

**[ BIR REGULATIONS NO. 07-98, July 09, 1998 ]**

**IMPLEMENTING SECTION 230 OF THE NATIONAL INTERNAL  
REVENUE CODE, AS AMENDED BY REPUBLIC ACT NO. 8242,  
RELATIVE TO THE REVALIDATION OF TAX CREDIT CERTIFICATES**

Pursuant to Section 244, in relation to Section 230 of the National Internal Revenue Code of 1997, these Regulations are hereby promulgated to govern the treatment of cash refunds and of Tax Credits.

*SECTION 1. Forfeiture of Cash Refund* — A refund check or warrant issued in accordance with the pertinent provisions of the Code, which shall remain unclaimed or uncashed within five (5) years from the date the said warrant or check was mailed or delivered, shall be forfeited in favor of the Government, and the amount thereof shall revert to the General Fund.

*SECTION 2. Forfeiture of Tax Credit* — A Tax Credit Certificate issued in accordance with the pertinent provisions of the Code, which shall remain unutilized after five (5) years from the date of issue shall, unless revalidated, be considered invalid and shall not be allowed as payment for internal revenue tax liabilities of the taxpayer, and the amount covered by the Certificate shall revert to the General Fund.

*SECTION 3. Revalidation* — A Tax Credit Certificate issued by the Commissioner or his duly authorized representative prior to January 1, 1998, which remains unutilized or has a creditable balance as of said date, shall be presented for revalidation with the Commissioner or his authorized representative, on or before August 31, 1998. For this purpose, the taxpayer shall file a written application for revalidation with the Chief of the Appellate Division, Bureau of Internal Revenue, and shall surrender the original copy of the unutilized Tax Credit Certificate, or the Tax Credit Certificate which has a creditable balance, for verification and cancellation. The Appellate Division shall then prepare a Memorandum for approval or disapproval by the Commissioner. The revalidation is done by issuing a new Tax Credit Certificate reflecting the unutilized amount or the creditable balance of the Tax Credit Certificate that is to be revalidated.

*SECTION 4. Repealing Clause* — All rules and regulations or parts thereof inconsistent with the provisions of these regulations are hereby amended accordingly.

*SECTION 5. Effectivity* — These regulations shall take effect immediately.

Adopted: 09 July 1998

(SGD.) EDGARDO B. ESPIRITU  
*Secretary of Finance*