

**[BIR REVENUE MEMORANDUM ORDER NO. 17-97,
April 01, 1997]**

**POLICIES AND GUIDELINES TO BE OBSERVED IN THE ISSUANCE
OF TAX CLEARANCE CERTIFICATES (TCLS) AND CERTIFICATE
AUTHORIZING REGISTRATION (CARS) FOR TRANSFERS OF REAL
PROPERTIES UNDER REVENUE REGULATIONS NO. 11-96,
AMENDING REVENUE MEMORANDUM ORDER NO. 34-96 DATED
NOVEMBER 15, 1996**

A. PURPOSE

This Revenue Memorandum Order is issued:

1. To eliminate the inconsistency between procedures adopted by Pilot and Non-Pilot Districts in the processing and issuance of Tax Clearance Certificate (TCL) or Certificate Authorizing Registration (CAR) thereby simplifying compliance on the part of the taxpayer.
2. To provide a single uniform criterion — place where the taxpayer-transferor is registered (or required to be registered) — as a basis for determining the Revenue District Office (RDO), regardless of whether it is pilot or non-pilot, who will be authorized to process and issue TCL/CAR with respect to transfers of real property, being consistent with RR 11-96 and the management's policy of non-deviation from the Integrated Tax Systems (ITS) rules in pilot RDOs.
3. To eliminate concurrent application of two different rules for jurisdiction with respect to transfers of real properties, namely: place where property is located and place where the taxpayer is registered.
4. To gradually reorient and educate; the taxpayers in non-Pilot Districts towards the new system in preparation for the full roll-out of the Integrated Tax System.

B. DEFINITION OF TERMS

1. Tax Clearance Certificate (TCL) — refers to the computer-generated tax clearance to be issued by RDOs in computerized areas for purposes of registration of real property upon full of payment of all taxes due on a transaction involving transfer of real property.
2. Certificate Authorizing Registration (CAR) — refers to the existing form of tax clearance to be issued by RDOs in a non-computerized area.
3. "Where transferor is registered" — the phrase "Revenue District Office (RDO) where the taxpayer-transferor is registered or is required to be registered"

shall refer to the RDO having jurisdiction over the domicile or legal residence, principal office/place of business of the transferor where he/it is registered or is required to be registered.

C. GUIDELINES AND PROCEDURES

The following rules shall apply in the issuance of the TCL or CAR.

1. Estate Tax

1.1 Estate tax clearance shall be issued by the RDO where the decedent was domiciled or registered at the time of his death, regardless of the location of his properties.

1.2 If the decedent is a non resident and the estate tax return is filed with the Philippine Embassy or Consulate in the country where the decedent was a resident at the time of death, and transmitted to RDO No. 51 — Pasay City, the TCL/CAR shall be issued by the said RDO.

1.3 If the decedent is a non-resident and has no legal residence in the Philippines, the estate tax return may be filed with the Office of the Commissioner through RDO No. 39 — Quezon City, the TCL/CAR shall be issued by said RDO.

1.4 If the decedent left properties located within the jurisdiction of different RDOs, the RDO issuing the TCL/CAR for purposes of registration of properties, shall issue certified true copies of the said TCL/CAR to the administrator/executor/heir for presentation to the concerned Register of Deeds.

1.5 The report of verification or audit of estate tax; return filed in the RDO shall be submitted to the Assessment Division for review. After the deficiency estate tax due, if any, has been paid, a Confirmation or Termination Letter shall be issued by the Chief, Assessment Division and transmitted to the RDO for issuance of the TCL or CAR.

2. Donor's Tax

2.1 Donor's tax return shall be processed and TCL/CAR shall be issued by the RDO where the donor is a resident or is registered.

2.2 If the donor is a non-resident and the donor's tax return is filed with the Philippine Embassy or Consulate in the country where said donor is a resident, and the donor's tax return was transmitted to RDO 51 — Pasay City, the TCL/CAR shall be issued by said RDO.

2.3 If the donor is a non-resident and has no legal residence in the Philippines, the donor's tax return may be filed with the Office of the Commissioner through RDO No. 39 — Quezon City, the TCL/CAR shall be issued by said RDO.

2.4 If the Deed of Donation covers several properties located in different districts, certified true copies of the TCL/CAR shall be issued to the donor by the RDO issuing the TCL/CAR for presentation to the Register of Deeds concerned for purposes of registration of the transaction.