

**[BIR REVENUE MEMORANDUM ORDER NO. 38-92,
September 11, 1992]**

**ADDENDA/AMENDMENTS TO RMO NO. 32-92 DATED AUGUST 7,
1992 RELATIVE TO THE GUIDELINES AND PROCEDURES IN THE
PROCESSING OF TAX CREDIT/REFUND OF EXCESS
WITHHOLDING TAX/OVERPAYMENT OF INDIVIDUAL INCOME
TAX FOR 1991 (COVERING BIR FORM NOS. 1701 - FOR
INDIVIDUALS WITH INCOME FROM BUSINESS/PROFESSION
AND COMPENSATION; 1701A - FOR INDIVIDUALS WITH
COMPENSATION INCOME ONLY)**

Revenue Memorandum Order No. 32-92 dated August 7, 1992 is hereby supplemented/amended with the following guidelines in the processing of tax credit/refund of excess withholding tax/overpayment of individual income tax for 1991 covering BIR Form Nos. 1701 and 1701A:

1. In the case of employees whose second installment payments were already recomputed by the Revenue District Office as of July 15, 1992 by taking into consideration the increased exemptions under R.A. 7167, the employer shall require presentation of the copy of the Authority to Accept Payment (ATAP) from such employees to establish payment of the second installment. Said copy of the ATAP shall be attached to the income tax return (ITR) of the employee to be submitted to the employer.
2. A refundable 1701A return showing a computation of income tax due in accordance with the increased exemptions under R.A. 7167 but filed late by the taxpayer/employee shall be received by the Office of the Collection Officer. However, an ATAP shall be issued to the said taxpayer/employee for payment of penalties for late filing to the accredited bank branch/Office of the Collection Officer. The validated ATAP shall be attached to the ITR which shall be submitted by the taxpayer/employee to his employer for attachment to the Amended Alpha List of Employees.
3. Employers who recomputed excess tax payments of employees without their 1701A ITRs shall be assessed for under remittance of said tax payments for the month when credit/refund was made.
4. All 1701A tax returns for 1991 which were subjected to recomputation shall be noted/stamped by the employer (who made the recomputation) on the upper right hand corner of said returns with the following:

"RECOMPUTED UNDER RA 7167 FOR (HUSBAND/WIFE)"

5. The employers concerned shall be responsible for procurement/preparation of said stamp for their office/s use.

6. The copies of the 1991 income tax returns presented by the employees to their employer and which are to be attached to the Amended Alpha List shall be stamped "Verified from the Original Duplicate Copy" and signed by the employer.

7. In case an employee has lost his ITR for 1991, said employee shall *secure a "certified true copy" of the ITR from the RDO* where he filed the return.

8. If *husband and wife filed separate tax returns for 1991*, their employer/s shall require each of them to *present both copies of their ITRs* to determine if only one of the spouses claimed the additional exemption for their qualified dependent children. Copies of both ITRs shall be attached to the "Amended Alpha List of Employees for 1991".

9. In case *both husband and wife claimed the additional exemption for their qualified dependent children, only one of them shall be allowed to do so at their option* and corresponding adjustments shall be made in the recomputation of their 1991 1701A ITR. The employer of the spouse who claimed the additional exemption shall note/indicate on the upper right hand corner of the ITR of the other spouse that the "ADDITIONAL EXEMPTION FOR CHILDREN HAVE ALREADY BEEN CLAIMED BY THE HUSBAND, OR THE WIFE," as the case maybe.

10. An *employee who was not included in the recomputation* and in the Amended Alpha List of Employees for 1991 submitted by the employer to the RDO, shall file a *written claim for refund together with his copy of ITR and a Certification by his employer that he was not included in the amended alpha list submitted to the RDO concerned, for processing.*

11. The RDO shall verify the claims and declarations of the taxpayers/employees by *checking on the correctness of the said claims and that no recomputation has been made by the employer.*

12. The RDO shall recompute the income tax due on the basis of the ITRs of the taxpayers/employees mentioned in paragraphs 10 and 11 of this RMO and shall reflect said recomputation using the Pre-Audit Sheet for 1701 returns prescribed in Annex C of RMO No. 32-92 dated August 7, 1992.

13. The Pre-Audited Sheets shall be attached to the corresponding recomputed 1701A returns and shall be transmitted together with other pertinent documents mentioned above to TC/RD for review and monitoring.

14. CISS shall prepare the corresponding TRNs for refundable taxpayers/employees based on the reviewed Pre-Audit Sheets attached to the taxpayer's/employee's ITRs and other supporting documents. Said ITRs are not supposed to have any Document Locator Number (DLN).

15. Upon receipt of the Amended Alpha List of Employees for 1991, the RDO shall:

- a. Check completeness of supporting documents attached to the said list as required under paragraph III, A.6, a-c of RMO 32-92 dated August 7, 1992.