

**[BIR REVENUE MEMORANDUM CIRCULAR NO. 59-
2011, December 02, 2011]**

**CLARIFICATION ON THE CREDITING OF TAX COLLECTIONS THRU
SPECIAL ALLOTMENT RELEASE ORDERS (SAROs), TAX SUBSIDY
AVAILMENT CERTIFICATES (TSACs), AND TAX SUBSIDY DEBIT
MEMOS (TSDMs)**

Adopted: 02 December 2011

Date Filed: 21 January 2012

It has been observed that one of the sources of discrepancies in the reported tax collections by some Revenue District Offices against the tax collections recognized by the Bureau of the Treasury (BTr) is the tax collection from tax subsidy availments of some qualified beneficiaries as determined by the Fiscal Incentives Review Board (FIRB). Under existing procedures, the Bureau, thru the Revenue Accounting Division (RAD) records the Special Allotment Release Order (SARO) issued by the Department of Budget and Management (DBM) upon receipt of the copy of the said SARO from the Revenue District Office having jurisdiction over the tax subsidy beneficiary [e.g., Armed Forces of the Philippines Commissary Exchange Services (AFPCES), Philippine National Police Service Store System (PNPSSS), Bases Conversion and Development Authority (BCDA), etc.] and the copy of the Journal Entry Voucher (JEV) prepared and issued by the BTR. These SAROs are being considered by the RAD as part of the collection performance of the RDOs having jurisdiction over the FIRB-approved recipients of these tax subsidies.

After the receipt of the copy of the SAROs, the concerned RDOs processes the applications filed by the tax subsidy beneficiaries for the issuance of Tax Subsidy Availment Certificates (TSAC) and Tax Subsidy Debit Memos (TSDMs), whichever is applicable pursuant to the existing guidelines and procedures. The TSACs and TSDMs are, in turn, being used by the suppliers, sub-suppliers, contractors, and subcontractors of the tax subsidy beneficiaries in payment of taxes payable to the Bureau of Internal Revenue. Upon presentation of the TSACs and TSDMs by these suppliers, sub-suppliers, contractors, and subcontractors in payment of their tax liabilities, their respective RDOs likewise recognize such subsidy availments as part of their collection performance. This practice has been creating distortions in the collection figures being reported by the RDOs in their respective Monthly Statistical Reports (BIR Form No. 12.09) being submitted to the Statistics division.

In order to establish a clean collection data and to obviate the occurrence of instances wherein two or more RDOs are claiming the same tax collections as part of their respective collection performance, the following clarificatory guidelines are hereby issued: