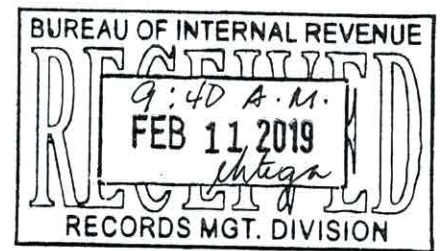




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City



January 21, 2019

REVENUE MEMORANDUM ORDER No. 9-2019

TO: All Revenue Officials and Employees Concerned

SUBJECT: CY 2019 BIR Collection Goal Allocation, By Implementing Office

I. BACKGROUND

The Department of Finance (DOF) has set the Bureau of Internal Revenue's CY 2019 overall collection goal at P2,330.693 Billion. This is inclusive of P79.012 Billion in additional revenues from the Tax Reform Acceleration and Inclusion (TRAIN) Act. This collection goal, which is based on the FY 2019 Budget of Expenditures and Sources of Financing (BESF), dated July 2018, is higher than the CY 2018 goal by P291.541 Billion, or 14.3%.

II. OBJECTIVE

This Order is being issued to establish the following:

1. The policies, methodology and guidelines used in the allocation of the CY 2019 Collection Goal; and,
2. The resulting distribution of the collection goal to the Large Taxpayers Service (LTS) and Revenue Regions (RRs), including the Revenue District Offices (RDOs).

III. DEFINITION OF TERMS

1. Collections from Non-BIR Operations – Income Taxes (Final Withholding Tax) and Documentary Stamp Tax collection from government securities transactions
2. Collections from BIR Operations – revenues from Income Taxes, Value-Added Tax (VAT), Excise Taxes, Percentage Taxes, and Other Taxes generated from transactions not classified as "Non-BIR Operations"
3. Implementing Offices (IOs) – the major BIR collecting offices: LTS, RR and RDOs

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IV. GENERAL POLICIES AND GUIDELINES

The following policies and guidelines were observed relative to the data requirements and goal allocation methodology used in the computation of the final goal for the IOs:

A. Data Used

1. The CY 2018 estimated collection:

a. For LTS:

$$\text{CY 2018 Est. Collections}_{\text{LTS}} = \text{CY 2017 LTS collections}^* + (\text{CY 2017 LTS collections}^* \times \text{Average Growth Rate}_{\text{CY 2015} - \text{CY 2017}})$$

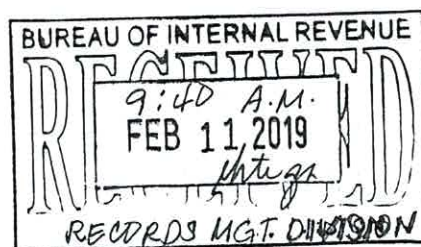
* Net of Special Taxes, by industry

b. For the Revenue Regions:

$$\text{CY 2018 Est. Collections}_{\text{RRs}} = \text{Refined CY 2017 Regional Collections} + (\text{Refined CY 2017 Regional Collections} \times \text{Average Growth Rate}_{\text{CY 2015} - \text{CY 2017}})$$

2. Data considered as refinements for CY 2018 Collections:

- a. Special Taxes, comprised of Taxes on Government Securities and Excise Taxes for CY 2018, per BIR Form No. 1209 reports updated as of December 14, 2018.
- b. Non-recurring transactions from January – October, 2018, where each single transaction accounts for at least ten percent (10%) of a Region's / LTS' total collections for a specific month, based on figures provided in BIR Form No. 1209 Reports updated as of December 14, 2018.
- c. Other Special Taxes:
 - c.1. Regular Corporate Income Tax Collections from MALAMPAYA for CY 2018, submitted by the Large Taxpayers Service (LTS) as of December 14, 2018; and
 - c.2. Final Withholding Tax (FWT) remittances from the Bangko Sentral ng Pilipinas (BSP) for CY 2018 on interest due from domestic borrowings under Reverse Repurchase Agreements (RRPs), as well as other similar transactions, submitted by LTS as of December 14, 2018.



