

**[ BIR REVENUE MEMORANDUM ORDER 25-92,  
June 09, 1992 ]**

**PRESCRIBING THE PROCEDURES ON THE PROCESSING OF  
TAXABLE BREAK-EVEN, EXEMPT AND REFUNDABLE INDIVIDUAL  
INCOME TAX RETURNS (1701A) AND NON-RESIDENT CITIZEN  
INCOME TAX RETURNS (1701C) INCLUDING THE NUMBERING OF  
TAX RETURNS**

**I  
Objectives**

This Order is issued to:

1. Prescribe the procedures on the processing of taxable break- even, exempt and refundable 1701A and 1701C returns;
2. State clearly the delineation of functions of Collection and Assessment Units of RDOs and the Foreign Return Processing Section (FRPS) of the International Tax Affairs Division (ITAD) relative to the processing of the aforementioned returns.
3. Clarify the procedures on the numbering of tax returns.

**II  
Policies and Guidelines**

1. *Original copies of tax returns as batched by the Offices of Collection Officer - (Per Section A.2 of RMO 43-91) together with the corresponding BCS-A/BCS-B reports shall be forwarded to RISSI by RDO without segregating and numbering the taxable break-even, exempt and refundable Income Tax Returns (1701A) and Non-Resident Citizen Tax Returns (1701C) and all other income tax returns. Henceforth, the returns as originally batched shall remain intact and undisturbed.*
2. *Pre-audit of refundable 1701A and 1701C by RDO, as well as the preparation of necessary refunds shall be based on the triplicate copies of the said returns.*
3. *Taxable break-even and exempt 1701As and 1701Cs shall no longer be audited. The triplicate copies thereof, shall be filed for future reference. However, the RDO shall be authorized to pre-audit aforementioned returns with very evident errors.*
4. The triplicate copies of Income Tax Returns (ITRs) shall be numbered following the guidelines under RMO 9-91;

DLN for ITRs: RDO Code - Type/Kind of ITR Filed - Year of the Return - Serial Number

WHEREAS,

The triplicate copies of other tax returns shall be assigned DLN as follows:

DLN for other returns: Bank Branch Code - BCS Number - Line Number of taxpayer on BCS

### **III Procedures**

The following shall be the new procedures in the processing of taxable break-even, exempt and refundable 1701A and 1701C returns and the reiteration of the procedures for processing other returns and documents:

#### *A. Collection Unit, RDO*

1. Receive the following documents from offices/units concerned:

a. quadruplicate copies of BCS-As with triplicate copies of tax returns/ATAPs

- from accredited bank branches

Note: Quadruplicate copies of BCS-As shall be processed in accordance with RMO 16-92.

b. duplicate copies of BCS-Bs with triplicate copies of tax returns/ATAPs except 1701A and 1701C returns with no cash/check payment

- from accredited bank branches

Note: 1. Returns with no cash/check payment refer to returns which are refundable, exempt, break-even (tax due = tax withheld) and those with first installment fully covered by withholding tax.

2. Duplicate copies of BCS-Bs shall be processed in accordance with RMO 16-92.

c. original and duplicate copies of BCS-Bs with their corresponding batches of original and triplicate copies of 1701A and 1701C returns with no cash/check payment.

- from Offices of the Collection Officer

d. original and duplicate copies of BCS-As and BCS-Bs with their corresponding batches of original and triplicate copies of tax returns/ATAPs

- from Offices of the Collection Officer/ deputized Municipal Treasurers in places where there are no accredited banks

2. Number in accordance with RMO 31-91 original and duplicate copies of the following:

- a. BCS-As separately from BCS-Bs received from Offices of the Collection Officer/deputized Municipal Treasurers in places where there are no accredited banks
  - b. BCS-Bs for 1701A and 1701C returns with no cash/check payment received from Offices of the Collection Officer;
3. Segregate original copies of BCS reports (with original copies of tax returns/ATAPs) from duplicate copies of the same (with triplicate copies of tax returns/ATAPs);
  4. Forward the numbered original copies of BCS-A and BCS-B with the attached original copies of tax returns/ATAPs including original copies of 1701A and 1701C returns which are refundable and with no cash/check payment to Revenue Information Systems Services, Inc. (RISSI);

Note: Do not indicate Document Locator Number (DLN) on the attached original copies of the tax returns with special emphasis on 1701A and 1701C returns.

5. Process all quadruplicate and/or duplicate copies of BCS-As and duplicate copies of BCS-Bs in accordance with Section III A.2. to A.5 of RMO No. 16-92 dated March 4, 1992;
6. Process the corresponding triplicate tax returns of the above BCS-As and BCS-Bs in the following manner:
  - a. Indicate on triplicate copies of tax returns except ITRs and ATAPs the DLN specified in paragraph II.4 of this memorandum;

Note: *Triplicate copies of ITRs* shall be numbered by Assessment Unit following the provisions under RMO 9-91.

- b. Segregate the returns according to type of tax and forward to the following units concerned:

Assessment Unit - Income Tax Returns (BIR Forms 1701, 1701A, 1701C, 1702, 1702Q, 1702A-1 and 1704)

VAT Unit - VAT returns (BIR Form 2550)

Withholding Tax Unit Withholding Tax Returns (BIR Forms 1743-W, 1745 and 750A)

- c. Retain Percentage Tax Returns (BIR Forms 2551 and 2529A-Q) for processing.

#### *B. Assessment Unit, RDO*

1. Receive triplicate copies of Income Tax Returns from Collection Unit;
2. Classify the Income Tax Returns into: