

REVENUE REGULATIONS NO. 33-2020 issued on December 21, 2020 amends Revenue Regulations (RR) No. 21-2020 relative to the Voluntary Assessment and Payment Program (VAPP) for Taxable Year 2018 under certain conditions.

Qualified persons can avail of the benefits of the VAPP until June 30, 2021, unless extended further by the Secretary of Finance.

A taxpayer with a duly issued Certificate of Availment shall not be audited for 2018 for the tax types covered by the availment. Consequently, taxpayers who avail of the VAPP on Withholding Taxes shall be allowed to claim deduction on the corresponding income payment pursuant to RR No. 6-2018.

In case the taxpayer's tax returns for the covered taxable period are currently being audited, the conduct of the audit shall be suspended upon availment of the VAPP while the availment is under evaluation. It shall resume if the availment has been found invalid. If the taxpayer's availment has been determined to be valid, a Certificate of Availment shall be issued and the Letter of Authority, Tax Verification Notice, Discrepancy Notice, Notice of Discrepancy, Preliminary Assessment Notice and Final Assessment Notice previously issued for pending cases shall be consequently withdrawn and canceled.

However, despite the issuance of a Certificate of Availment, the taxpayer's availment shall be rendered invalid and shall be subject to audit or investigation following the prescribed procedures under existing rules and regulations, upon prior authorization and approval of the Commissioner of Internal Revenue, in the ensuing instances:

- a. When there is strong evidence or findings of under-declaration of sales, receipts or income or overstatement of deductions by more than 30% based on a written report of the appropriate revenue official stating the facts with supporting documents, such as Discrepancy Notice and other third party information documents; and/or
- b. When there is verifiable information that the taxpayer has withheld tax but failed to remit the same.

No denial of application or invalidation of a previously issued Certificate of Availment shall be valid unless the taxpayer is formally notified by the Division Chief (LT Office) or the Revenue District Officer of the district office where the taxpayer is registered, stating the factual reasons therefor.

The taxpayer can appeal the said denial or invalidation to the Assistant Commissioner-Large Taxpayer Service or concerned Regional Director within thirty (30) days from receipt of such notice. Any voluntary payment may be applied against the deficiency tax due, if any, that may be assessed against the taxpayer after the audit/investigation."