

[BIR REVENUE REGULATIONS NO. 15 - 2005, June 09, 2005]

PROVIDING FOR POLICIES AND GUIDELINES FOR THE ABATEMENT OF SURCHARGES IN RELATION TO THE FILING OF AMENDED TAX RETURNS FILED UNDER CERTAIN CONDITIONS

SECTION 1. Background. - With the support of the Operations: RATE (Run After Tax Evaders), a joint undertaking by the Department of Finance and the Bureau of Internal Revenue, the Bureau has adopted the policy that "Tax Evaders shall be caught and punished even as tax compliance shall be facilitated and made easy for honest taxpayers." In relation thereto, the Bureau shall enforce the criminal remedies provided for under the National Internal Revenue Code of 1997 (Code), among which are Sections 254, 255 and 256. However, the Bureau have been receiving request from various taxpayers who want to rectify the returns they have previously submitted and pay any and all deficiency taxes and increments thereto, but are requesting the abatement of the surcharges mandated under Section 248 of the Code which provides as follows:

"Section 248. *Civil Penalties.* -

(A) There shall be imposed, in addition to the tax required to be paid, a penalty equivalent to twenty-five percent (25%) of the amount due, in the following cases:

- (1) Failure to file any return and pay the tax due thereon as required under the provisions of this Code or rules and regulation on the date prescribed; or
- (2) Unless otherwise authorized by the Commissioner, filing a return with an internal revenue officer other than those with whom the return is required to be filed; or
- (3) Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment; or
- (4) Failure to pay the full or part of the amount of tax shown on any return required to be filed under the provisions of this Code or rules and regulations, or the full amount of tax due for which no return is required to be filed, on or before the date prescribed for its payment..."

SECTION 2. Abatement of Surcharges - In view of the foregoing, and in the exercise of the power granted to the Commissioner of Internal Revenue under Section 204 of