

[BIR REVENUE MEMORANDUM CIRCULAR NO. 39-2011, August 31, 2011]

VALUE-ADDED TAX ON TOLLWAY OPERATORS

This Circular is being issued to fully implement Section 108 of the National Internal Revenue Code (NIRC) on Tollway Operators, in relation to the Supreme Court En Bane Decision G.R. No. 193007 dated July 21, 2011:

1. The Value-Added Tax (VAT) shall be imposed on the Gross Receipts of Tollway Operators from all types of vehicle starting 12:01 am of October 1, 2011;
2. All Tollway Operators are required to enter into, sign and submit a Memorandum of Undertaking ("MOU") on or before October 1, 2011 regarding the implementation of VAT using the herein format marked as Annex "A"*;
3. Tollway Operators which have been assessed for VAT liabilities on receipts from toll fees for prior-periods can apply for Abatement of the tax liability, surcharge, interest and penalties under Section 204 of the NIRC and Revenue Regulations No. 13-2001;
4. The accumulated input VAT account of Tollway Operators, if any, shall have a zero balance on October 1, 2011. Any input VAT that will thenceforth be reflected in the books of accounts and other accounting records of Tollway Operators will have to be for purchases of goods delivered and invoiced on or after October 1, 2011. Whereas, for services, it should be for purchases of services which will be rendered and receipted on or after October 1, 2011;
5. No future claims for tax credit or refunds shall be allowed for any VAT passed-on to the Tollway Operators on any of their purchases made prior to October 1, 2011;
6. All Tollway Operators are required to comply with the invoice/receipt format prescribed under Revenue Memorandum Circular No. 40-2005.

All revenue officials and employees are enjoined to give this Circular as wide publicity as possible.

Adopted: 31 August 2011