REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

April 12, 2004

REVENUE MEMORANDUM CIRCULAR NO. 24-2004

SUBJECT: Primer on the CENTENNIAL TAXPAYERS RECOGNITION PROGRAM (CTRP) as covered by Revenue Memorandum Order (RMO) No. 7-2004, RMO No. 14-2004, RMO No. 18-2004 and RMO No. 20-2004.

TO : All Taxpayers and Revenue Officials and Other Concerned

Q1: **What is the Centennial Taxpayers Recognition Program or CTRP?**

A1: The Centennial Taxpayers Recognition Program or the CTRP is a program instituted by the Bureau of Internal Revenue (Bureau) to commemorate its centennial anniversary aimed at giving recognition to taxpayers, corporate or individual, who pay their taxes properly and who have shown remarkable growth rates/ratios in their tax payments (income and business) for taxable year 2003 as compared to taxable year 2002.

It is a recognition or award of nationalistic taxpayers who perform their patriotic and civic duty of paying proper taxes. It was conceived to recognize taxpayers for declaring the correct/right amount of taxes; for doing more than what is required of them, i.e., paying more that what is required of them, all for the cause of nation building. With the recognition come certain benefits and privileges designed to encourage continually doing the right thing for the country.

Q2: **Is the CTRP an amnesty program?**

A2: No. CTRP is not an amnesty program. It covers future payments, i.e. payments to be made on April 15, 2004 for income taxes due for taxable year 2003, and payments to be made for income taxes due for the 1st quarter of taxable year 2004.

It does not condone any wrong/erroneous declaration made for returns already filed and taxes paid for.

Q3: **What are the primary benefits of the CTRP?**

A3: All Centennial Taxpayers will be entitled to the following benefits:

1. Recognition during the Centennial Anniversary celebration of the Bureau on August 1, 2004;
2. Listed in the Honor Roll to be published in a national newspaper; unless they shall otherwise notify the Bureau (Attention: Assistant Commissioner, Taxpayers Assistance Service) not to include their names in the list to be published
3. Centennial Taxpayer's Trophy;
4. Centennial Honor Taxpayer's Card which will entitled the taxpayer special attention in any official transaction with the Bureau or Department of Finance (DOF) office;
5. Priority availment of various e-services of the Bureau such as Electronic Filing and Payment Systems (EFPS), E-Submission, and E-Payee.

Q4: **What are other benefits of the CTRP?**

A4: In addition to the above mentioned benefits, TOP CENTENNIAL TAXPAYERS will be accorded the protection of last priority in audit and investigation for taxable year 2003 for all taxes. The grant of protection of last priority in audit will only be undertaken upon careful evaluation and authorization by the Commissioner of the Bureau.

Q5: **Who are qualified to be a Top Centennial Taxpayer?**

A5: Among all the Centennial Taxpayers, the top 1,000 with highest weighted score for percentage increase and absolute peso amount increase in tax payment shall be referred to as the TOP Centennial Taxpayers.

Q6: **Who can vie for a Centennial Taxpayer Award / who can be eligible as Centennial Taxpayer?**

A6: The following taxpayers can vie for a Centennial Taxpayer Award:

1. Corporations following the calendar year of reporting [RMO No. 7-2004]
2. Corporations following the fiscal year of reporting whose fiscal year ends from July 31, 2003 up to November 30, 2003 [RMO No. 14-2004]
3. Individual taxpayers engaged in business or are considered as mixed income earners [RMO No. 7-2004]
4. Individual taxpayers engaged in business or are considered as mixed income earners who reported a net loss for taxable year 2002 [RMO No. 18-2004, RMO No. 20-2004]

Taxpayers mentioned above are eligible to be a Centennial Taxpayer provided they meet all the qualities laid down in RMO No. 7-2004 as supplemented by RMO Nos. 14-2004, 18-2004 and 20-2004.

