

[BIR MEMORANDUM CIRCULAR NO. 39-95, December 01, 1995]

UNIFIED PROCEDURES FOR REGISTRATION OF TAXPAYERS UNDER REVENUE MEMORANDUM ORDER NO. 41-94

Hereunder are some of the basic questions and answers regarding the registration of taxpayers as required under Revenue Memorandum Order No. 41-94.

Q-1: *Who are required to register?*

- A-1: a. VAT taxpayers;
b. Non-VAT taxpayers;
c. Withholding agents;
d. Taxpayers subject to excise tax.

Q-2: *What are to be registered by the abovementioned taxpayers?*

- A-2: a. Head office;
b. Branches;
c. Storage places;
d. Production places;

Q-3: *Are taxpayers previously registered as VAT, Non-VAT, Excise taxpayers, Withholding Agents, or storage keepers still required to re-register?*

A-3: Yes. All taxpayers previously registered, except those already registered under Republic Act (RA) 7716 in 1994, are required anew. However, if there is a change in status from VAT to Non-Vat or vice versa, there is still a need to re-register.

Q-4: *For taxpayers registering anew, is there a need to file an Application for Cancellation of their previous registration?*

A-4: No. The previous registration is automatically cancelled upon re-registration

Q-5: *How about non-resident aliens and non-resident foreign corporations receiving income from sources within the Philippines, are they also required to register?*

A-5: No. The tax due from them shall be remitted/paid to the BIR by the payor who shall constitute as the withholding agent of the tax.

Q-6: *If the taxpayer is engaged in a VATable activity, but the gross sales or receipts from business or practice of profession is P500,000 or below, is he required to register?*

A-6: Yes, he is required to register as a Non-VAT taxpayer. However, if his gross sales or receipts is more than P100,000 but does not exceed P500,000, he has the option to register as a VAT taxpayer. In the case of marginal income earners with gross sales or receipts of P100,000 and below, they have no other option but to register as Non-VAT.

Q-7: *Are taxpayers required to register their business annually?*

A-7: No. Taxpayers are required to register only once before commencing their business. However, they are required to pay the registration fee annually.

Q-8: *Are there instances where a taxpayer is required to register more than once?*

A-8 : Yes. Registered taxpayers are required to register again in the following instances:

- a. establishment of new branch/storage place/place of production;
b. engaging in different business activity, i.e. a VAT taxpayer engaging in a Non-VAT activity or vice versa;
c. major changes in business structure; and
d. transferring a business from one RDO to another.

Q-9: *When is the taxpayer required to apply for registration and pay the registration fee?*

A-9: New taxpayers shall apply for registration and pay the registration fee before commencing their business.

Thereafter, taxpayers should pay the annual registration fee not later than January 31, every year.

Q-10: *Are taxpayers required to pay the registration fee in full?*

A-10: Yes. The payment of P1,000 annual fee shall be made yearly on or before January 31. However, at the option of the taxpayer payment may be made on a quarterly basis in the amount of P250.00 payable on or before the 20th day of the first month of the calendar quarter.

Q-11: *Where should a taxpayer register?*

A-11: All taxpayers are required to register with the RDO having jurisdiction over the head office, branch office, place of production or storage place where inventory of goods for sale or use in business are kept.

For VAT registration purposes, the head office and its branches wherever located are required to register with the RDO having jurisdiction over the head office. However, payment of registration fee should be at the RDO where the branch is located.

Q-12: *Is there any particular form prescribed for application for registration?*

A-12: Yes. BIR Form 1556-A (Application for Registration) is prescribed.

Q-13: *What information or documents are required for registration?*

A-13: A) For taxpayers commencing a business, the following documents are required to be submit together with the duly accomplished Application for Registration (BIR Form No. 1556-A):

1. Sketch of location;
2. Photocopy of Mayor's Permit and/or Municipal License;
3. Photocopy of TIN card or Application for TIN.

B) For branch offices:

1. Photocopy of BIR Certificate of Registration or Application for Registration of the Head Office duly received by the RDO where the Head Office is located;
2. Duly accomplished Application for Registration.

C) For taxpayers previously registered but did not register under RA 7716:

1. Duly accomplished Application for Registration;
2. Documentary proof evidencing prior registration.

D) For taxpayers transferring place of business from one RDO to another

1. Duly accomplished Application for Registration;
2. Photocopy of Annual Registration Fee Return;
3. Photocopy of Certificate of Registration (BIR Form No. 1556);
4. Duly accomplished Application for Cancellation stamped "received" by the RDO where he is previously registered.

Q-14: *Are branches, storage places or production also required to pay the Annual Registration Fee of P1,000?*

A-14: Each branch is required to pay the Annual Registration Fee of P1,000. However, storage and production places are liable to the annual registration fee only when sales operation are conducted thereat.

Q-15: *Is there any particular form prescribed for payment?*

A-15: Yes. BIR Form No. 1558 (Annual Registration Fee Return) is prescribed.

Q-16: *Who are required to register without paying the registration fee of P1,000?*

A-16: The following taxpayers are exempt from the payment of the registration fee but they are required to register:

1. Non-stock, non-profit corporations, organizations, associations, not engaged in trade or business;
2. Government agencies and instrumentalities, government offices not engaged in propriety activities;
3. Storage places/place or production/extension offices where no selling operations are conducted thereat;
4. Taxpayers enjoying exemptions under R.A. 6810 (Kalakalan 20);
5. Persons engaged in either VAT or Non-VAT taxable business, whose gross sales or receipts did not exceed P100,000 for the immediately preceding 12-month period; and
6. Persons who will be engaging in business for the first time whose expected gross sales or receipts for any 12-month period will not exceed P100,000.

