



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

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January 23, 2018

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REVENUE MEMORANDUM ORDER NO. 8-2018

TO: All Revenue Officials and Employees Concerned

SUBJECT: CY 2018 BIR Collection Goal Allocation, By Implementing Office

I. BACKGROUND

The overall CY 2018 collection goal of the Bureau of Internal Revenue has been set by the Department of Finance (DOF) at P2,039.152 billion. This goal includes the additional revenues from the Tax Reform Acceleration and Inclusion (TRAIN) Act amounting to P15.893 billion.

The collection goal, which is based on the CY 2018 Medium Term Revenue Program (MTRP) dated January 18, 2018, is higher than the CY 2017 goal of P1,829.249 billion by P209.904 Billion, or 11.47%.

II. OBJECTIVE

This Order is being issued to establish the policies, methodology and guidelines utilized in the CY 2018 Collection Goal Allocation and to provide the resulting distribution to the Large Taxpayers Service (LTS) and Revenue Regions (RRs), including the Revenue District Offices (RDOs).

III. DEFINITION OF TERMS

- A. Collections from Non-BIR Operations – Income Taxes (Final Withholding Tax) and Documentary Stamp Tax collection from government securities transactions
- B. Collections from BIR Operations – composed of Income Taxes, Value-Added Tax, Excise Taxes, Percentage Taxes, and Other Taxes generated from transactions not classified as Non-BIR Operation
- C. Implementing Offices (IOs) – major BIR collecting offices - LTS, RRs and RDOs

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IV. GENERAL POLICIES AND GUIDELINES

The following policies and guidelines were observed relative to the data requirements and goal allocation methodology used in the computation of the final goal for the implementing offices:

A. Data Used

1. The CY 2017 estimated collection, which is the sum of:
 - a. The total actual collections for the period January – November, 2017, based on data from the Consolidated Monthly Statistical Report of Revenue Collections (BIR Form No.1209) as updated and validated by the concerned implementing offices with the Research and Statistics Division (RSD) as of December 28, 2017; and
 - b. The December 2017 collection, estimated based on goal attainment per RDO as of November, 2017.
2. Data considered as refinements for CY 2017 Collections:
 - a. Special Taxes comprising of Taxes on Government Securities and Excise Taxes for CY 2017, per BIR Form No. 1209 reports updated as of December 28, 2017.
 - b. Non-recurring transactions from January – November, 2017 where each single transaction accounts for at least ten percent (10%) of a particular Region's / LTS total collections for a specific month, based on figures provided in BIR Form No. 1209 Reports updated as of December 28, 2017.
 - c. Other Special Taxes:
 - c.1 CY 2017 Regular Corporate Income Tax Collections from MALAMPAYA, submitted by the Large Taxpayers Service (LTS) as of December 28, 2017; and
 - c.2 CY 2017 Bangko Sentral ng Pilipinas (BSP) remittance of Final Withholding Tax (FWT) on interest due from domestic borrowings under Reverse Repurchase Agreements (RRPs), as well as other similar transactions, submitted by LTS as of December 28, 2017.

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3. Other Data Considered:

- a. Economic assumptions / indicators provided in the MTRP (Table 1);
- b. Collection Goals, by major tax type, culled from the MTRP;
- c. The CY 2018 program on the volume of issuance of government securities and their corresponding taxes (FWT) as provided by the DOF. Documentary Stamp Tax [DST]) goal for Non-BIR Operations based on Bureau of the Treasury (BTr) program as of January 18, 2018.
- d. The CY 2018 goal on Final Withholding Tax Remittance of BSP as estimated by the RSD on January 10, 2018, based on data provided by the LTS covering remittances from the BSP for the months of January – November 2017.
- e. January – December, 2017 collections from transferred-in/out taxpayers, extracted by RSD from the ITS-CBR, as of December 29, 2017.
- f. Adjusted monthly collections due to the change in the payment deadlines of the following:
 - f.1 Quarterly Corporate Income Tax (BIR Form 1702Q);
 - f.2 1st Quarter Income Tax Return;
 - f.3 2nd Installment of Annual Income Tax Due; and
 - f.4 Monthly Filing of Withholding/Percentage Tax Returns

B. Goal Allocation Methodology

The CY 2018 Goal for BIR Operations was allocated to all IOs.

