

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

April 26, 2018

REVENUE MEMORANDUM CIRCULAR NO. 32-2018

SUBJECT : Circularizing the Availability of the Newly Revised BIR Form No. 1701Q (Quarterly Income Tax Return for Individuals, Estates and Trusts) January 2018 (ENCS)

TO : All Internal Revenue Officials, Employees and Others Concerned

This Circular is issued to prescribe the newly revised BIR Form No. 1701Q (Quarterly Income Tax Return for Individuals, Estates and Trusts) January 2018 (ENCS), hereto attached as **Annex “A”** which was revised due to the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The newly revised return shall be used by the taxpayers in filing and paying the quarterly income tax return starting the first quarter of 2018.

Taxpayer shall file and/or pay through the following mode:

A. Manual Return –

1. The **newly revised return** [*refers to the new BIR Form No. 1701Q-Quarterly Income Tax Return as revised due to the implementation of the TRAIN Law with revision date of January 2018 (ENCS)*] is already available under the BIR Forms-Income Tax Return section of the BIR website (www.bir.gov.ph).
2. Manual filers shall download the PDF version of the newly revised BIR Form No. 1701Q, print it and then fill out the applicable items/fields.
3. Payment of the income tax due thereon shall be made thru:
 - a. Manual Payment-
 - Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered
 - In places where there are no AABs, the return shall be filed and the tax due shall be paid with the concerned Revenue Collection Officer (RCO), thru the MRCOS facility, under the jurisdiction of the RDO.
 - b. Online Payment-
 - Thru GCash Mobile Payment

- Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card
 - DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit
4. In case the manual filers had already filed and paid the income tax due for the first quarter using the **old return** [*refers to the existing BIR Form No. 1701Q-Quarterly Income Tax Return with revision date of July 2008 (ENCS)*], taxpayer is still required to file the quarterly income tax return using the newly revised BIR Form No. 1701Q and mark the return as an amended return. This is to determine whether or not the taxpayer is availing of the 8% income tax rate based on the gross sales/receipts and other non-operating income in lieu of graduated rates under Sec. 24(A)(2)(a) and percentage tax under Sec. 116 of the National Internal Revenue Code of 1997, as amended.

Taxpayer shall fill out the applicable fields/items in the **newly revised return** and if there is any payment made using the **old return**, he/she shall indicate the amount paid in Item No. 59 (Tax Paid in Return Previously Filed, if this is an Amended Return) of the newly revised return.

If the computation above resulted to a payable, taxpayer shall pay the tax still due thereon in accordance with number three (3) above of this RMC. Penalties shall apply if payment is made after the due date. If the result is no payment/overpayment, follow the existing procedure for “No Payment Return” which is to file thru the use of eBIRForms.

B. Electronic Bureau of Internal Revenue Forms (eBIRForms)

1. The **newly revised return** is already available in the Offline eBIRForms Package v7.1.
2. eBIRForms filers shall use the newly revised BIR Form No. 1701Q in filing and paying the quarterly income tax due starting the first quarter of 2018.
3. Payment of the income tax due, if any, shall be made thru:
 - a. Manual Payment-
 - Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered
 - In places where there are no AABs, the return shall be filed and the tax due shall be paid with the concerned Revenue Collection Officer (RCO), thru the MRCOS facility, under the jurisdiction of the RDO.
 - b. Online Payment-
 - Thru GCash Mobile Payment

- Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card
 - DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit
4. In case the eBIRForms filers had already filed and paid the income tax due for the first quarter using the **old return**, taxpayer is still required to file the quarterly income tax return using the newly revised BIR Form No. 1701Q and mark the return as an amended return. This is to determine whether or not the taxpayer is availing of the 8% income tax rate based on the gross sales/receipts and other non-operating income in lieu of graduated rates under Sec. 24(A)(2)(a) and percentage tax under Sec. 116 of the National Internal Revenue Code of 1997, as amended.

Taxpayer shall fill out the applicable fields/items in the **newly revised return** and if there is any payment made using the **old return**, he/she shall indicate the amount paid in Item No. 59 (Tax Paid in Return Previously Filed, if this is an Amended Return) of the newly revised return.

If the computation above resulted to a payable, taxpayer shall pay the tax still due thereon in accordance with number three (3) above of this RMC. Penalties shall apply if payment is made after the due date.

C. Electronic Filing and Payment System (eFPS)

1. The **newly revised return** is not yet available in the eFPS.
2. As a work-around procedure, the eFPS filers shall use the newly revised return in the Offline eBIRForms Package v7.1 to file the quarterly income tax return for the first quarter of 2018.
3. Payment of the income tax due, if any, shall be made thru:
 - a. Manual Payment-
 - Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered
 - In places where there are no AABs, the return shall be filed and the tax due shall be paid with the concerned Revenue Collection Officer (RCO), thru the MRCOS facility, under the jurisdiction of the RDO.
 - b. Online Payment-
 - thru GCash Mobile Payment
 - Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card

➤ DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit

4. In case the eFPS filers had already filed and paid the income tax due for the first quarter using the **old return**, taxpayer is still required to file the quarterly income tax return using the newly revised BIR Form No. 1701Q in the Offline eBIRForms Package v7.1 and mark the return as an amended return. This is to determine whether or not the taxpayer is availing of the 8% income tax rate based on the gross sales/receipts and other non-operating income in lieu of graduated rates under Sec. 24(A)(2)(a) and percentage tax under Sec. 116 of the National Internal Revenue Code of 1997, as amended.

Taxpayer shall fill out the applicable fields/items in the **newly revised return** and if there is any payment made using the **old return**, he/she shall indicate the amount paid in Item No. 59 (Tax Paid in Return Previously Filed, if this is an Amended Return) of the newly revised return.

If the computation above resulted to a payable, taxpayer shall pay the tax still due thereon in accordance with number three (3) above of this RMC. Penalties shall apply if payment is made after the due date.

Taxpayer shall signify his/her intention to elect the 8% income tax rate either by updating his/her registration using BIR Form No. 1905 or by checking/clicking Item No. 13 in BIR Form No. 2551Q or Item No. 16 in BIR Form No. 1701Q, and such election/option shall be irrevocable for the taxable year.

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

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

H-2
/mariam