3. Other Considerations:

- a. Economic assumptions / indicators provided in the BESF FY 2019 (please refer to Table 1);
- b. Collection Goals, by major tax type, culled from the BESF FY 2019;
- c. The CY 2019 program on the volume of issuance of government securities and their corresponding taxes (FWT) from BESF, with regard to the Documentary Stamp Tax [DST] goal for Non-BIR Operations from the Bureau of the Treasury as of January 11, 2019.
- d. The CY 2019 goal on Final Withholding Tax Remittance of BSP was estimated by RSD based on data provided by the LTS covering remittances from the BSP for the months of January – October, 2018.
- e. Adjusted 2018 monthly collections due to the change in the payment deadlines of the following:
 - e.1. Quarterly Corporate Income Tax (BIR Form 1702Q);
 - e.2. 2nd Installment of Annual Income Tax Due and

B. Goal Allocation Methodology

The CY 2019 Goal for BIR Operations was allocated to all IOs.

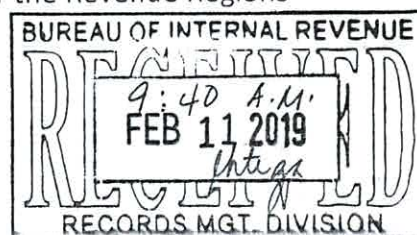
1. Goal Allocation by IO

- a. The estimated CY 2018 Collections were refined by taking into account the following:
 - a.1. Actual 2018 collections from all Special Taxes were deducted;
 - a.2. Netting-out the non-recurring collections; and
 - a.3. Adjustment of 2018 collections due to the change in the payment deadlines.
- b. Computation of LTS CY 2019 Collection Goal:

$$\text{CY 2019 Collection Goal} = \text{CY 2018 Est. Collections} + (\text{CY 2018 Est. Collections} \times \text{Average Growth Rate}_{\text{CY 2015 - CY 2017}})$$

- c. Computation of RRs CY 2019 Collection Goal:

$$\text{CY 2019 Collection Goal} = \text{CY 2018 Est. Collections} / \text{Total CY 2018 Est. Collections} \times \text{Total Goal for the Revenue Regions}$$



- d. The following taxes have been directly allocated to the LTS:
 - d.1. Goal on Excise Taxes amounting to P 399.427 Billion;
 - d.2. The MALAMPAYA Income Tax goal of P 7.577 Billion; and
 - d.3. CY 2019 goal on FWT for BSP and Bank Deposits in the amount of P 23.382 Billion.
- e. The revenue goal for TRAIN was allocated by IO.
- f. The Final CY 2019 Goal by IO was computed by summing-up the respective computed figures in Sec. IV.B.1.b to Sec. IV.B.1.e.

2. Goal Allocation by Major Tax Type and Month

The monthly distribution of Final CY 2019 Goals of IOs by major tax type (Table 5A) was based on the following:

- a. The total CY 2019 target allocated to IOs per tax type was aligned with the estimates specified in the BESF dated July, 2018; and
- b. The monthly distribution of goal was based on the refined CY 2018 Monthly Collections.

C. Other Requirements

The Deputy Commissioner (DCIR) for Operations and the Assistant Commissioner of LTS shall provide the DCIR for Resource Management the individual goal allocations of the concerned personnel assigned in the implementing units under their respective jurisdictions, *not later than March 1, 2019*.

D. Attachments

The following tables are attached for the reference of all concerned revenue officials and personnel:

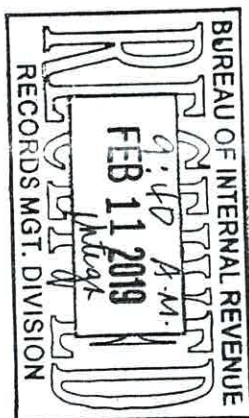


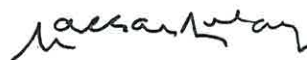
Table 1	Macroeconomic Indicators and Assumptions, CY 2019
Table 2	Monthly Collection Goal By Major Tax Type, CY 2019
Table 3	Total Collection Goal Allocation By Implementing Office, CY 2019
Table 4	Total Collection Goal Allocation By Implementing Office and Major Tax Type, CY 2019
Table 5A	Monthly Total Collection Goal by Implementing Office, CY 2019

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Table 5B	Monthly Collection Goal For Income Taxes By Implementing Office, CY 2019
Table 5C	Monthly Collection Goal Allocation For Excise Taxes By Implementing Office, CY 2019
Table 5D	Monthly Collection Goal Allocation For Value-Added Tax By Implementing Office, CY 2019
Table 5E	Monthly Collection Goal Allocation For Percentage Taxes By Implementing Office, CY 2019
Table 5F	Monthly Collection Goal Allocation For Other Taxes, By Implementing Office, CY 2019

V. EFFECTIVITY

This Order takes effect immediately.



CAESAR R. DULAY

Commissioner of Internal Revenue

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