Q7: **What are the qualities of an eligible taxpayer to be considered in the Centennial Award Selection Process**?

A7: In general, for a taxpayer to be considered in the centennial award selection process as a Centennial Taxpayer, said taxpayer must fulfill, in the minimum, ALL the following conditions:

1. *Annual Growth Rate of Income Tax Payment –*
   Growth rate of "*actual income tax payment*" for taxable year 2003 over "*tax due*" for taxable year 2002 must be at least 20%

   For example:

Tax due for 2002	P1,000,000
	x 20%
Minimum growth requirement	P 200,000
	========

   Therefore, the actual income tax payment for 2003 should at least amount to P1,200,000 (P1,000,000 + P200,000).

2. *Last Quarter 2003 Income Tax Growth Rate –*
   Growth rate of "*actual income tax payment*" for 4th quarter 2003 over "*tax due*" for 4th quarter 2002 must be at least 25%

   For example:

Tax due for the 4th qtr 2002	P200,000
	x 25%
Minimum growth requirement	P 50,000
	=======

   Therefore, the actual income tax computed for the 4th quarter 2003 should at least amount to P250,000 (P200,000 + P50,000).

3. *First Quarter 2004 Income Tax Growth Rate –*
   Growth rate of "*actual income tax payment*" for the 1st quarter 2004 is at least 25% more than the "*tax due*" for the 1st quarter 2003, provided, that "*tax due*" for the 1st quarter 2003 shall not be less than 25% of the tax due of the taxpayer for the whole taxable year 2003; and

   For example:

A. Tax due for the 1st qtr 2003	P150,000
B. 25% of Tax due for the whole year of 2003	
Tax due for the whole year of 2003	P500,000
	x 25%
25% of tax due for the whole year	P125,000
	=======
"*Tax due*" for the 1st qtr 2003 (A or B whichever is higher)	P150,000
	x 25%
Minimum growth requirement	P 37,500
	=======

   Therefore, the actual income tax payment for the 1st quarter 2004 should at least amount to P187,500 (P150,000 + P37,500).

4. *Ratio of Income Tax Payment to Gross Sales/Receipts –*
Ratio of income tax payment to gross sales/receipts in year 2003 must at least equal to year 2002. In addition, the ratio of income tax payment to gross sales/receipts for the 1st quarter of 2004 must at least be equal to the 1st quarter of 2003; and

For example:

For year 2003

	2003	2002
A. Income Tax Payment	P 1,200,000	P 1,000,000
B. Gross Sales	P125,000,000	P115,000,000
Ratio (A divided by B)	0.96%	0.87%

For 1st quarter 2004

	1st qtr 2004	1st qtr 2003
A. Income Tax Payment	P 187,500	P 150,000
B. Gross Sales	P20,000,000	P16,000,000
Ratio (A divided by B)	0.94%	0.94%

Thus, in order to qualify for this condition the ratio for 2003 or 1st quarter 2004 Should at least be equal or greater than the ratio for 2002 or 1st quarter 2003.

5. *Ratio of VAT/Percentage Payments –*
For those subject to value added tax (VAT), the VAT actually paid to the Bureau for taxable year 2003 shall equal to or be greater than the higher of
   (a) the equivalent of three percent (3%) of their gross sale/receipt for 2003, or
   (b) effective VAT rate for the taxable year 2002.

For example:

	2003	2002
A. VAT Payment	P 4,375,000	P 3,680,000
B. Gross Sales	P125,000,000	P115,000,000
Ratio (A divided by B)	3.50%	3.20%

Thus, in order to qualify for this condition the effective VAT rate for 2003 should at least be 3%; or higher than or equal to the effective rate for 2002, if the effective VAT rate for 2002 is higher than 3%.

For those subject to percentage tax, the ratio of percentage tax actually paid to gross sales/receipt for taxable year 2003 should not be less than the ratio of the percentage tax actually paid to gross sales/receipts for taxable year 2002.

