



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Revenue Region No. 6 - Manila
Revenue District Office No. 33
Intramuros – Ermita – Malate – Port Area, Manila

DENR MIMAROPA RECORDS SECTION RECEIVED	
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TIME: _____	_____

May 16, 2023

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES
5F 1515 BLDG ROXAS BLVD BRGY 669 ZONE 072 ERMITA MANILA
TIN: 000-535-643-043

SUBJECT : Reiterating the Proper Time of Remittance of Withholding Taxes by National Government Agencies and Instrumentalities, Local Government Units, and Government Owned and Controlled Corporations

Sir/Madam:

This refers to the issuance of Revenue Memorandum Circular No. 47-2023 dated May 3, 2023 to reiterate the proper time of remittance of withholding taxes by National Government Agencies (NGAs) and Instrumentalities, Local Government Units (LGUs), and Government Owned and Controlled Corporations (GOCCs).

Please be informed that, since 2001, the proper time of withholding and remittance of the tax was already required under Revenue Regulations (RR) No. 12-2001, amending Section 2.57.4 of RR No. 2-98, which provides:

"Section 4. Time of withholding – Section 2.57.4 of RR 2-98, is hereby amended to read as follows:

Section 2.57.4. Time of withholding – The obligation of the payor to deduct and withhold the tax under Section 2.57 of these Regulations arises at the time an income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever is applicable, in the payor's books, whichever comes first. The term "payable" refers to the date the obligation becomes due, demandable or legally enforceable.

Provided however, that where income is not yet paid or payable but the same has been recorded as an expense or asset, whichever is applicable, in the payor's books, the obligation to withhold shall arise in the last month of the return period in which the same is claimed as an expense or amortized for tax purposes. xxx (Underscoring supplied)

The accrual basis of accounting was already prescribed by the Commission on Audit in the Government Accounting Manuals for NGAs and LGUs since 2002, pursuant to the Philippine Public Sector Accounting Standards that are harmonized with the International Public Sector Accounting Standards. Hence, a long period of departure from the cash basis of accounting which is, apparently, still being adopted by concerned government entities where their duty to deduct and withhold the tax is erroneously grounded.

As such, you are hereby requested to strictly comply with the proper time of remittance of the withholding tax obligations to avoid payment of the corresponding penalties.

Very truly yours,


GERARDO C. UTANES
Revenue District Officer

For assistance/queries, you may refer to:
CAS Ronan P. Martinez
GS Susan P. Halog
Tel. Nos. :8567-3609/8567-3970
Email Add.: ronan.martinez@bir.gov.ph
susan.halog@bir.gov.ph



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May 16, 2023

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES
5F 1515 BLDG ROXAS BLVD BRGY 669 ZONE 072 ERMITA MANILA
TIN: 000-535-643-043

SUBJECT : Use of Constructive Affixture of Documentary Stamp as Proof of Payment of Documentary Stamp for Certificates Issued by Government Agencies or Instrumentalities

Sir/Madam:

Warm greetings!

Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, and as prescribed under Revenue Regulations (RR) No. 2-2023 dated March 29, 2023, which took effect on May 5, 2023, this Office is pleased to inform you of the ***use of constructive affixture of documentary stamp as proof of payment of Documentary Stamp Tax (DST) on certificates issued by government agencies or instrumentalities.***

As constituted agents of the Commissioner of Internal Revenue, you shall collect for every issuance of certificate, from your applicants the corresponding amount of DST due thereon which shall be indicated as one of the items in the government official receipt and the same shall be attached to the taxable certificate as proof of payment of DST.

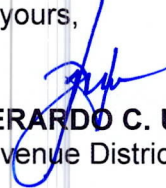
In addition to the affixture of government official receipt you shall stamp or print in a clear and readable manner which shall be located conspicuously on the face of the taxable certificate the phrase "DOCUMENTARY STAMP TAX PAID", including the serial number and the date of such government official receipt.

For the guidelines, procedures and transitory provisions in the use of Constructive Affixture of Documentary Stamp as Proof of Payment of Documentary Stamp for Certificates Issued by Government Agencies or Instrumentalities, please refer to the attached RR 2-2023 dated March 29, 2023.

Any violations of these Regulations shall be subject to the corresponding penalties under the pertinent provisions of the NIRC of 1997, as amended, and applicable regulations issued by the BIR.

Your usual utmost cooperation to abide in these Regulations is highly appreciated.

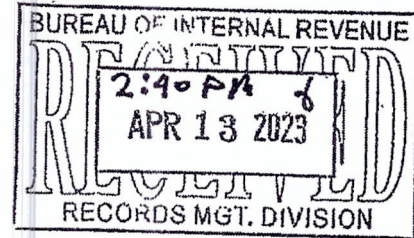
Very truly yours,


GERARDO C. UTANES
Revenue District Officer

Enclosure : RR 2-2023 dated March 29, 2023
For assistance/queries, you may refer to:
CAS Ronan P. Martinez
GS Susan P. Halog
Tel. Nos. :8567-3609/8567-3970
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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City



29 MAR 2023

REVENUE REGULATIONS NO. 2-2023

SUBJECT : Prescribing the Use of Constructive Affixture of Documentary Stamp as Proof of Payment of Documentary Stamp Tax for Certificates Issued by Government Agencies or Instrumentalities

TO : All Internal Revenue Officers and Others Concerned

SECTION 1. SCOPE. - Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to prescribe the use of constructive affixture of documentary stamp as proof of payment of Documentary Stamp Tax (DST) on certificates issued by government agencies or instrumentalities.

SECTION 2. DEFINITION OF TERMS. - For purposes of these Regulations, the terms herein provided are defined as follows:

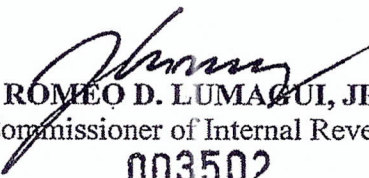
- a. **Constructive Affixture of Documentary Stamp** – refers to the attachment of the original copy of the government official receipt issued by government agencies or instrumentalities evidencing payment of the DST on the taxable certificate.
- b. **Agency of the Government** – refers to any of the various units of the Government, including a department, bureau, office, instrumentality, or government-owned or controlled corporations, or a local government or a distinct unit therein. (Section 2, Revised Administrative Code of 1987)
- c. **Instrumentality** – refers to any agency of the National Government, not integrated within the department framework vested with special functions or jurisdiction by law, endowed with some if not all corporate powers, administering special funds, and enjoying operational autonomy, usually through a charter. This term includes regulatory agencies, chartered institutions and government-owned or controlled corporations. (Section 2, Revised Administrative Code of 1987)
- d. **Certificate** – refers to the document issued by any government agency or instrumentality for the purpose of giving information or establishing proof of a fact.

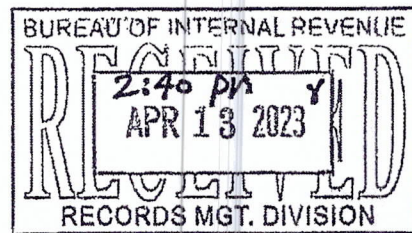
SECTION 10. EFFECTIVITY. - These Regulations shall take effect fifteen (15) days immediately after its publication in a newspaper of general circulation.



BENJAMIN E. DIOKNO
Secretary of Finance
MAR 29 2023

Recommending Approval:


ROMEO D. LUMAQUI, JR.
Commissioner of Internal Revenue
003502



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RR 15-2001

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