

REVENUE REGULATIONS NO. 12-2021 issued on June 23, 2021 prescribes the policies and guidelines on the utilization of the Tax Payment Certificate (TPC) issued by the Department of Trade and Industry – Board of Investment (DTI-BOI) evidencing the availment of the fiscal support for the eligible and registered participants of the Comprehensive Automotive Resurgence Strategy (CARS) Program under Executive Order (EO) No. 182, Series of 2015.

The Regulations shall apply to the Participating Car Makers (PCMs) and Participating Part Makers (PPMs) registered under the CARS Program who applied and were issued TPCs by the DTI-BOI to pay exclusively the following tax obligations, excluding any type of Withholding Taxes, incurred in the course of their operations:

- a. Excise Tax;
- b. Income Tax; and
- c. Value-Added Tax.

The total fiscal support for the CARS Program shall be divided into two (2) categories, namely:

- a. Fixed Investment Support (FIS) – shall not exceed Forty Percent (40%) of the total fiscal support, provided that in case of Parts and Shared Testing Facility, the FIS shall not exceed 40% of the capital expenditure for tooling and equipment to manufacture the parts, including training costs for the start-up operation for the use thereof; and
- b. Production Volume Incentive (PVI) – shall not exceed sixty percent (60%) of the total fiscal support.

The availment of the fiscal support by the eligible and registered participants shall be evidenced by a TPC, which is non-transferrable. Eligible and registered participants shall request from DTI-BOI for issuance of TPC before the statutory deadline for the payment of the tax or taxes mentioned in Section 3 hereof sought to be settled. The request shall include details of their FIS and PVI entitlement, and the specific tax liabilities to which the TPC shall be applied. The TPC to be issued by DTI-BOI shall be in the name of the eligible and registered participants and shall cover their specific tax obligations.

All TPCs shall have a validity period of only thirty (30) days counted from date of issue, and can only be used once. The date indicated on the face of the TPC shall be presumed to be the date of issuance. The BIR shall recognize and accept valid TPCs issued by the DTI-BOI as tax payment only upon verification and validation against their records, as well as online validation thru the Participating Car Maker Incentive Account (PCMIA) set up by the DTI-BOI.

The amount of the TPC shall be indicated in the tax return as deduction from the tax due. The accomplished tax return shall be filed using the Electronic Filing and Payment System (eFPS) or eBIRForms Package, as the case may be. In case the tax due is more than the amount of the TPC, the tax still due shall be paid using the available modes of payment of the BIR. The printed hard copies of the tax returns, together with the copy/ies of the TPC and the other prescribed attachments, shall be submitted to the Revenue District Office (RDO)/Large Taxpayers District Office (LTDO)/LT Documents and Quality Assurance Division

(LTDQAD) where the registered participants are duly registered, pursuant to the existing revenue guidelines and procedures.

In case the amount of TPC exceeds the tax due, net of the creditable taxes, the excess shall not be considered or treated as a refundable amount. The BIR shall issue a separate revenue issuance setting forth the specific guidelines and procedures on the utilization of TPC.

Eligible and registered participants under the CARS Program shall not be allowed to register their activity under any other program granting incentives as a condition for TPC availment.

The grant of support is conditioned on the compliance of the eligible and registered participants with the terms and conditions of its registration. Upon recommendation of the Inter-Agency Committee, the Board may limit the availment of support, as it may deem necessary.

Audited Financial Statements and Income Tax Returns shall be submitted on or before May 15 of each year or one (1) month from the last day of filing of Income Tax Returns to the Bureau of Internal Revenue (BIR). The BIR shall submit monthly to the Bureau of Treasury a list of TPCs reported and shall record the TPC transaction amount as part of its revenue collection.