiciled at the time of the transfer or if there is no legal residence in the Philippines, with the Office of the Commissioner of Internal Revenue.

D.
Value-Added Tax

"Sec. 110. Return and payment of value-added tax. -

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"(a) x x x x x x x x x

"(b) Time for filing of return and payment of tax. - The return shall be filed and the tax paid within 20 days following the end of each quarter specifically prescribed for a VAT-registered person under regulations to be promulgated by the Secretary of Finance: Provided, however, That any person whose registration is cancelled in accordance with paragraph (e) of Section 107 shall file a return within twenty (20) days from the cancellation of such registration.

E.
Other Percentage Tax

"Sec. 125. Returns and payment of percentage taxes. - (a) Return of gross sales, receipts or earnings and payment of tax.

"(1) Persons liable to pay percentage taxes. - Every person subject to the percentage taxes imposed under this Title shall file a quarterly return of the amount of his gross sales, receipts or earnings and pay the tax due thereon within twenty (20) days after the end of each taxable quarter; Provided, That in the case of a person whose VAT registration is cancelled and who becomes liable to the tax imposed in Section 112 of this Code, the tax shall accrue from the date of cancellation and shall be paid in accordance with the provisions of this Section.

F.
Excise Tax

"Sec. 127. Payment of excise taxes on domestic products. - (a) Persons liable; time for payment. - Unless otherwise especially allowed, excise taxes on domestic products shall be paid by the manufacturer or producer before removal from the place of production: Provided, That the excise tax on locally manufactured petroleum products and indigenous petroleum levied under Sections 145 and 151(a) (4), respectively, of this Title shall be paid within 15 days from the date of removal thereof from the place of production. Should domestic products be removed from the place of production without the payment of the tax, the owner or person having possession thereof shall be liable for the tax due thereon.

"Sec. 128. Payment of excise tax on imported articles. - (a) Persons liable. - Excise taxes on imported articles shall be paid by the owner or importer to the customs officers, conformably with the regulations of the Department of Finance and before the release of such articles from the customhouse, or by the person who is found in possession of articles which are exempt from excise taxes other than those legally entitled to exemption.

"In the case of tax-free articles brought or imported into the Philippines by persons, entities, or agencies exempted from tax which are subsequently sold, transferred or exchanged in the Philippines to non-exempt persons or entities, the purchasers or recipients shall be considered the importers thereof, and shall be liable for the duty and internal revenue tax due on such importation. The tax due on such article shall constitute a lien on the article itself, superior to all other charges or liens, irrespective of the possessor thereof."

Subject to the constraints indicated in the aforesaid provisions, all internal revenue officers are enjoined to accept the taxpayer's return and payment of taxes. Refusal to accept any return or payment of taxes by any internal revenue officers shall be a ground for disciplinary action.

Adopted: 14 May 1990

(Sgd.) JOSE U. ONG
Commissioner of Internal Revenue

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