For example:

	2003	2002
A. Percentage Tax Payment	P 3,750,000	P 3,450,000
B. Gross Sales	P125,000,000	P115,000,000
Ratio (A divided by B)	3.00%	3.00%

Thus, in order to qualify for this condition the ratio for 2003 should not be less than the ratio for 2002.

However, for individual taxpayers engaged in business or are considered as mixed income earners who reported a net loss for tax year 2002 to be considered in the centennial award selection process as a Centennial Taxpayer, said taxpayer must fulfill, in the minimum, the fourth and the fifth conditions mentioned above and all the following conditions:

1. Made an *actual income tax payment* for taxable year 2003 with growth rate equal to or greater than twenty five percent (25%) of the amount equivalent to Minimum Corporate Income Tax (MCIT) said taxpayer would have paid in taxable year 2002 had he been a corporation, i.e., two percent (2%) of Gross Income.

   For example:

Tax due for 2002 (Reported Net Loss)	none
Gross Income 2002	P15,000,000
MCIT rate	x 2%
Equivalent MCIT	P 300,000
	x 25%
Minimum growth requirement	P 75,000
	=========

   Therefore, the actual income tax payment for 2003 should at least amount to P375,000 (P300,000 + P75,000).

2. Made an *actual tax payment* for the 1st quarter 2004 with growth rate equal to or greater than twenty five percent (25%) of the *tax due of the taxpayer* for the 1st quarter 2003.

   Provided, the *tax due of the taxpayer* for the 1st quarter 2003 shall not be less than twenty five percent (25%) of the would have been tax payment for taxable year 2003 determined under the preceding condition (using the MCIT formula) plus any creditable withholding tax included in computing the actual tax payment made by the taxpayer for taxable year 2003.

   For example:

A. Actual tax due for the 1st quarter 2003	P 95,000
	========
B. Tax due using the MCIT formula	
Gross Income 2003	P18,000,000
x MCIT rate	x 2%
Should be MCIT	P 360,000
Add: Creditable withholding taxes 2003	40,000
Total for 2003	P 400,000
	x 25%
One Quarter equivalent using MCIT formula	P 100,000
	=========
"*Tax Due*" for 1st quarter 2003 (A or B whichever is higher)	P 100,000
	x 25%
Minimum growth requirement	P 25,000
	=========

   Therefore, the actual income tax payment for the 1st quarter 2004 should at least amount to P125,000 (P100,000 + P25,000).

Q8: **What are to be considered as "*actual income tax payments*" for taxable year 2003 or 1st quarter 2004?**

A8: "*Actual income tax payments*" to be considered in qualifying for the CTRP conditions shall mean tax payments actually paid for in cash and the creditable withholding taxes actually withheld for the period. Other than the foregoing, no other types of payments, such as prior years excess creditable tax carried over, excess Minimum Corporate Income Tax (MCIT) and Tax Credit Certificates / Tax Debit Memos (TCCs/TDMs) shall be allowed.

Q9: **What are to be considered as income "*tax due*" for taxable year 2002 or 1st quarter 2003 for purposes of applying the conditions?**

A9: In general, the "*tax due*" to be used for taxable year 2002 or 1st quarter 2003 shall be the aggregate of:

1. Tax due reflected per the taxpayer's annual or quarterly income tax return;
2. Tax due per taxpayer's availment of the VAAP, if any;
3. Paid and settled basic deficiency income tax assessment, assessed either through a Letter of Authority or a Letter Notice covering taxable year or any period of 2002, if any.

For example:

Tax due 2002 per ITR	P100,000
Add: Additional income tax for 2002 paid per VAAP	40,000
Basic income tax for 2002 paid for LA or LN settlement	10,000
"*Tax Due*" for 2002	P150,000
	=======

However, for individual taxpayers engaged in business or are considered as mixed income earners who reported a net loss for taxable year 2002, the "*tax due*" would be as follows:

The "*tax due*" for taxable year 2002 shall be:

Minimum Corporate Income Tax (MCIT) said taxpayer would have paid in taxable year 2002 had he been a corporation, i.e., two percent (2%) of Gross Income for taxable year 2002.

