

**[ LTFRB MEMORANDUM CIRCULAR NO. 2005-013,  
May 09, 2005 ]**

**SUBMISSION OF TAX CLEARANCE INSTEAD OF INCOME TAX  
RETURNS (AMENDING MEMORANDUM CIRCULAR NO. 2004-038)**

After consultations with the representatives of the different transport groups, the Board, in coordination with the Bureau of Internal Revenue (BIR), hereby requires the submission of Tax Clearance duly issued by the BIR, instead of the Income Tax Return.

Accordingly, Paragraph 4 of Page 1 and Paragraph 1 of Page 2 of Memorandum Circular No. 2004-038 (Re: Submission of Income Tax Returns), dated 19 November 2004, are modified to read as follows:

"In view of the above-cited provisions and pursuant to the policy of the Board to coordinate and cooperate with other government agencies in realizing the programs of the government, the Board hereby requires all operators for all types of Services to secure their Tax Clearance duly issued by the BIR on or before the second Friday of May of each year. Failure to secure the Tax Clearance on time shall subject the operator to a penalty in the amount of Five Hundred Pesos (PhP 500.00) per year. If the operator pays the penalty but does not secure the required Tax Clearance, his unit/s shall not be confirmed for purposes of registration until and unless such operator secures the required Tax Clearance.

In addition to the above, submission of the Tax Clearance shall be a requirement for all Applications filed upon the effectivity of this Circular."

For this current year, however, all operators are directed to submit copies of their Tax Clearance within sixty (60) days from effectivity of this Circular; otherwise, the penalty set forth above shall be assessed and collected. All operators who have paid the penalty provided in Memorandum Circular No. 2004-038 shall not anymore be penalized for this year; however, they are still required to secure the Tax Clearance for purposes of their transactions before Board.

All other issuances or parts hereof which are inconsistent herewith, are therefore modified or superseded accordingly.

This Circular shall take effect fifteen (15) days following the filing of three (3) copies hereof with the UP Law Center, pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.