

**[BIR REVENUE MEMORANDUM CIRCULAR NO. 77-
2007, November 16, 2007]**

**SUPPLEMENTAL PROVISION TO THE PREVIOUSLY ISSUED
REVENUE MEMORANDUM CIRCULAR NO. (RMC 69-2007) ON
ISSUES PERTAINING TO THE TAX AMNESTY PROGRAM UNDER
REPUBLIC ACT NO. 9480 AS IMPLEMENTED BY DEPARTMENT
ORDER NO. 29-07**

For the information and guidance of the taxpaying public and all internal revenue officers and others concerned, this Revenue Memorandum Circular is issued to clarify certain issues relative to Question and Answer (Q & A) No. 24 of RMC No. 69-2007.

Since Q & A No. 24 mentioned TRS-Letter Notice (TRS-LN) only, the answer and sample given was made specific to the TRS-LN. However, since there are also taxpayers who have received Letter Notice tagged as "SLSP/BOC letter Notices", the manner on how these taxpayers can avail of the tax amnesty and the amount of payment that needs to be paid is also illustrated in the examples below.

Letter Notice sent:

Scenario A

A. Discrepancy on Sales (underdeclaration)	500,000.00
B. Discrepancy on Local Purchases (underdeclaration)	1,000,000.00
C. Discrepancy on Imported Purchases (underdeclaration)	750,000.00
Resulting Underdeclaration on Sales/Networth:	
Discrepancy on Purchases - (1,000,000 + 750, 000)/80%*	2,187,500.00
Base Amount	2,687,500.00

* Assumption:
Cost of Sales Ratio = 80%

Since both discrepancies on sales and purchases result to underdeclaration of networth, the P2,687,500 shall be added to any increase in the networth, Hence in the above example, 5% of P2,687,000 (on the assumption that P2,687,500 is the only increase in networth) which is P 134,375 or the prescribed minimum absolute amount whichever is higher, shall be the tax amnesty payment.