

[BIR REGULATIONS NO. 17-94, November 28, 1994]

**THE BUREAU OF INTERNAL REVENUE (BIR) SPECIAL FUND
CREATED AND AUTHORIZED UNDER SECTION 284 OF THE
NATIONAL INTERNAL REVENUE CODE, AS AMENDED**

SECTION 1. Purpose - These Regulations are hereby promulgated to implement the provisions of Section 284 (formerly Section 345-A) of the NIRC, as amended.

SECTION 2. Definition of Terms - For purposes of these regulations, the following definitions of words and phrases are hereby adopted:

- 2.1 "Actual Collections" means gross internal revenue tax collections of the Bureau of Internal Revenue expressed as a percentage of GNP in nominal terms, from existing national internal revenue laws before the amounts accruing to various special funds and special accounts provided for by law have been deducted.
- 2.2 "Existing National Internal Revenue Taxes" refers to all taxes effective as of January 1 of the reference calendar year.
- 2.3 "Collection Goal" refers to the total targetted amount of existing internal revenue taxes, expressed as a percentage of Gross National Product in nominal terms, to be collected by the Bureau of Internal Revenue (BIR) and paid to the National Treasury in the reference calendar year as agreed upon in the Development Budget Coordination Committee (DBCC).

SECTION 3. Source and Expenditures of the Special Fund

- 3.1 Source - The BIR Special Fund shall be drawn exclusively from an amount equivalent to five percent (5%) of the excess of actual collections of national internal revenue taxes achieved by the BIR during the immediately preceding year over its collection goal for the same year as determined by the Department of Finance.

All collections accruing to the Special Fund shall be treated as receipts automatically appropriated.

- 3.2 Expenditures - All amounts collected and accruing to this Special Fund shall be for the following expenditures as approved by the Commissioner.

- 3.2.1 Incentive bonus for revenue personnel; and