

[BIR REVENUE MEMORANDUM CIRCULAR NO. 5-99, January 11, 1999]

**AUTOMATIC APPLICATION OF OVERPAYMENT IN ANNUAL
REGISTRATION FEE OF P500.00 BY VAT-REGISTERED
TAXPAYERS LAST JANUARY, 1998**

Section 236(B) of the National Internal Revenue Code of 1997 pertaining to the payment of annual registration provides that *"An annual registration fee in the amount Five hundred pesos (P500) for every separate or distinct establishment or place of business, including facility types where sales transactions occur, shall be paid upon registration and every year thereafter, on or before the last day of January: Provided, however, That cooperatives, individuals earning purely compensation income, whether locally or abroad, and overseas workers are not liable to the registration fee herein imposed."*

This amendatory provision has effectively reduced the annual registration fee of VAT-registered taxpayers from P1,000 to the equal amount required from non-VAT taxpayers of P500 beginning 1998, the date of the effectivity of Republic Act No. 8424. Since the annual registration fee is required to be paid on or before the last day of January, there have been numerous instances of overpayments made in the payment of annual registration fees last January 1998.

In order to absolve taxpayers from the tedious process of applying for claims of tax refunds as a result of such overpayment of P500 and to save the Government in additional administrative costs if the Bureau were to process such claims, you are hereby directed to apply the excess payment of P500, upon presentation of original copy of the proof of payment thereon, against the annual registration fee due from such taxpayers for the year 1999. A photocopy of such proof of payment shall be kept as part of the Office records for reference.

All revenue officials concerned are requested to give this Circular as wide a publicity as possible.

Adopted: 11 Jan. 1999

(SGD.) BEETHOVEN L. RUALO
Commissioner of Internal Revenue



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