

**[ BIR REVENUE MEMORANDUM ORDER NO. 34-96,  
November 15, 1996 ]**

**CLARIFICATION ON THE ISSUANCE OF TAX CLEARANCE  
CERTIFICATE UNDER REVENUE REGULATIONS NO. 11-96**

A

Purpose

Revenue Regulations No. 11-96 was issued in line with the computerized, tax systems initially rolled-out in the following revenue district pilot areas:

RDO No. 30 - Binondo

RDO No. 32 - Quiapo, San Miguel, Sta. Mesa, Sampaloc

RDO No. 33 - Ermita, Intramuros, Malate

RDO No. 52 - Parañaque

RDO No. 81 - Cebu North District

The purpose of this Revenue Memorandum Order is to clarify certain provisions in the said Regulations, particularly Section 2 thereof which provides as follows:

"Upon filing of the capital gains tax return by an individual, estate or trust, and full payment of the capital gains tax due on the sale, transfer, barter, exchange or other disposition of real property, including conditional sale of property classified as capital asset, the Revenue District Officer (RDO) of the revenue district where the transferor is registered shall issue the corresponding tax clearance (TCL) certificate authorizing the registration of the real property in favor of the transferee by the Register of Deeds"

Until the mass roll out of the integrated tax systems and full implementation of the computerization program in all the Revenue District Offices nationwide, and for purposes of registration of real properties, Tax Clearance Certificate (TCL) shall be issued only by Revenue District Officers (RDOs) in pilot areas. The usual form of Certificate Authorizing Registration (CAR) shall be issued by the RDOs in non-pilot areas.

A. For purposes of the said Regulations, the terms or phrases as used therein shall have the following meaning:

1. "Tax Clearance Certificate (TCL)" — refers to the tax clearance to be issued by the RDO in the computerized area for purposes of resignation of real property upon full

payment of capital gains tax.

2. "Certificate Authorizing Registration (CAR)" — refers to the old form of tax clearance to be issued by the RDO in non-computerized area.

3. "Where the transferor is registered" — refers to the RDO/Home RDO having jurisdiction over the domicile or legal residence, principal office/place of business of the transferor where he/it is registered or is required to be registered.

B. The following rules shall apply in the issuance of the TCL or CAR.

#### 1. ESTATE TAX —

1.1. Estate tax clearance shall be issued by the RDO where the decedent was domiciled or registered, regardless of the location of his properties. If the decedent was domiciled in the pilot RDO, TCL shall be issued. On the other hand, if the decedent was domiciled in a non-Pilot RDO, the old form for CAR shall be issued.

1.2. In cases where the estate tax return of a non-resident decedent was filed with the Philippine Embassy or Consulate in the country where the decedent was a resident at the time of death, and transmitted to RDO No. 51, Pasay City, the CAR shall be issued after verification has been made by the said RDO, or if the return was filed directly with the Office of the Commissioner, then the CAR shall be issued after verification has been made by RDO No. 39, Quezon City.

1.3 If properties left by the decedent are located within the jurisdiction of different RDOs, the Home RDO where the decedent was a resident, or required to be registered shall issue the TCL/CAR. For purposes of registration of the properties, certified true copies of the TCL/CAR shall be issued by the RDO to the administrator/executor/heir for presentation to the concerned Register of Deeds. In this connection, the Home RDO shall secure the necessary report and information regarding the properties located in other revenue districts, especially where there are improvements, for assessment and collection of the correct estate tax due on the transmission of the estate to the heirs.

1.4 The report of verification or audit of the RDO shall be submitted to the Assessment Division for review. After the deficiency estate tax due, if any, has been fully paid, the Confirmation or Termination Letter shall be issued by the Chief, Assessment Division and transmitted to the RDO for issuance of the TCL or CAR.

#### 2. DONOR'S TAX

2.1. Donor's tax return shall be processed and the TCL/CAR shall be issued by the RDO where the donor is a resident or registered.

2.2. If the donor is a non-resident and the donor's tax return is filed with the Philippine Embassy or Consulate in the country where said donor is a resident, or if the return is filed directly with the Office of the Commissioner of Internal Revenue, the CAR shall be issued after the donor's tax return transmitted to RDO No. 51, Pasay City or RDO No. 39, Quezon City, as the case may be, has been verified by said RDOs, and the report reviewed by the Assessment Division Chief, and the Confirmation letter issued.