Q-17: *How much annual registration fee shall be paid by taxpayers engaged in different lines of business which are all subject to VAT?*

A-17: Only P1,000 annual registration fee shall be paid provided all these activities are conducted in one establishment or place of business.

Q-18 : *Is a taxpayer engaged in both VAT and Non-VAT activities required to pay P1,000 for each activity?*

A-18: No. A taxpayer engaged in both VAT and Non-VAT activities should pay a Registration Fee of P1,000 only provided that both activities are conducted in one establishment or place of business.

Q-19: *Are taxpayers "becoming liable to VAT" required to register and pay the annual registration fee of P1,000?*

A-19: Taxpayers whose gross receipts or sales in any 12-month period exceeded P500,000 shall be register as VAT taxpayer but shall no longer be required to pay the annual registration fee of P1,000 provided this has already been paid for the year.

Q-20: *Are taxpayers transferring business address within the year either within the same district or to another district required to pay another registration fee of P1,000?*

A-20: No. Since the annual registration fee is payable annually, they are no longer required to pay the registration fee to the new district office provided the P1,000 was already paid.

Q-21: *Where will the taxpayer pay the registration fee?*

A-21: The registration fee shall be paid to any accredited bank or, in the absence of any accredited bank, to an authorized Collection Officer/Municipal Treasurer in the Revenue District Office where the Head Office, branch, storage/production place is located.

Q-22 : *For those taxpayers required to register anew, may they go directly to any accredited bank and pay the registration fee?*

A-22: No. The taxpayers must first secure BIR Forms No. 1556-A and 1558 from the RDO where the business is located. After accomplishing both forms, the taxpayers shall then present BIR Form No. 1558 to any accredited bank for payment of registration fee.

Q-23: *For taxpayers having multiple branch offices, storage places, places of production within the same RDO, how many Application for Registration and Annual Registration Fee Return shall be accomplished?*

A-23: The taxpayer shall accomplish separate application forms for registration and Annual Registration Fee Return for the head office, each of its branches, and each storage place/place of production, even if located within the same district.

Q-24: *How many Application for Registration shall be filed and how much registration fee shall be paid by husband and wife under the following circumstances:*

1. *engaged as lessor of conjugal real property*
2. *engaged in separate lines of business activities*

A-24: For case 1, only one Application for Registration is required and only P1,000 registration fee shall be paid.

For case 2, two separate Application for Registration shall be filed and two separate payment of P1,000 each is required.

Q-25: *In the case of lessor of real properties located in different places, are they required to register separately each unit being leased?*

A-25: No. Only one Application for Registration is required and payment of only P1,000 is due, provided the lessor does not maintain an office within the premises of the leased properties.

Q-26: *In the case of taxpayers registered as VAT or Non-VAT and thereafter qualified as withholding agent, is there a need to file a new Application for Registration as withholding agent? Are they required to pay an additional P1,000 registration fee?*

A-26: Yes. The taxpayer is required to file a new Application for Registration as withholding agent. However, the taxpayer is no longer required to pay an additional P1,000 registration fee.

Q-27: *Under the above situation, is there a need to update the previous Certificate of Registration?*

A-27: Yes. The previous certificate shall be surrendered to the RDO for cancellation and a new Certificate of Registration shall be issued indicating therein all the registered activities, including that as a withholding agent.

Q-28: *When shall a taxpayer "becoming liable to VAT" required to register?*

A-28: A taxpayer becoming liable to VAT is required to register within thirty (30) days after the end of the month when the sales or receipts in any 12-month period exceeded P500,000.

Q-29: *After complying with all the requirements for registration what document will be issued to the taxpayer?*

A-29: Certificate of Registration (BIR Form No. 1556).

Q-30: *When will the Certificate of Registration be issued to the taxpayer?*

A-30: The Certificate of Registration (BIR Form 1556) will be issued not later than five (5) working days from filing of application and submission of all documentary requirements and upon presentation of duly validated Annual Registration Fee Return or Official Receipt.

Q-31: *Is there a need for an ocular inspection of the place of business?*

A-31: For taxpayers, who are re-registering their business, no ocular inspection shall be conducted before and after registration;

For taxpayers to be covered by VAT for the first time and those just commencing business, the ocular inspection shall be conducted after the issuance of the Certificate of Registration.

Q-32: *Who will issue the Certificate of Registration?*

A-32: The RDO where the head office, branch, storage/production place is located shall issue the Certificate of Registration.

Q-33: *How many Certificate of Registration (BIR Form 1556) shall be issued by the Revenue District Office?*

A-33: For every Application for Registration there shall be a corresponding Certificate of Registration to be issued for the head office and each branch, each storage place or each place of production being registered.

Q-34: *How are the registered activities reflected in the Certificate of Registration?*

A-34: The RDO issuing the Certificate of Registration shall reflect the registered activities in the Certificate by checking the box(es) corresponding to the approved registered activities, and cross-out the boxes not applicable. For example, if the registration is for VAT only, the RDO shall check the box for VAT and cross-out all the other boxes.

Q-35: *Why is there a need to cross-out in the Certificate of Registration the activities which have not been applied for registration by the taxpayer?*

A-35: To preclude the taxpayer from making undue alterations in his Certificate of Registration.