REVENUE MEMORANDUM ORDER NO. 49-2000 issued November 9, 2000 prescribes the Year 2000 Audit Program for the Enforcement Service. For tax fraud cases, the Audit Program will cover the examination/audit of taxpayers for any taxable year(s), quarter(s) or taxable period(s) where prima facie evidence of fraud was established/discovered in year 2000 and until the Order is in full force and effect. The examination/audit or re-examination will include all internal revenue taxes on any of the following: a) cases covered under Sec. 248(B) of the Tax Code (prima facie evidence of false or fraudulent returns); b) cases covered by confidential information filed by informers; c) tax fraud cases developed by the Tax Fraud Division (TFD) or the Special Investigation Division (SID) and those elevated to the former by Regional Offices; d) cases referred by the Enforcement Service to the SID; e) cases referred by the Commissioner to the TFD/SID emanating from, but not limited to, the following: 1) Office of the President; 2) the Legislative Branch of the Government (Senate and House of Representatives); and 3) the different Departments of the Executive Branch of the Government.

For policy cases, the Audit Program will cover the examination of 1999 income, value-added, percentage, withholding and other internal revenue tax liabilities of selected taxpayers falling within the following industries: a) chemical and chemical products; b) food and beverage; and c) such other lines of industry and/or cases as may be assigned by the Commissioner.

For income tax purposes, taxable year 1999 will cover returns filed on a fiscal year basis ending on or before June 30, 2000.