

**[ BIR REVENUE REGULATIONS NO. 1-2013,  
January 23, 2013 ]**

**FURTHER EXPANDS THE COVERAGE OF TAXPAYERS REQUIRED  
TO FILE TAX RETURNS AND PAY TAXES THROUGH THE  
ELECTRONIC FILING AND PAYMENT SYSTEM (eFPS) TO INCLUDE  
NATIONAL GOVERNMENT AGENCIES (NGAs) MANDATORILY  
REQUIRED TO USE THE ELECTRONIC TAX REMITTANCE ADVICE  
(eTRA)**

**BACKGROUND.** The eFPS was first introduced in 2001 in line with the government's policy of providing fast and convenient manner of transacting with government offices. The Bureau of Internal Revenue (BIR), as one of the government agencies with a very important role in nation building as it is mandated to collect revenues for use of the government, conceptualized the eFPS to make the filing of tax returns and the payment of taxes convenient for the taxpayers.

With the eFPS, taxpayers can avail of a paperless tax filing experience and can also pay their taxes online through the convenience of an internet-banking service via debit facility from their enrolled bank account. In addition, since eFPS is available on the internet, taxpayers can file and pay for their taxes anytime and anywhere as long as he or she is using a computer with an internet connection.

The eFPS is open to all taxpayers who wish to make use of the system. It was initially introduced to the taxpayers under the Large Taxpayers Service. However, the BIR has seen the need to identify taxpayers who will be mandated to use the system; hence, the following taxpayers are, at present, already mandated to make use of the eFPS:

1. Large Taxpayers duly notified by the BIR;
2. Top 20,000 Private Corporations duly notified by the BIR;
3. Top 5,000 Individual Taxpayers duly notified by the BIR;
4. Taxpayers who wishes to enter into contract with government offices;
5. Corporations with paid-up capital stock of Ten Million Pesos;
6. PEZA-registered entities and those located within Special Economic Zones; and
7. Government Offices, in so far as remittance of withheld VAT and business tax is concerned.

Now that Electronic Tax Remittance Advice (eTRA) System, a sub-system of the eFPS has been developed, the base of taxpayers mandated to use eFPS is expanded to include all National Government Agencies (NGAs) since the latter make use of the TRA in settlement of their withholding tax liabilities arising from the use of funds being released by the Department of Budget and Management (DBM).

This scheme of remitting taxes withheld through TRAs started with the issuance of the Joint Circular No. 1-2000 (JC 1-2000) signed by the Secretaries of the Department of Finance (DOF) and the DBM and the Chairman of the Commission on

Audit (COA), in lieu of the other modes of withholding tax remittance such as cash remittances, the Modified Disbursement System (MDS) Checks and Authority to Debit the Account of the Agency (ADA). Under the existing procedures, all NGAs are securing blank TRA forms from the BIR, accomplishing and attaching the same to the appropriate withholding tax returns, and submitting the same manually to the concerned Revenue District Office (RDO). With eTRA System, NGAs need not go to the BIR to secure the blank TRA forms and to manually file the tax returns. In lieu of these manual procedures, the NGAs can access the eFPS, file the tax return electronically and accomplish the eTRA on-line, provided the prescribed enrollment to the eFPS has already complied with.

With eTRA System, transparency and efficiency in revenue collection reporting and reconciliations will be enhanced as all concerned parties can view and record on real time the remittances made by the NGAs.

**Section 1. SCOPE.** Pursuant to the provisions of Section 244 of the National Internal Revenue Code of 1997 (Tax Code), in relation to Section 27 of Republic Act No. 8792, otherwise known as the "Electronic Commerce Act", these Regulations are hereby promulgated to regulate the electronic filing of Tax Remittance Advice (TRA) of National Government Agencies (NGAs), through the existing eFPS of the Bureau.

