

REPUBLIC OF THE PHILIPPINES }  
CONGRESS OF THE PHILIPPINES }  
    *First Regular Session*

H. No. 1470  
S. No. 35

REPUBLIC ACT NO. 7646

AN ACT AUTHORIZING THE COMMISSIONER OF  
INTERNAL REVENUE TO PRESCRIBE THE PLACE FOR  
PAYMENT OF INTERNAL REVENUE TAXES BY LARGE  
TAXPAYERS, AMENDING FOR THIS PURPOSE CERTAIN  
PROVISIONS OF THE NATIONAL INTERNAL REVENUE  
CODE, AS AMENDED

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

SECTION 1. Paragraph (j) of Section 4 of the National  
Internal Revenue Code, as amended, is hereby further amended  
to read as follows:

"(j) The manner in which internal revenue taxes such as  
income tax including withholding tax, estate and donor's taxes,  
value-added tax, other percentage taxes, excise taxes, and  
documentary stamp taxes shall be paid through the collection  
officers of the Bureau of Internal Revenue or through duly  
accredited banks which are hereby deputized to receive payments  
of such taxes and the returns, papers, and statements that may  
be filed by the taxpayers in connection with the payment of the  
tax: *Provided, however,* That, notwithstanding the other  
provisions of this Code prescribing the place of filing of returns  
and payment of taxes, the Commissioner may by regulations  
require that the tax returns, papers, and statements and taxes of  
large taxpayers be filed and paid, respectively, through collection  
officers or through duly accredited banks: *Provided, further,*  
That the Commissioner can exercise this power within six (6)  
years from the approval of this Act or the completion of its  
comprehensive computerization program, whichever comes earlier:  
*Provided, finally,* That separate venues for the Luzon, Visayas,  
and Mindanao areas may be designated for the filing of tax returns  
and payment of taxes by said large taxpayers.

"For purposes of this section, 'large taxpayer' means a taxpayer who satisfies any of the following criteria:

"(1) *Value-added tax (VAT)* - Business establishment with VAT paid or payable of at least one hundred thousand pesos for any quarter of the preceding taxable year;

"(2) *Excise tax* - Business establishment with excise tax paid or payable of at least one million pesos for the preceding taxable year;

"(3) *Corporate income tax* - Business establishment with annual income tax paid or payable of at least one million pesos for the preceding taxable year; and

"(4) *Withholding tax* - Business establishment with withholding tax payment or remittance of at least one million pesos for the preceding taxable year.

"*Provided, however*, That the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue, may modify or add to the above criteria for determining a large taxpayer after considering such factors as inflation, volume of business, wage and employment levels, and similar economic factors.

"The penalties prescribed under Section 248 of this Code shall be imposed on any violation of the regulation issued by the Commissioner of Internal Revenue prescribing the place of filing of returns and payments of taxes by large taxpayers."

SEC. 2. Paragraph (b) of Section 5 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"(b) *Receipts for payment made.* - It shall be the duty of the Commissioner or his duly authorized representative or a duly accredited bank to whom any payment of any taxes is made under the provisions of this Code to acknowledge the payment of such tax, expressing the amount paid and the particular account for

which such payment was made in a form and manner prescribed therefor by the Commissioner."

SEC. 3. Section 204(1) of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 204. *Authority of the Commissioner to compromise, abate, and refund / credit taxes.* – The Commissioner may -

"(1) Compromise the payment of any internal revenue tax when -

"(a) A reasonable doubt as to the validity of the claim against the taxpayer exists; or

"(b) The financial position of the taxpayer demonstrates a clear inability to pay the assessed tax: *Provided, however,* That final assessments issued against large taxpayers as defined under Section 4 of this Code shall not be compromised for less than fifty percent (50%). Any such compromise involving said taxpayers lower than fifty percent (50%) shall be subject to the approval of the Secretary of Finance."

SEC. 4. The Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SEC. 5. All laws, decrees, orders, rules and regulations, and other issuances inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 6. This Act shall take effect upon its approval.

Approved, February 24, 1993.