In computing for the Gross Income for taxable year 2002, it shall include all adjustments affecting gross income as declared by the taxpayer in the availment of the VAAP, if any; as well as adjustments affecting gross income resulting to any payment of deficiency income taxes assessed either through a Letter of Authority or Letter Notice.

For example:

Gross Income 2002	P5,000,000
Add: Adjustments (VAAP or LA or LN)	500,000
Adjusted Gross Income	P5,500,000
	x 2%
"*Tax due*" for 2002 using the MCIT Formula	P 110,000
	========

The "*tax due*" for 1st quarter 2003 shall be:

The tax due of the taxpayer for the 1st quarter of 2003, which should not be less than twenty five percent (25%) of the would have been tax payment for taxable year 2003 determined under the preceding condition (using the MCIT formula) plus any creditable withholding tax included in computing the actual tax payment made by the taxpayer for taxable year 2003.

For example:

A. Tax due per ITR for the 1st quarter 2003	P 40,000
Add: Adjustments (VAAP, LA or LN)	8,000
Tax due adjusted	P 48,000
	========
B. Tax due using the MCIT formula	
Gross Income 2003	P8,000,000
x MCIT rate	x 2%
Should be MCIT	P 160,000
Add: Creditable withholding taxes 2003	40,000
Total for 2003	P 200,000
	x 25%
One Quarter equivalent using MCIT formula	P 50,000
	========
"*Tax Due*" for 1st quarter 2003 (A or B whichever is higher)	P 50,000
	========

Q10: **What is a Centennial Voluntary Payment?**

A10: A centennial award aspirant whose correct/accurate income tax payments will result in the shortfall or gap in the growth rates and ratios required as a condition to be eligible centennial taxpayer may opt to make up for the shortfall or gap by making a voluntary additional payment. Said additional voluntary payment shall be referred to as the Centennial Voluntary Payment.

For this purpose, the centennial award aspirant should accomplish a Centennial Voluntary Payment Form (BIR Form 0605-100). The centennial voluntary payment for income taxes when added to the correct income tax payment must provide the growth rates and income tax payment to gross sales/receipts ratio required.

Q11: **Until when is the Centennial Taxpayers Recognition Program open?**

A11: All corporate and individual business income earner shall have until May 30, 2004 to vie for the Centennial Taxpayers Recognition Award.

Submission of duly accomplished and completed CTRP Participation Form and payment of the CTRP voluntary payment using the CTRP Voluntary Payment Form should be made on or before May 30, 2004.

Q12: **Where should I file and pay the CTRP Voluntary Payment Form? / CTRP Participation Form?**

A12: The CTRP Voluntary Payment Form (BIR Form 0605-100) should be filed and paid with any Authorized Agent Banks (AABs) or Authorized Collection Agent having jurisdiction over the place where the taxpayer is duly registered or having business.

The CTRP Participation Form should be filed with the Revenue District Office (RDO) /Large Taxpayers District Office (LTDO) / Large Taxpayers Assistance Divisions (LTAD I or II) where the taxpayer is duly registered.

Q13: **Can TCCs/TDMs or excess creditable withholding taxes be used as payments for the CTRP Voluntary Payment?**

A13: No. To qualify under the CTRP, TCCs/TDMs or excess creditable withholding taxes may not be used as CTRP voluntary payment.

Likewise, TCCs/TDMs may not be used as part of the tax payment to be made covering taxable year 2003, nor for the tax payments to be made for income tax payable covering 1st quarter of 2004.