**Section 2. DEFINITION OF TERMS.** For purposes of these Regulations, the terms herein provided are defined as follows:

**2.1 Electronic Tax Remittance Advice (eTRA) System** – the process of remitting taxes withheld by NGAs through the internet using the eFPS facility of the BIR, in lieu of the manual filing of Tax Remittance Advice.

**2.2 Electronic Filing and Payment System (eFPS)** – refers to the system developed and maintained by the BIR for electronically filing tax returns, including attachments, if any, and paying taxes due thereon, specifically through the internet.

**2.4 e-filing** – means the process of electronically filing tax returns, including attachments, if any, specifically through the internet.

**2.5 e-payment** – means the process of electronically paying a tax liability through the internet banking facilities of AABs.

**2.6 Authorized Agent Bank (AAB)** - refers to any bank as certified by the Bangko Sentral ng Pilipinas (BSP) which has satisfied the criteria on accreditation and is actually accredited to collect internal revenue taxes.

**2.7 Tax Remittance Advice (TRA)** – a serially-numbered document prescribed by the DBM that should be used by the NGAs in the remittance of withheld taxes on funds coming from DBM. This form is being distributed by the BIR to be accomplished by the NGAs. The same shall be duly certified by the Chief Accountant and approved by the Head of the concerned NGA or his duly authorized representative, and attached to every withholding tax return filed as payment for taxes withheld. This shall be the basis for the BIR and the Bureau of Treasury (BTr) to record the tax collection in their respective books of accounts.

**2.8 Electronic Tax Remittance Advice (eTRA)** – a TRA which is accomplished on-line via the BIR's eFPS facility.

**2.9 National Government Agencies (NGAs)** – refers to government agencies whose main fund/budget comes from the DBM based on the yearly budget allotment as provided under the General Appropriations Act.

**2.10 Agency Code** – it is an alphanumeric code provided by the DBM for each and every national government agency.

**2.11 Department Code** – refers to the department's unique identification provided by the DBM to all departments of government (e.g., Department of Education, Department of Finance, etc.) expressed in numeric form.

**2.12 Return** - refers to the tax returns required to be filed by the NGAs which include, but not limited to, the following:

<b>Tax Return</b>	<b>Description</b>
BIR Form 1601-C	Monthly Remittance Return of Income Taxes Withheld on Compensation
BIR Form 1601-E	Monthly Remittance Return of Creditable Income Taxes Withheld (Expanded)[Except for transactions involving onerous transfer of real property classified as ordinary asset]
BIR Form 1601-F	Monthly Remittance Return of Final Income Taxes Withheld
BIR Form 1603	Quarterly Remittance Return of Final Income Taxes Withheld on Fringe Benefits Paid to Employees Other than Rank and File
BIR Form 1600	Monthly Remittance Return of Value-Added Tax and Other Percentage Taxes Withheld
BIR Form 1702	Annual Income Tax Return for Corporations, Partnerships and Other Non- Individual Taxpayers
BIR Form 1702Q	Quarterly Income Tax Return for Corporations, Partnerships and Other Non- Individual Taxpayers
BIR Form 2550M	Monthly Value-Added Tax Declaration
BIR Form 2550Q	Quarterly Value-Added Tax Return BIR Form 2551M
BIR Form 2551M	Monthly Percentage Tax Return BIR Form 2000
BIR Form 2000	Documentary Stamp Tax Declaration Return

**Section 3. ISSUANCE OF A NOTIFICATION LETTER.** The Bureau of Internal Revenue (BIR) shall issue a Notification Letter (Annex "A") to all National Government Agencies, including their branches and extension offices located nationwide which have their own disbursement functions, to inform them that they are mandated to use the eFPS in filing the required returns and in paying the taxes due thereon.

**Section 4. RESPONSIBILITY OF THE NATIONAL GOVERNMENT AGENCY'S HEAD OFFICE.** The Head Office of the concerned NGA shall be responsible in providing the BIR with the list of all its branches/field or extension offices located nationwide which have their own disbursement functions, with information as to