

INTENSIFYING COLLECTION/SETTLEMENT OF DELINQUENT ACCOUNTS

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/f8df3e751116/>

I PURPOSE

The purpose of this Order is to accelerate the collection of taxes through compromise pursuant to Section 204, NIRC, as amended by RA No. 7646.

II OBJECTIVES

This Order is issued to give the opportunity to taxpayers with outstanding receivable accounts with the Bureau to settle their tax liabilities and reduce if not eliminate the large inventory of delinquent accounts of every Revenue District Offices.

III POLICIES

1. The Revenue Regional Approval Committee (RRAC), with the Regional Director as its Chairman, created under Revenue Memorandum Order No. 45-93 dated September 29, 1993 is hereby authorized to settle/compromise delinquent accounts covering the period from 1996 and prior years, the basic taxes of which do not exceed FIVE HUNDRED THOUSAND PESOS (P500,000.00), provided that the collection in each case shall not be lower than the following prescribed minimum percentages:

- Jeopardy assessments — 10% of the basic tax
- Non-jeopardy assessments — 50% of the basic tax
- Tax due per Return — 100% of the basic tax
- Second Installment of Income Tax — 100% of the basic tax

2. The same minimum percentages shall apply to delinquent account cases with basic taxes exceeding FIVE HUNDRED THOUSAND PESOS (P500,000.00). However, dockets of the subject cases shall be forwarded to the Revenue National Approval Committee (RNAC), headed by the Commissioner, also created under the aforementioned RMO No. 45-93, for final approval.

3. Final assessments issued against Large Taxpayers as defined under Section 4 of the NIRC Code shall not be compromised for less than fifty percent (50%). Any such compromise involving said taxpayers lower than fifty percent (50%) shall be subject to the approval of the Secretary of Finance.

4. Cases with WDL shall be included in the compromise settlement.

5. Cases pending in court (except those involving fraud) may, with leave of court, be the subject of a compromise settlement upon request of taxpayer.

For purposes of this program, the term "jeopardy assessment" shall refer to a delinquency tax assessment which

was assessed without the benefit of complete or partial audit by an authorized revenue officer, who has reason to believe that the assessment and collection of a deficiency tax will be jeopardized by delay because of the taxpayer's failure to comply with the audit and investigation requirements to present his books of accounts and/or pertinent records, or to substantiate all or any of the deductions, exemptions, or credits claimed in his return.

IV

PROCEDURES

The following procedures and guidelines shall be done by all Regional/Revenue District Offices:

1. Evaluate all delinquent accounts under its jurisdiction to determine which account will qualify as a jeopardy assessment, non-jeopardy assessment, tax due per return or second installment cases.
2. Prepare an ATCA to cancel the corresponding amount not covered by the compromise payment to be signed by the Regional Director.
3. Issue the appropriate Payment Form/ATAP for the amount to be paid by the taxpayers under this Order.
4. Direct the taxpayer to pay said tax liability to any Accredited Agent Bank (AAB) or the Revenue Collection Officer where the taxpayer is registered.
5. Prepare a weekly list of the taxpayers who availed of the compromise settlement and submit the same to the Regional Directors copy furnished the Deputy Commissioner for Operations and the Assistant Commissioner for Collection.

V

REPEALING CLAUSE

All revenue issuances and/or portion(s) hereof which are inconsistent herewith are hereby amended accordingly.

VI

EFFECTIVITY

This Order shall take effect immediately until December 31, 1997.

Adopted: 14 Nov. 1997

(SGD.) LIWAYWAY VINZONS-CHATO

Commissioner of Internal Revenue

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.