CLARIFICATION ON THE SCHEDULE OF PAYMENT/REMITTANCE OF TAXES WITHHELD ON COMPENSATION, CREDITABLE EXPANDED WITHHOLDING TAX AND FINAL TAX

BIR MEMORANDUM CIRCULAR NO. 3-98, January 14, 1998

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This Circular is issued to resolve the confusion in the remittance of Taxes Withheld on Compensation, Creditable Expanded Withholding and Final Withholding Taxes due to the implementation of the Tax Reform Act of 1997 (RA 8424), otherwise known as the CTRP Law.

Pursuant to the 2nd paragraph of Sec. 81 of the CTRP Law, re: filing of return and payment of taxes withheld on compensation, the return shall be filed and the payment made within twenty five (25) days from the close of the calendar quarter. Provided, however, that the Commissioner may with the approval of the Secretary of Finance, require the employees to pay or deposit the taxes deducted and withheld at more frequent intervals, in cases where such requirement is deemed necessary to protect the interest of the Government. Likewise, Sec. 58 which prescribes the returns and payments of taxes withheld at source provides for the same requirements.

The above-mentioned provisions were the same provisions provided in the National Internal Revenue Code even prior to the approval of the CTRP. To implement said provisions, Revenue Resolutions No. 3-93 and 4-93 were issued which provided that filing of withholding tax return and payment of taxes withheld on compensation shall be made on the 10th day of the month following the month when the tax is withheld with the exception of those withheld for the month of December which shall fall due on the 25th day of January of the following year.

The Regulations aforementioned are still valid and subsisting and shall continue to be enforced by all internal revenue officials and employees.

All concerned are hereby enjoined to be guided accordingly and give this Circular as wide a publicity as possible.

Adopted: 14 Jan. 1998

(SGD.) LIWAYWAY VINZONS-CHATO
Commissioner

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