Q14: **Can prior years' excess payments/ carry over withholding taxes be made part of the tax payments?**

A14: No, to qualify under the CTRP, prior years' excess payment carryover may not be considered as part of the tax payments to be made covering taxable year 2003, 1st quarter 2004 or as part of the CTRP voluntary payment.

Q15: **What are the necessary attachments for filing the CTRP Participation Form?**

A15: The CTRP Participation Form should be filed together with the following documents:

1. Photocopy of duly filed CTRP Voluntary Payment
2. Photocopy of Audited Financial Statements for taxable year 2003 and taxable year 2002

3. Interim Financial Statements covering 4th quarter of 2003 and 1st quarter of 2004
4. Photocopy of all duly filed Quarterly and the Final Income Tax Returns covering taxable year 2003 and taxable year 2002
   a. 1702Q and 1702 for Corporations
   b. 1701Q and 1701 for Individuals engaged in business
5. Photocopy of duly filed VAT or Percentage Tax returns for taxable year 2002 and taxable year 2003

Q16: **I did not meet the growth rate requirement for the CTRP but I want to participate in the program by making a voluntary payment, should I reflect the voluntary payment on my income tax return, if not, where should the voluntary payment be reported?**

A16: No, the voluntary payment should not be reflected on the income tax return to be filed by the taxpayer. The taxpayer should accomplish their income tax return reflecting therein the amount of the correct/accurate income tax due/payment representing the actual result of the business operations of the taxpayer.

Voluntary payments to meet the CTRP conditions should be made using the CTRP Voluntary Payment Form (BIR Form 0605-100). The details of the actual amounts voluntarily paid and actual tax payments per ITR, together with the other relevant CTRP information shall be reported in the taxpayer's CTRP Participation Form.

Q17: **Should I make the voluntary payment together with the filing of my income tax return and payment of my income taxes for taxable year 2003?**

A17: The taxpayer may chose to make the voluntary payment for CTRP and pay it together with the filing and payment of the income taxes for taxable year 2003 which is due on or before April 15, 2004. However, such procedure is not mandatory.

The taxpayer should file the income tax returns and pay income taxes due therein (annual or quarterly) on designated statutory deadlines. But the filing and payment of the Centennial Voluntary Payment may be done after the income tax return has been filed but it should be made no later than May 30, 2004.

Q18: **Can the Centennial Voluntary Payment be claimed as a deduction?**

A18: No. The centennial voluntary payment may not be claimed as a deductible expense for taxation purposes. It may not be classified as Taxes or as Donation to the Government. It is not subject to Donor's Tax.

Q19: **Can the Centennial Voluntary Payment be used as tax credit for future tax liabilities?**

A19: No. The amount paid as centennial voluntary payment may not be used as tax credit for future tax liabilities nor may a taxpayer file a claim for refund of such payment. When a taxpayer makes a centennial voluntary payment, he is required to expressly waive his right to make use of such payment as a credit against future tax liabilities as well as waive his right to claim for a refund of such payment.

Q20: **Can taxpayer amend previously filed tax returns?**

A20: Yes. A taxpayer may amend any previously filed tax return, however, taxpayers should amend tax returns for purposes of making a correct/accurate return reflective of the actual business transactions/operations of the taxpayer not just for the purpose of complying with the conditions of the CTRP. Provided further, that no notice of audit and investigation have yet been issued against the taxpayer covering the tax return which is the object of an amendment.

Q21: **How do we compute for the effective VAT rate?**

A21: Effective VAT rate $= \dfrac{\text{Total Output VAT less Total Input VAT}}{\text{Total Vatable Transactions}}$

where:

Total output VAT	=	10% VAT on all gross sales/receipts of a taxpayer in a given period
Total input VAT	=	VAT payments made by the taxpayer on purchases of goods and/or services from VAT Registered Taxpayers that are directly attributable or allocated to vatable sales transaction
Total Vatable transaction	=	Total sales/receipts of a taxpayer which are subject to VAT

For taxpayers who have mixed transactions, i.e., vat and non-vat transactions, they should segregate their vatable and non-vatable sales/receipts before computing for the effective VAT rate.

