

Congress of the Philippines }
First Regular Session

SENATE

S. NO. 968

INTRODUCED BY SENATORS MACAPAGAL - ARROYO,
GUINGONA, JR., ROMULO AND HERRERA

AN ACT AUTHORIZING THE COMMISSIONER OF
INTERNAL REVENUE TO REQUIRE THE PAYMENT
OF THE VALUE-ADDED TAX EVERY MONTH,
AMENDING FOR THE PURPOSE SECTIONS 110 AND
282 OF THE NATIONAL INTERNAL REVENUE CODE,
AS AMENDED

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

1 SECTION 1. Section 110 of the National Internal Revenue
2 Code, as amended, is hereby further amended to read as follows:
3 "SEC. 110. *Return and payment of value-added tax.*
4 - [(a) Where to file the return and pay the tax. - Every
5 person subject to value added tax shall file a quarterly
6 return of his gross sales or receipts and pay the tax due
7 thereon to a bank duly accredited by the Commissioner
8 located in the revenue district where such person is regis-
9 tered or required to be registered. However, in cases where

1 there are no duly accredited agent banks within the city or
2 municipality, the return shall be filed and any amount due
3 shall be paid to any duly accredited bank within the district,
4 or to the Revenue District Officer, Collection Agent or duly
5 authorized Treasurer of the city or municipality where
6 such taxpayer has his principal place of business. Only one
7 consolidated return shall be filed by the taxpayer for all the
8 branches and lines of business subject to the value-added
9 tax. If no tax is payable because the amount of input tax and
10 any amount authorized to be offset against the output tax is
11 equal or is in excess of the output tax due on the return, the
12 taxpayer shall file the return with the Revenue District
13 Officer, Collection Agent or authorized municipal
14 treasurer where the taxpayer's principal place of business is
15 located.]

16 (A) IN GENERAL. - EVERY PERSON LIABLE
17 TO PAY THE VALUE-ADDED TAX IMPOSED UNDER
18 THIS TITLE SHALL FILE A QUARTERLY RETURN OF
19 THE AMOUNT OF HIS GROSS SALES OR RECEIPTS
20 WITHIN 20 DAYS FOLLOWING THE CLOSE OF
21 EACH TAXABLE QUARTER PRESCRIBED FOR EACH
22 TAXPAYER: *PROVIDED*, THAT ANY PERSON WHOSE
23 REGISTRATION HAS BEEN CANCELLED IN AC-
24 CORDANCE WITH SECTION 107 HEREOF SHALL
25 FILE A RETURN AND PAY THE TAX DUE THEREON

1 WITHIN TWENTY (20) DAYS FROM THE DATE OF
 2 CANCELLATION OF REGISTRATION: *PROVIDED*,
 3 *FURTHER*, THAT THE FILING OF RETURNS BY THE
 4 TAXPAYERS SHALL BE IN ACCORDANCE WITH THE
 5 PROVISIONS OF THE LOCAL GOVERNMENT CODE.

6 [“(b) Time for filing of return and payment of tax.
 7 - The return shall be filed and the tax paid within 20 days
 8 following the end of each quarter specifically prescribed
 9 for a VAT-registered person under regulations to be
 10 promulgated by the Secretary of Finance: *Provided*,
 11 *however*, That any person whose registration is cancelled
 12 in accordance with paragraph (c) of Section 107 shall file
 13 a return within 20 days from the cancellation of such
 14 registration.]

15 (B) WHERE TO FILE THE RETURN AND PAY
 16 THE TAX. - THE RETURN SHALL BE FILED WITH
 17 AND THE TAX PAID TO ANY GOVERNMENT
 18 BANKING INSTITUTION LOCATED WITHIN THE
 19 REVENUE DISTRICT WHERE THE TAXPAYER IS
 20 REGISTERED OR REQUIRED TO REGISTER:
 21 *PROVIDED, HOWEVER*, THAT VAT-REGISTERED
 22 PERSONS SHALL PAY THE VALUE-ADDED TAX ON
 23 A MONTHLY BASIS: *PROVIDED, FURTHER*, THAT
 24 IN CASE NO GOVERNMENT BANKING INSTITU-
 25 TION IS LOCATED WITHIN THE REVENUE

1 DISTRICT, THE RETURN SHALL BE FILED WITH
 2 AND THE TAX PAID TO THE REVENUE DISTRICT
 3 OFFICER, COLLECTION AGENT OR DULY AUTHOR-
 4 IZED TREASURER OF THE MUNICIPALITY WHERE
 5 THE PLACE OF BUSINESS IS LOCATED IN THE
 6 ORDER MENTIONED.

7 [“(c) Initial returns. - The Commissioner may
 8 prescribe an initial taxable period for any VAT - registered
 9 person for his first return, which in no case shall exceed 5
 10 months..”]

11 SEC. 2. Section 282 of the National Internal Revenue Code, as
 12 amended, is hereby further amended to read as follows:

13 “SEC. 282. *Disposition of national internal*
 14 *revenue.* - [(a) In general. -] National Internal Revenue
 15 collected and not applied as hereinabove provided or
 16 otherwise specially disposed of by law shall accrue to the
 17 National Treasury and shall be available for the general
 18 purposes of the Government, with the exception of the
 19 amounts set apart by way of allotment [under the next
 20 succeeding section] AS PROVIDED FOR UNDER
 21 REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS
 22 THE LOCAL GOVERNMENT CODE OF 1991.

23 [“(b) Share of Local Governments. - Twenty per-
 24 centum (20%) of the collections from the national internal
 25 revenue taxes shall accrue to local governments to be

1 computed on the basis of the collections of the third fiscal
 2 year preceding the current fiscal year. This allotment shall
 3 be distributed as follows: thirty percentum (30%) to prov-
 4 inces; forty-five percentum (45%) to municipalities;
 5 twenty-five percentum (25%) to cities and sixty-five
 6 million pesos (P65M) to the barangays. The share of each
 7 province, city and municipality shall be determined on the
 8 basis of the following formulae: seventy percentum (70%)
 9 - population; twenty percentum (20%) - land area; and ten
 10 percentum (10%) equal sharing.]

11 ["For the new fiscal year commencing on January
 12 1, 1977 and ending on December 31, 1977, the annual
 13 allotment of any local government as determined under
 14 this paragraph, shall not increase by more than twenty-
 15 five percentum (25%), or, no less than, the annual
 16 allotment it shall actually receive for the fiscal year from
 17 July 1, 1975 to June 30, 1976.]

18 ["(c) Five percent (5%) of the total tax collected on
 19 subsequent sale under Section 165(B) of this Code shall
 20 accrue to the city or municipality in which the tax is
 21 collected, and another five percent (5%) of the total annual
 22 tax collected on said subsequent sales shall accrue to the
 23 Department of Education, Culture and Sports.]

24 ["Thereafter, or beginning January 1, 1978, the
 25 annual allotment shares of each local government shall be

1 determined solely on the basis of this paragraph.]

2 ["In addition, five percentum (5%) of the collection
3 from national internal revenue taxes not otherwise accruing
4 to special funds and special accounts in the general fund
5 shall accrue to a local government fund which shall be
6 released by the President as financial aid to local
7 governments or to projects.]

8 SEC. 3. All laws, decrees, orders, rules and regulations and
9 other issuances inconsistent with this Act are hereby repealed or
10 modified accordingly.

11 SEC. 4. This Act shall take effect after fifteen (15) days following
12 its complete publication in the *Official Gazette* or in at least two (2)
13 national newspapers of general circulation, whichever comes earlier.

Approved,