

[BIR MEMORANDUM ORDER NO. 45-98, May 26, 1998]

**PRESCRIBING THE POLICIES AND GUIDELINES FOR THE
AVAILMENT OF COMPROMISE AND/OR ABATEMENT OF TAX
LIABILITIES FOR ASSESSMENT NOTICES ISSUED ON OR BEFORE
APRIL 30, 1998**

I. Objectives

This Order is issued to enable taxpayers with outstanding delinquent accounts with the Bureau to settle their tax liabilities, reduce, if not eliminate the large inventory of such delinquent accounts in every Revenue District Office, eliminate the huge administration and collection costs attendant to such accounts, and afford taxpayers and the Bureau to, as much as possible, come up with a clean slate in view of the implementation of the Tax Code of 1997.

II. Policies

1. The Revenue Regional Approval Committee (RRAC) created under Revenue Memorandum Order No. 45-93 dated September 29, 1993, with the Regional Director as its Chairman, is hereby authorized to settle by way of compromise delinquent accounts covering 1997 and prior taxable years, the basic taxes of which DO NOT EXCEED FIVE HUNDRED THOUSAND PESOS (P 500,000), provided that the collection in each case shall not be lower than the following prescribed minimum percentages:

For Assessment Notices issued before 50% of the basic tax
January 1, 1997, including
assessments of P 5,000 and below
and second installment of income tax
in the amount of P 5,000 and below

For Assessment Notices issued from 100% of the basic tax
January 1, 1997 — April 30, 1998
and Preliminary Assessment Notices
issued by Assessment Divisions on or
before April 30, 1998

2. The same minimum percentages shall apply to delinquent account cases with basic taxes EXCEEDING FIVE HUNDRED THOUSAND PESOS (P 500,000.00). However, dockets of the subject cases shall be forwarded to the MANCOM, for final approval.

3. Final assessments issued against Large Taxpayers, as defined under Section 245 of the Tax Code of 1997, shall not be compromised for less than fifty percent (50%).