Q22: **A company's VAT payments are mostly paid in Bureau of Customs (Customs) for their importations, should VAT payments Customs be included in the term "VAT Payments" to derive effective VAT rate since BOC and BIR are under the same department?**

A22: VAT Payments made to Customs for taxpayer's importation are not included in the term "VAT Payments" in deriving the effective VAT rate. "VAT Payments" will refer only to payments made to the Bureau which is the difference between the taxpayer's Output VAT and Input VAT. Rather, VAT Payments to the Customs are properly classified as Input VAT of the taxpayer.

Q23: **What is the rationale of the 3% effective VAT/Percentage rate?**

A23: Taxpayers whose gross sales/receipts do not exceed P550,000 a year pay a percentage tax equivalent to three percent (3%) of their gross sales/receipts. Therefore, if small taxpayers not subject to VAT effectively pays a business tax equivalent to three percent (3%) of their gross sales/receipts, big taxpayers should be paying more, if not at least equal to three percent (3%).

Q24: **I did not meet the effective VAT requirement for condition #5, can I make a voluntary payment to make up for the shortfall or gap?**

A24: Yes, a voluntary payment can be made to make up for the shortfall or gap in the effective VAT rate.

Q25: **Is taxpayer disqualified to join the CTRP if taxpayer's business taxes for 2002 and 2003 are of different kind (e.g. VAT for 2002, Percentage Tax for 2003 or no business tax for 2002, with business tax for 2003)?**

A25: The taxpayer may still join the CTRP, provided conditions #1 to #4 are met. In addition, the taxpayer should present a written justification/explanation why condition #5 is not applicable to their case. Said explanation should be filed together with the CTRP Participation Form.

Q26: **I am a VAT Registered Taxpayer, I would like to join the CTRP, in fact I am able to meet conditions #1 to #4 already, however, for condition #5 my effective VAT rate is less than 3% or less than the effective rate for 2002, will I be disqualified to join the CTRP?**

A26: Not necessarily. For VAT Taxpayers, condition #5 of the CTRP, requires an effective VAT rate of at least 3% for taxable year 2003. However, the Bureau recognizes that there are certain types of industry which might have an effective VAT rate below three percent (3%).

Taxpayers whose effective VAT rate for taxable year 2003 is equal to or greater than their effective VAT rate for taxable year 2002, but is less than three percent (3%), may still qualify for CTRP, as may be determined by the CTRP Participation Committee constituted by the Commissioner. The CTRP Participation Form of said taxpayers shall be properly identified and forwarded by the Revenue District Officer (RDO)/Regional Director (RD) to the National Office for proper evaluation.

Taxpayers whose effective VAT rate for taxable year 2003 is less than their effective VAT rate for taxable year 2002, but is equal to or greater than three percent (3%), may still qualify for CTRP upon recommendation of their respective RDOs and/or RDs, having jurisdiction over said taxpayer where the deterioration was caused by (a) acquisitions of large amount thus, high input VAT; or (b) shift in sales mix resulting to more non-vatable transactions. The RDO/RD's recommendation and the justification in reduction of effective VAT rate together with the taxpayer's CTRP Participation Form and its attachments should be forwarded to the Commissioner, who shall make the final determination.

Q27: **Is there an assurance that a Centennial Taxpayer will be given last priority in audit and investigation?**

A27: Only those classified as Top Centennial Taxpayer will be assured with last priority in audit and investigation. Non-Top Centennial Taxpayer will only enjoy the primary benefits of the CTRP as mentioned above.

