

REVENUE MEMORANDUM ORDER NO. 27-2024 issued on July 3, 2024 provides guidelines, policies and procedures in the processing of claims for credit/refund of taxes erroneously or illegally received or collected or penalties imposed without authority pursuant to Section 204(C), in relation to Section 229 of the National Internal Revenue Code of 1997, as amended (Tax Code), except those under the authority and jurisdiction of the Legal Group.

The claims for tax credit/refund pursuant to the said Sections of the Tax Code must conform with the following essential requisites:

- a. The tax credit/refund claim pertains to erroneously or illegally received or collected taxes or penalties imposed without authority.
- b. Filing of a claim for tax credit/refund shall be done within two (2) years after payment of the tax or penalty.
- c. The erroneously or illegally received or collected taxes must be supported with a copy of the duly filed tax return with the corresponding payment remitted to the Bureau.

The Revenue District Office (RDO) or the respective Large Taxpayers Audit Division (LTAD) or Large Taxpayers District Office (LTDO) under the Large Taxpayers Service (LTS) are the processing offices authorized to receive the Application for Tax Credits/Refunds (BIR Form No. 1914) for claims anchored on Section 204(C), in relation to Section 229 of the Tax Code.

In all cases, the Revenue Officer (RO) - Assessment designated as RO of the Day shall receive claims filed at the aforesaid authorized offices and shall be responsible in checking the completeness of the documentary requirements submitted during filing of the application for tax credit/refund of erroneously or illegally received or collected taxes.

The offices responsible in the processing, review and approval of claims for tax credit/refund filed by the taxpayers-claimant under their respective jurisdictions, as well as the time-frame in the processing and the grant of the approved tax credit/refund claims are specified in the Order.

Only applications with complete documentary requirements enumerated in the Checklist of Mandatory Requirements shall be received and processed by the authorized processing office.

In instances where the taxpayer filed the tax credit/refund claim of erroneously or illegally received or collected taxes beyond the 2-year prescriptive period required to file under Section 204(C), in relation to Section 229 of the Tax Code, the processing office shall recommend outright denial of the claim.

If, upon filing and/or approval of the tax credit/refund claim, the taxpayer-claimant has outstanding tax liabilities (final and executory) as defined under Section II(1) of Revenue Memorandum Order (RMO) No. 11-2014, as evidenced by Certification on Outstanding Tax Liability/ies of Taxpayer following the format

prescribed in Annex "B" hereof which shall be valid for six (6) months from time of issuance, the processing/reviewing/accounting office, shall notify the Collection Section of the RDO and Collection Division of the Revenue Region or the LT – Collection Enforcement Division (LTCED), whichever has jurisdiction over the taxpayer-claimant, of the approved tax credit/refund which may be used or garnished by the BIR to collect either fully or partially the outstanding delinquent tax liability/ies of the taxpayer-claimant, subject to existing tax laws and revenue issuances on the enforcement and settlement of delinquent accounts.

"Stop-Filer Cases" appearing on the records of the taxpayer-claimant shall not be a cause for the delay in the processing of the tax refund, but nonetheless, should be resolved independently pursuant to existing policies and guidelines set-forth in RMO Nos. 41-2011 and 28-2012 in order to accord due process in settling open cases and to exercise just enforcement of civil remedies as mandated by the Tax Code.

The result of the verification of the claim, whether approval or denial, shall be communicated to the taxpayer-claimant, which shall be signed by the authorized revenue official and shall be served by the originating processing office. Should the authorized processing office deny, in full or in part, the claim for refund, the same shall state the legal and/or factual basis for the denial.

In case of full or partial denial of the claim for credit/refund, the taxpayer affected may, within thirty (30) days from the receipt thereof, appeal the decision with the CTA.

In case the tax refund/credit is not acted upon by the authorized processing office within the 180-day period, the taxpayer-claimant may opt to: i) appeal to the CTA within the 30-day period after the expiration of the 180 days required by law to process the claim; or ii) forego the judicial remedy and await the final decision of the authorized processing office.

When no decision is rendered within the 180-day period and the taxpayer-claimant opted to seek for a judicial remedy within 30-days from such period, the administrative claim for refund shall be considered moot and shall no longer be processed.