

[KRI REVENUE REGULATION NO. 12-93, July 02, 1993]

REPUBLIC ACT NO. 7647, AN ACT AUTHORIZING THE COMMISSIONER OF INTERNAL REVENUE TO PRESCRIBE THE PLACE FOR PAYMENT OF INTERNAL REVENUE TAXES BY LARGE TAXPAYERS, AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.

Republic Act No. 7647, An Act Authorizing the Commissioner of Internal Revenue to Prescribe the Place for Payment of Internal Revenue Taxes by Large Taxpayers, Amending for this Purpose Certain Provisions of the National Internal Revenue Code, as amended.

SECTION 1. Scope and Objective — Pursuant to the provisions of Section 245 of the National Internal Revenue Code (NIRC, as amended, in relation to Section 4 of Republic Act No. 7646, these regulations are hereby promulgated to implement the provisions of paragraph (j) of Section 4 of the NIRC, as amended by said Act which authorizes the Commissioners of Internal Revenue to require the filing of returns, papers and statements and payment of taxes by Large Taxpayers at a designated place in order to centralize the monitoring thereof.

These regulations shall cover Large Taxpayers as hereinbelow defined, considering the substantial amount of internal revenue taxes collected from this source and the imperative need to monitor promptly their tax compliance.

SECTION 2. Criteria for Selection of Large Taxpayers — A Large Taxpayer is a corporate taxpayer who has been determined and notified by the Bureau of Internal Revenue (BIR) as having satisfied any of the following criteria for the year 1990 and succeeding years relative to taxes paid:

- a. Value Added Tax (VAT) — Business establishment with VAT paid or payable of at least P100,000 for any quarter;
- b. Excise Tax — Business establishment with annual excise tax paid or payable of at least P1,000,000;
- c. Corporate Income Tax — Business establishment with annual income tax paid or payable of at least P1,000,000; and
- d. Withholding Tax — Business establishment with annual withholding tax payment/remittance for all kinds of withholding taxes (i.e., on compensation, expanded, final taxes and on government money payments) of at least P1,000,000. For business establishments with decentralized withholding (branches registered or are required to register in the revenue district office where the branch is located,

separately from the registration of the Head Office), the basis is the total amount of taxes withheld on all kinds of withholding taxes by all the branches.

Initially, 1,000 Large Taxpayers whose principal place of business is in Metro Manila shall be notified and monitored by the BIR to be selected from the ranking of identified Large Taxpayers based on primarily the number of criteria which such taxpayer satisfy and secondarily on the amounts paid for the abovementioned taxes. Thereafter, additional Large Taxpayers shall be notified and shall be covered by the law, rules and regulations on Large Taxpayers.

Once a taxpayer has been identified and notified as a Large Taxpayer, it shall continue to be classified as such until notified otherwise by the Commissioner of Internal Revenue.

SECTION 3. Filing of Returns and Payments of Taxes by a Large Taxpayer —

a. In General — A Large Taxpayer shall inform the Commissioner of Internal Revenue of his choice of a maximum of five (5) banks from among the BIR-accredited banks wherein such taxpayer shall file all internal revenue tax returns, papers and statements and pay taxes due pursuant to the provisions of the NIRC. All internal revenue taxes to which a Large Taxpayer is liable are covered in these regulations, including deficiency taxes and increments, withholding tax remittances and capital gains tax.

Filing and payment of said taxes by Large Taxpayers shall be made only at a bank head office in case the taxpayer's chosen bank has its head office within the jurisdiction of the revenue district office where the taxpayer has its principal place of business. Otherwise, filing and/or payment shall be made only at bank branches or their duly selected banks located within the jurisdiction of the revenue district office where the taxpayer has its principal place of business and which have been officially designated by bank head offices to receive returns, papers, statements and/or payments of Large Taxpayers.

A Large Taxpayer who desires to change its choice of banks shall officially inform the Commissioner of Internal Revenue of the same in writing at least one month prior to the filing of tax returns, papers and statements and payment of taxes in such banks.

The BIR shall furnish each accredited bank a listing of Large Taxpayers who have signified their choice of said bank to receive their tax returns or payments. A Large Taxpayer who files returns, papers and statements or pays taxes at banks other than those officially communicated to the Commissioner shall be subject to the penalties imposed under Sec. 248 of the NIRC, as amended, in case there is tax payment involved or under Revenue Memorandum Order No. 1-90 when there is no tax payment involved.

b. Withholding Tax Remittances —

1) Monthly and Quarterly Returns and Remittances — Large Taxpayer withholding agents presently withholding taxes on a decentralized basis may continue to withhold taxes in said manner. However, the remittance returns (BIR Forms 1743-W and 1745) of the branches or offices shall be forwarded to the Head Office for filing and paying of the total taxes withheld by the Head Office and all its