1. Goal Allocation by IO

- a. The Refined CY 2017 Collections is the Actual CY 2017 Collections which were refined by taking into account the following:
 - a.1 Netting-out the 2017 collections from all Special Taxes;
 - a.2 Netting-out the non-recurring collections;
 - a.3 Addition/Reduction of CY 2017 collections from transfer-in/out taxpayers; and
 - a.4 Adjustment of 2017 collections due to the change in the payment deadlines.
- b. The Estimated CY 2018 Collections for LTS were computed by growing the Refined CY 2017 collections by Industry using the average growth for the last three years (CY 2015 to CY 2017). Likewise, for RRs, the Estimated CY

2018 Collections were computed by growing the Refined CY 2017 total collections using the average growth for the last three years (CY 2015 to CY 2017).

- c. The following taxes have been directly allocated to the LTS:
 - d.1 Goal on Excise Taxes amounting to ₱ 309.506 Billion;
 - d.2 The MALAMPAYA Income Tax goal of ₱ 7.577 Billion; and
 - d.3 CY 2018 goal on FWT for BSP and Bank Deposits in the amount of ₱ 24.917 Billion;
- d. The Final CY 2018 Goal by IO was computed by adding-up the respective computed figures in Sec. IV.B.1.b to Sec. IV.B.1.d.

2. Goal Allocation by Major Tax Type and Month

The Final CY 2018 Goals of IOs (Table 5A) were distributed monthly by major tax type based on the following:

- a. The total CY 2018 target allocated to IOs per tax type was aligned with the estimates provided by the DOF dated January 18, 2018; and
- b. The monthly distribution of goal was based on the Refined CY 2017 Monthly Collections.

C. Transfer of Business Registration by Taxpayers

The procedure as stated in Revenue Memorandum Circular (RMC) No. 47-2008 will be adhered to wit:

“xxx

The following procedures shall be followed to effectively handle the request for transfer of business registration by taxpayers not otherwise classified as Large Taxpayer:

- xxx
- Collections from the said taxpayers shall be credited not in the new RDO, but still in the old RDO, even if the said taxpayer has physically transferred its business address.
- xxx

xxx”

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D. Attachments

The following tables are attached for the reference of all concerned revenue officials and personnel:

Table 1	Macroeconomic Assumptions and Collection Goal By Major Tax Type, CY 2018
Table 2	Monthly BIR Collection Goal By Major Tax Type, CY 2018
Table 3	Total Collection Goal Allocation By Implementing Office, CY 2018
Table 4	Total Collection Goal Allocation By Implementing Office and Major Tax Type, CY 2018
Table 5A	Monthly Total Collection Goal by Implementing Office, CY 2018
Table 5B	Monthly Collection Goal For Income Taxes By Implementing Office, CY 2018
Table 5C	Monthly Collection Goal Allocation For Excise Taxes By Implementing Office, CY 2018
Table 5D	Monthly Collection Goal Allocation For Value-Added Tax By Implementing Office, CY 2018
Table 5E	Monthly Collection Goal Allocation For Percentage Taxes By Implementing Office, CY 2018
Table 5F	Monthly Collection Goal Allocation For Other Taxes By Implementing Office, CY 2018

E. Other Requirements

The Deputy Commissioner for Operations Group and the Assistant Commissioner of LTS shall provide the Deputy Commissioner for Resource Management Group the individual goal allocation of the concerned personnel assigned in the implementing units under their respective jurisdictions, *not later than March 1, 2018.*

V. EFFECTIVITY

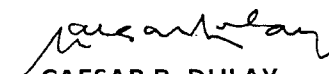
This Order takes effect immediately.

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CAESAR R. DULAY

Commissioner of Internal Revenue

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