

TREASURY CIRCULAR NO. 1-2008

June 13, 2008

TO : ALL AABS, AND OTHERS CONCERNED

SUBJECT : GUIDELINES IN REFUNDING OVER-REMITTANCE OF TAX COLLECTION

1. PURPOSE

To circularize the Bureau of the Treasury (BTr) procedure in refunding over-remittance of tax collection pursuant to Bureau of Internal Revenue (BIR) Regulation No. 2-2008

2. SPECIFIC GUIDELINES

2.1 Erroneous/over remittance of tax collection within the float period

2.1.1 Upon finding and BIR validation that there is an Over-remittance of tax collection, the AAB concerned shall, within 24 hours, notify BTr and BIR of such over-remittance; adjust its report of daily collection; and, advise the BTr-Receipt Investment, Disbursement Division (RIDD) and National Cash Accounting Division (NCAD) the details of adjustment through electronic mail.

2.2 Error/over-remittance of tax collection after the float period

Where the error or over-remittance is determined after the float period:

2.2.1 The AAB concerned shall provide BTr with a BIR certification on AABs over-remittance duly signed by any of the BIR's authorized signatories.

2.2.2 BIR shall provide BTr with the list of BIR officials authorized to sign in the certification of over-remittance and their respective specimen signatures.

- 2.2.3 BTr shall request BSP to credit the Demand Deposit Account of the concerned AAB **only** for the amount representing the AAB's over remittance of tax collected in the **current year**.

2.3 Over remittance of tax collected in prior year/s

Where the request for refund pertains to error or over-remittance of the tax collected in prior years:

- 2.3.1 The AAB concerned shall secure a certification from BIR which shall verify and validate the AAB's over remittance in a particular prior year/s.
- 2.3.2 BIR shall issue a Journal Entry Voucher (JEV) adjusting its income account and set up a Trust Receipt from National Government and a payable account to the AAB.
- 2.3.3 BIR shall forward to BTr the certification of over-remittance in prior years supported by the JEV.
- 2.3.4 BTr shall validate the AAB's over-remittance and prepare a corresponding entry to BIR JEV.
- 2.3.5 BTr shall adjust BIR income and set up a payable to BIR thru a JEV.
- 2.3.6 BTr NCAD shall issue a certification of adjustment pertaining to prior years' BIR income.
- 2.3.7 BIR shall request DBM for a Notice of Cash Allocation (NCA) for the amount of over-remittance in prior year/s. BIR shall refund the subject over-remittance to the AAB concerned upon receipt of NCA from DBM..
- 2.3.8 Upon advice by BIR through BTr- NCAD that refund has been made, the latter shall adjust its books for BIR's refund of over-remittance to AAB.

3. REPEALING CLAUSE

All circulars, orders, and memoranda inconsistent herewith are deemed repealed or modified accordingly.

4. EFFECTIVITY

This order shall take effect immediately.

(sgd) ROBERTO B. TAN
Treasurer of the Philippines