REVENUE MEMORANDUM ORDER NO. 71-99 issued September 15, 1999 prescribes an Office Audit Program in the Assessment Division of Revenue Regional Offices primarily to enhance voluntary compliance of taxpayers engaged in small-scale business and in the practice of profession. The Office Audit Program will cover the audit of tax returns of individual and corporate taxpayers, estates and trusts within the Region covering taxable year 1998, in accordance with the order of priority specified in the Order.

Office Audit will be conducted without field investigation and only by Revenue Officers (Assessment) of the Office Audit Section (OAS) in the Assessment Division of Regional Offices. However, the Regional Director may request the conduct of office audit in Revenue District Offices which are located very far from the Regional Office. The request will be subject to approval by the Assistant Commissioner, Assessment Service. The policy on the simultaneous investigation of all tax liabilities of a taxpayer for the same taxable year will be followed. One Letter of Authority will be issued for each taxable year to include all internal revenue tax liabilities of the taxpayer. The same taxpayer will not be allowed to be audited for the immediately succeeding taxable year, unless there is a valid written justification for the conduct thereof and subject to prior approval by the Assistant Commissioner, Assessment Service.