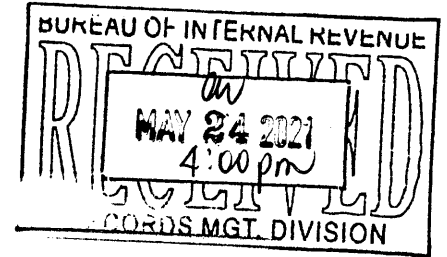




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City



April 20, 2021

REVENUE MEMORANDUM CIRCULAR NO. 65-2021

SUBJECT : Guidelines in the Filing of Quarterly Percentage Tax Return (BIR Form No. 2551Q) Starting on the Quarter Ending July 31, 2020

TO : All Internal Revenue Officers, Employees, and Others Concerned

This Circular is being issued to prescribe the Guidelines in the filing of Quarterly Percentage Tax Return (BIR Form No. 2551Q), which tax rate has been decreased from 3% to 1% starting July 1, 2020 to June 30, 2023 pursuant to the passing of Republic Act (RA) No. 11534 also known as the "Corporate Recovery and Tax Incentives for Enterprises Act" (CREATE).

In view of the foregoing, taxpayers who are going to amend their filed quarterly returns to reflect the excess percentage tax payment made and to be carried forward to the succeeding taxable quarter/s shall follow these:

1. **Manual and eBIRForms Filers/Users** -

<u>BIR Form</u>	<u>Line Item and Description</u>	<u>Remarks</u>
2551Q January 2018 (ENCS)	Line 17 - Other Tax Credit/Payment	Specify in the space provided the 'Carry-Over Excess Percentage Tax (PT) Paid from Previous Quarter/s'

Illustration:

Juan Dela Cruz, an eBIRForms filer/user, filed and paid his 3% percentage tax return for the 3rd and 4th quarters of 2020 as follows:

<u>Particulars</u>	<u>3rd Quarter of 2020</u>	<u>4th Quarter of 2020</u>
Total Income/Receipts	P 1,000,000.00	P 1,500,000.0
Percentage Tax Paid	30,000.00	45,000.00

Since the tax rate was reduced from 3% to 1%, Mr. Dela Cruz decided to amend his filed return for the 3rd and 4th quarters of 2020 to reflect the reduced 1% percentage tax rate.

Amendment of 3rd Quarter 2020

Mr. Dela Cruz shall reflect the following amount in the return:

Part II - Total Tax Payable	
14 Total Tax Due (From Schedule 1, Item 7)	30,000.00
Less: Tax Credit/Payment (attach proof)	
15 Creditable Percentage Tax Withheld per BIR Form No. 2307	0.00
16 Tax Paid in Return Previously Filed, if this is an Amended Return	30,000.00
17 Other Tax Credit/Payment (specify)	0.00
18 Total Tax Credits/Payments (Sum of Items 15 to 17)	30,000.00
19 Tax Still Payable/(Overpayment) (Item 14 less Item 18)	0.00

Amendment of 4th Quarter 2020

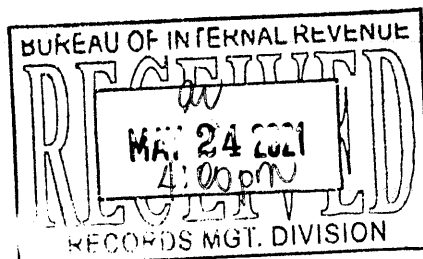
In the amendment of 4th quarter of 2020, Mr. Dela Cruz shall reflect the following amount in the return specifically the overpayment of P 20,000 from the amended 3rd quarter percentage tax return:

Part II - Total Tax Payable	
14 Total Tax Due (From Schedule 1, Item 7)	65,000.00
Less: Tax Credit/Payment (attach proof)	
15 Creditable Percentage Tax Withheld per BIR Form No. 2307	0.00
16 Tax Paid in Return Previously Filed, if this is an Amended Return	45,000.00
17 Other Tax Credit/Payment (specify) Carry-Over Excess PT Paid from Previous Quarter/s	20,000.00
18 Total Tax Credits/Payments (Sum of Items 15 to 17)	65,000.00
19 Tax Still Payable/(Overpayment) (Item 14 less Item 18)	0.00

Filing of 1st Quarter of 2021

When Mr. Dela Cruz will file his 1st quarterly percentage tax return, assuming his total receipts/income is P 500,000.00, he shall reflect the overpayment from the previous quarter in Item 17 until the amount is fully utilized.

Part II - Total Tax Payable	
14 Total Tax Due (From Schedule 1, Item 7)	1,000.00
Less: Tax Credit/Payment (attach proof)	
15 Creditable Percentage Tax Withheld per BIR Form No. 2307	0.00
16 Tax Paid in Return Previously Filed, if this is an Amended Return	0.00
17 Other Tax Credit/Payment (specify) Carry-Over Excess PT Paid from Previous Quarter/s	50,000.00
18 Total Tax Credits/Payments (Sum of Items 15 to 17)	50,000.00
19 Tax Still Payable/(Overpayment) (Item 14 less Item 18)	999.00



2. eFPS Filers/Users -

<u>BIR Form</u>	<u>Line Item and Description</u>	<u>Remarks</u>
2551 February 2002 (ENCS)	20A Creditable Percentage Tax Withheld per BIR Form No. 2307	Where the amount of Carry-Over Excess Percentage Tax Paid from Previous Quarter/s will be reflected

Illustration:

Same as the illustration in eBIRForms except that the account or item to be used **instead** of Item 17 Other Tax Credit/Payment is Item 20A Creditable Percentage Tax Withheld per BIR Form No. 2307.

To **validate** the return in eFPS and eBIRForms, filer shall **mark the option "To be issued a Tax Credit Certificate"** which is **presumed** that the taxpayer **will carry over the overpaid tax to the succeeding taxable quarter/s** once the said option was chosen. For manual filer, neither of the options "To be Refunded" or "To be Issued a Tax Credit Certificate" shall be marked in the said tax return but rather write the phrase "To be Carried Over" on the return. The same procedure shall be undertaken, whether the return was filed manually or electronically, by the taxpayer subject to percentage tax until the overpaid amount has been fully utilized.

All concerned are hereby enjoined to give this Circular as wide a publicity as possible.



CAESAR R. DULAY

Commissioner of Internal Revenue

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