

REVENUE MEMORANDUM ORDER NO. 38-2020 issued on October 16, 2020 further amends Revenue Memorandum Order (RMO) No. 46-2019, as amended by RMO No. 53-2019, on the prescribed format of the Report on Specific Reasons for Increase (Decrease) in Collection Performance by Taxpayer, by Industry and by Tax Type (BIR Form No. 1771B) and Summary of Reasons for Drastic Changes in Collection and Impact on Collection Goal by Industry and by Tax Type (BIR Form No. 1771C) of the “Reports on Drastic Changes in Collection Performance”.

The BIR Form No. 1771B shall be submitted by the RDO/LTRAD/ LTEAD/Excise Large Taxpayers Field Operations Division (ELTFOD)/LT Divisions – Cebu/Davao to the RCD/LT Performance Monitoring and Programs Division (LTPMPD) on a monthly basis. The report shall contain among others, specific reasons for those taxpayers identified and classified under the Taxpayer Account Management Program (TAMP) and those belonging to the medium and One-Time Transaction (ONETT) segments that had major contribution to the drastic change in collection performance.

The 1771B Form shall include the comparative amount of collection and the goal set for the current and as of the cumulative month from identified taxpayers belonging to the industries that had substantial impact on the collection performance of the implementing office. It shall reflect the revenue impact of the current period over the previous period as well as the impact on the collection goal per taxpayer, which shall be indicated in the appropriate columns of Form 1771B.

The specific reasons that shall be cited should be duly supported by relevant data/information/documents. The taxpayers shall be ranked for each tax type, from highest to lowest, depending on their contribution to the drastic change in internal revenue tax collection performance.

BIR Form No. 1771C (Summary of Reasons for Drastic Changes in Collection and Impact on Collection Goal by Industry and by Tax Type) shall include the comparative amount of collection and the goal set for the current and as of the cumulative month of the industries that had a significant impact on the collection performance by major tax type based on BIR Form No. 1771B submitted by the RDOs/LTRAD/LTEAD/ELTFOD/LT Divisions – Cebu/Davao.

Said report shall likewise present the increase/decrease and the excess/shortfall in collection against the previous year and the set goal, respectively, which shall both be shown in peso value and in percentages of growth and goal attainment. Specific reasons attributable to each industry affecting the drastic change in internal revenue tax collection performance shall be clearly and accurately indicated.