

**[ BIR REVENUE MEMORANDUM CIRCULAR NO. 49-  
2008, June 18, 2008 ]**

**COMPOSITION OF THE NATIONAL EVALUATION BOARD  
CONTEMPLATED IN SECTION 204 OF THE TAX CODE OF 1997**

Pursuant to Section 204 of the Tax Code of 1997, "the Commissioner may compromise the payment of any internal revenue tax, when: 1) *a reasonable doubt as to validity of the claim against taxpayer exists; or 2) the financial position of the taxpayer demonstrate a clear inability to pay the assessed tax. The compromise settlement of any tax liability shall be subject to the following minimum amounts: For cases of financial incapacity minimum compromise rate equivalent to ten percent (10%) of the basic tax assessed; and for other cases, a minimum compromise rate equivalent to forty percent (40%) of the, basic assessed tax. Where the basic tax involved exceeds One million pesos (P1, 000, 000) or where the settlement offered is less than the prescribed minimum rates, the compromise shall be subject to the approval of the Evaluation Board which shall be composed of the Commissioner and the four (4) Deputy Commissioners.*"

Section 204, in relation to Section 7 of the Tax Code, is implemented by Revenue Regulations (RR) No. 30-2002, as amended by RR No. 8-2004, where said regulations mention two categories of Board: the Regional Evaluation Board (REB) and the National Evaluation Board (NEB). Under the said RR, the latter (NEB) shall be composed of the Commissioner and the four (4) Deputy Commissioners.

Considering the designation of six (6) Deputy Commissioners - four (4) line Deputy Commissioners and two (2) staff Deputy Commissioners- in the current BIR's administration, clarification should be made as to who among the six (6) Deputy Commissioners shall form part of the said NEB.

For purposes of implementing Section 204 of the Tax Code, the four Deputy Commissioners mentioned therein who shall form part of the NEB are the line Deputy Commissioners mentioned in Executive Order No. 175, as amended, which implements Section 3 of the Tax Code and clarifies the composition of the National Evaluation Board as contemplated in Section 204 of the Tax Code. The four line Deputy Commissioners are: 1) the Deputy Commissioner for Operations Group; 2) the Deputy Commissioner for Legal and Inspection Group; 3) the Deputy Commissioner for Information Systems Group; and 4) the Deputy Commissioner for Resource Management Group.

In view of the foregoing, the staff Deputy Commissioners (Deputy Commissioner for Tax Reform Administration Group and Deputy Commissioner of Special Concerns Group) who belong to the Office of the Commissioner shall not form part of the NEB.

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