

**[ DBM DEPARTMENT OF FINANCE AND  
DEPARTMENT OF BUDGET AND MANAGEMENT  
JOINT CIRCULAR NO. 1-95, December 15, 1995 ]**

**IMPLEMENTING RULES AND REGULATIONS ON THE BIR  
PRODUCTIVITY INCENTIVE FUND**

**1.0**

**Purpose**

1.1 This Joint Circular is issued to prescribe the rules and regulations relative to the implementation of the BIR Productivity Incentive Fund embodied in Special Provision No. 2 of the Bureau of Internal Revenue (BIR) under Republic Act No. 7845, CY 1995 General Appropriations Act (GAA), which reads as follows:

"There is hereby established a BIR Productivity Incentive Fund to be created out of the increase in total revenue collection achieved during the immediately preceding year over that of the previous year. Said fund which shall not exceed One Hundred Million Pesos (P100,000,000) per annum shall be considered as receipts automatically appropriated and shall be made available for additional incentive allowance of BIR personnel as may be authorized by the President upon recommendation of the Secretary of Finance: PROVIDED, That the approved revenue targets originally used in the formulation of the budget as proposed by the President to Congress shall have been attained: PROVIDED, FURTHER, That this benefit shall be in lieu of productivity incentive or similar benefits that may be granted by law or by the President. The rules and regulations to implement this provision shall be jointly issued by the Secretary of Finance and Secretary of Budget and Management."

1.2 This Joint Circular shall also govern similar provisions on the BIR Productivity Incentive Fund hereinafter referred to as the Fund, that may be provided for in the budget of the BIR in the ensuing years.

**2.0**

**Definition of Terms**

For purposes of this Circular, the following definition of terms is hereby adopted:

2.1 **Revenue Targets** — shall refer to the approved amount of revenues targetted for the BIR for a given year which was originally used in the formulation of the budget as reflected in the Budget of Expenditures and Sources of Financing (BESF) submitted by the President to Congress. The revenue target shall exclude estimated yields from new revenue measures which were not enacted by Congress or