Q28: **I am qualified as a Centennial Taxpayer, however I am not sure if I would be one of the Top Centennial Taxpayers, what would I do to ensure myself of the benefit of last priority in audit and investigation?**

A28: Centennial Taxpayers who may not be among the Top Centennial Taxpayers will still be accorded protection of last priority in audit and investigation for taxable year 2003 provided they make an additional voluntary payment based on the reported tax due for taxable year 2003, as follows:

Amount	Tax Due for Taxable Year 2003
P100,000.00	Up to P10,000,000
P500,000.00	Over P10,000,000 to P50,000,000
P1,000,000.00	Over P50,000,000 to P100,000,000
P5,000,000.00	Over P100,000,000 to P500,000,000
P10,000,000.00	Over P500,000,000

There additional voluntary payment will be in addition to the voluntary payment which may be necessary to qualify as a Centennial Taxpayer. Payment will likewise be effected by accomplishing a CTRP Voluntary Payment Form (BIR Form 0605-100).

Q29: **For corporations reporting based on a fiscal year basis, what fiscal year accounts will be covered by the CTRP?**

A29: Taxpayers with the following fiscal year for 2003 may join the CTRP:

Beginning	Ending
August 1, 2002	July 31, 2003
September 1, 2002	August 31, 2003
October 1, 2002	September 30, 2003
November 1, 2002	October 31, 2003
December 1, 2002	November 30, 2003

Q30: **Corporation A, has the following tax information, how will they apply CTRP conditions?**

Tax Information:

	Year 2004	**Year 2003**	**Year 2002**
Gross Sales			
1st qtr	45,000,000	40,000,000	39,000,000
2nd qtr		30,000,000	29,000,000
3rd qtr		45,000,000	44,000,000
4th qtr		55,000,000	53,000,000
Total		170,000,000	165,000,000
Actual Income Tax Payment			
For year		1,725,000	1,500,000
1st qtr	490,000	405,000	
4th qtr		560,000	480,000
VAT Payments for the year		6,800,000	4,950,000

A30: Based on the above-mentioned tax information, Corporation A's CTRP Participation Form will be presented as follows:

			Growth Rate Required	**Taxable Year 2004**	**Taxable Year 2003**	**Taxable Year 2002**	**Growth Rate**	**Additional Growth Rate Required to Qualify**	**Additional Tax / Voluntary Payment Required**
1	Income Tax Payments		20%		1,725,000	1,500,000	15%	5%	75,000
2	4th Qtr Income Tax Payment		25%		560,000	480,000	17%	8%	40,000
3	1st Qtr Income Tax Payment		25%	490,000	405,000		21%	4%	16,250
4	Tax Payment Ratio								
	A	Gross Sales/Receipts			170,000,000	165,000,000			
	B	Ratio of Income Tax Payment over Gross Sales or Receipts			1.01%	.909%			
	C	1st Qtr Gross Sales/Receipts		45,000,000	40,000,000				
	D	Ratio of 1st Qtr Income Tax Payment over 1st Qtr Gross Sales or Receipts		1.088%	1.0125%				
5	VAT/Percentage Tax Ratio								
	A	VAT/Percentage Tax Payment			6,800,000	4,950,000			
	B	Ratio of VAT/Percentage Tax Payment over Gross Sales/Receipts	3% or same rate as previous year whichever is higher		4%	3%			
CTRP Voluntary Payment									131,250
Add: Additional Voluntary Payment for last priority audit and investigation									-
Total CTRP Voluntary Payment									131,250

The CTRP Voluntary Payment should be made by accomplishing BIR Form 0605-100 to be filed and paid with any Authorized Agent Bank (AAB) or Authorized Collection Agent having jurisdiction where Company A is registered as taxpayer.

The Participation Form together with all the necessary attachments including a copy of the CTRP Voluntary Payment (0605-100) should be filed with the RDO where Company A is registered no later than May 30, 2004.

Q31: **Where can we ask more information regarding the CTRP?**

A31: For questions and inquiries regarding the CTRP, you may call the BIR Call Center at telephone no. 981-8888 or visit our website at www.bir.gov.ph.

Please be guided accordingly.

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