

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

March 3, 2003

REVENUE MEMORANDUM ORDER NO. 8-2003

SUBJECT : Compliance of Local Government Units (LGUs), National Government Agencies (NGAs) and other government offices to withholding tax laws, rules and regulations and to clarify and identify the officials responsible for withholding of tax and its remittance.

T O : All Regional Directors, Revenue District Officers, Officials of Government Offices and others concerned.

I. OBJECTIVES

This Order is issued to:

1. Ensure the efficient compliance of government withholding agents to existing withholding tax laws, rules and regulations and other related issuances.
2. Identify government officials designated as withholding agents personally responsible for the correct withholding of tax and its timely remittance.
3. Reiterate Item II(1) of Revenue Memorandum Order No. 14-98 and amend Revenue Memorandum Order No. 70-98 and implement the provisions of RA 1051, EO 651 and RR 1-87.
4. To effect and monitor collection of delinquent accounts/final assessments from LGUs.

II. RESPONSIBILITY OF GOVERNMENT OFFICIALS

1. The following government officials are personally charged with the duty to correctly withhold taxes on compensation, expanded and final withholding tax as well as government money payments to persons registered as Non-VAT (percentage, franchise, etc.) and VAT taxpayers and the timely remittance of taxes withheld:

a. **Local Government Units:**

a.1 Provinces - Governor, Provincial Treasurer and Provincial Accountant

a.2 Cities - Mayor, City Treasurer and City Accountant

a.3 Municipalities - Mayor, Municipal Treasurer and Municipal Accountant

a.4 Barangays - Barangay Captain and Barangay Treasurer

b. **National Government Agencies** - Heads of Offices (officials holding the highest position) and Chief Accountants or other persons holding similar positions in departments, bureaus, agencies and instrumentalities officially designated as such by the head of office.

c. **Government Owned or Controlled Corporations (GOCC)** - Heads of Offices (officials holding the highest position) and Chief Accountants or other persons holding similar positions officially designated as such by the head of office.

d. **Other Government Offices** - Heads of Offices (officials holding the highest position) and Chief Accountants or other persons holding similar positions officially designated as such by the head of office.

e. **Government Offices with Decentralized Accounting System and/or Branches/Regional Offices/District Offices Registered with their respective Revenue District Offices** - Heads of Such Offices/Regional/District Offices (officials holding the highest position) and Chief Accountants or other persons holding similar positions officially designated as such by the head of office. (example: a) in case of BIR Regional Offices, it shall be the Regional Director and Chief, Finance Division and b) in case of DECS, the Regional Director and Chief, Budget & Finance Division).

2. The aforesaid officials shall be equally liable to the penalties prescribed in Title X of the National Internal Revenue Code, as amended.

3. The responsibility and liability of the respective officials under this memorandum order shall not be delegated to subordinate officials or employees.

III. GUIDELINESS AND PROCEDURES

A. The Revenue District Officer shall:

1. Notify and require government offices within their jurisdiction, which were not yet notified by the RDO and/or have not complied with Item III(3) of RR 14-98, to submit the names of the incumbents of such positions/designated officials within thirty (30) days after notification. In all cases, any change of such incumbents/designated officials shall be reported and the names of replacements submitted to the same RDO within ten (10) days from the date of change or replacement.
2. Disseminate and implement the provisions of RMO 14-98 and other relevant issuances and strictly and properly monitor government offices' compliance to withholding tax laws, rules, regulations and related issuances (i. e. RMO 27-95) and continue to conduct information dissemination, dialogue, lecture, seminar, update and other appropriate action from time to time to effectively implement laws, rules and regulations pertaining to withholding and remittance of tax. (i. e. RMO 6-2000). It is also the responsibility of the RDOs to conduct dialogue/conference with concerned officials of government offices with delinquent accounts to facilitate the settlement of their liabilities and ensure their full support in this undertaking.
3. Conduct field investigation on LGUs' internal revenue tax compliance pursuant to RMO 16-2002 as well as under subsequent revenue issuances.

B. The Chiefs of the Collection and Assessment Divisions of the Regional Office shall:

Submit a report on the list of local government units with the **amount collected** out of delinquent accounts and/or assessment under final assessment notices issued as of December 31, 2002 using the attached format labelled as Annex "A". The initial report shall be submitted to the Chief, Withholding Tax Division, FAX No. (02) 926-93-28 on or before April 7, 2003 and every 7th day of the month thereafter until full settlement/payment thereof.

Subsequently, a monthly report of figures on delinquent accounts and final assessments, with protest or without protest but not yet considered delinquent, including monthly collections therefrom, for all LGUs, NGAs and GOCCs shall likewise be submitted on or before the fifteenth day of the following month to the Withholding Tax Division, National Office.

IV. REPEALING CLAUSE

The provisions of existing Revenue Memorandum Orders and other issuances inconsistent with this Order are hereby amended, modified or repealed accordingly.

IV. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue