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| Headline | E-filing, the third time around | | |
| MediaTitle | The Philippine Star | | |
| Date | 25 Apr 2017 | | |
| Section | Business | Language | English |
| Page No | B6 | Journalist | ANNALYN M. DACUTANAN |
| | | Frequency | Daily |
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E-filing, the third time around

For us, tax accountants, it is always a great relief to see the tax returns we file stamped with “RECEIVED” by the Authorized Agent Bank (AAB)/Revenue District Office (RDO) in time for the most challenging tax filing deadline of the year.

It has been three years since online filing was launched by the Bureau of Internal Revenue (BIR) to ease the burden of income tax filing. At first, floods of complaints on online glitches and interpretation barriers from different government agencies, banks, and concerned taxpayers were encountered. But as time passed by, taxpayers have learned to adapt to sudden changes in the rules and procedures provided by the BIR.

TOP OF MIND



ANNALYN M. DACUTANAN

On March 20, Revenue Memorandum Circular (RMC) No. 28-2017 was issued by the BIR that provided guidelines in filing, receiving and processing of 2016 Income Tax Returns as well as information on attachments needed upon filing. The RMC also addressed frequently asked questions of BIR officials, employees, and taxpayers. The primary concern of taxpayers was the tax filing deadline since April 15 falls

on a Saturday which was moved to April 17.

The RMC also provided a 15 day period to submit the required attachments for taxpayers who filed via eFPS and eBIRForms. Taxpayers who manually filed ITRs through BIR official printed and other downloadable forms from the BIR website were not given the same extension.

Another challenge was that many taxpayers were confused when to submit the signed copy of the electronically filed ITR and the required attachments. As the RMC stated, the deadline for submission should be within 15 days from the deadline of filing or date of electronic filing of the return, whichever comes later. For instance, if a taxpayer electronically filed on April 1, he has until May 2 to submit the filed ITR with the attachments. However, there were some BIR officers who interpreted the deadline of submission of filed ITR with attachments is only until April 17, the tax filing deadline.

On April 16, eFPS filers also complained about the auto-computed penalties in the course of filing / payment of their ITRs. To address the scenario, the BIR issued an advisory to provide resolutions to the affected taxpayers which are

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| Date | 25 Apr 2017 | Color | Black/white |
| Section | Business | Circulation | 303,808 |
| Page No | B6 | Readership | 303,808 |
| Language | English | ArticleSize | 318 cm ² |
| Journalist | ANNALYN M. DACUTANAN | AdValue | PHP 35,631 |
| Frequency | Daily | PR Value | PHP 106,893 |

as follows:

1) When tax returns have been filed and the tax due and penalties have been paid on April 16, the penalties paid can be claimed as tax refund.

2) When the tax returns have been filed and the tax due has been paid disregarding the penalties on April 16, the tax returns must be amended before submission of attachments (financial statements); but the taxpayers must make sure to clear the browser first (for cache and cookies).

3) When tax returns have been filed on April 16, but tax payment is made on April 17, 2017, the taxpayer should pay the basic tax due only, but make sure to clear the browser first or the taxpayer may amend the tax return before submission of attachments (financial statements).

4) When tax returns have been filed and tax due has been paid on April 17, the taxpayers need to make sure to clear the browser first.

Moreover, some companies that manually filed tax returns with tentative financial statements (FS) were initially refused by the RDOs and were advised to file their returns through the use of offline eBIRForms. Those companies were also advised to submit the signed tax return along with the final copy of the FS within 15 days from the date of electronic filing or deadline of filing of the return whichever comes later.

Despite the issues and concerns from this year's tax filing, what is most important is how we get through it. We believe that more issues will arise as the BIR transitions to electronic filing. Nevertheless, we are confident that going electronic is a great help for a more effective and efficient tax filing process in the country. Truly, the 2016 tax filing season was tough, but it is a year that taxpayers will always look back to when the BIR fully adopts the online system.

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