

## [ REVENUE MEMORANDUM CIRCULAR NO. 54- 2018, July 18, 2018 ]

### CLARIFYING THE IMPOSITION OF PENALTIES AND INTEREST ON THE FILING OF AN AMENDED RETURN

*Adopted: 29 May 2018*  
*Date Filed: 18 July 2018*

This Circular is issued to clarify and reiterate the imposition of surcharge, interest and compromise penalty for filing of an amended return and the interest rate to be imposed in accordance with Section 249 (A) of the National Internal Revenue Code of 1997, as amended by Republic Act (RA) No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

#### **Background**

In response to the issue raised in an email dated May 26, 2017 to the Presidential Complaint Center and referred to the Office of the Deputy Commissioner - Operations Group prior to the effectivity of RA No. 10963, Memorandum No. 016-2018 was issued and circularized through Revenue Memorandum Circular (RMC) No. 21-2018, In the said memorandum, it was stated that –

“Under the above quoted provisions, it is clear that interest of twenty percent (20%) and penalty equivalent to twenty-five percent (25%) of the amount due shall be imposed on failure to file any return and pay the tax due thereon on the date prescribed or failure to pay the full or part of the amount of tax shown on any return as required under the provisions of the National Internal Revenue Code or rules and regulations. Thus, in an amendment of return where an additional tax is due per amended return, 20% interest and 25% penalty shall be imposed based on the additional tax to be paid per amended return.”

#### **Clarification**

Section 75 of Republic Act No. 10963 provides that –

“SEC. 75. Section 249 of the NIRC, as amended, is hereby further amended to read as follows:

‘SEC. 249. *Interest* –

‘(A) *In General.* - There shall be assessed and collected on any unpaid amount of tax, interest **at the rate of double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas** from the date prescribed for payment until the amount is fully paid: Provided,