BIR BICOL REGION SHUTTERS IRIGA GENERAL MERCHANDISE OVER UNDERDECLARED SALES

The BIR Revenue Region No. 10, Legazpi City (Bicol Region) headed by Regional Director Gerry O. Dumayas conducted its very first enforcement activity in 2019, as it closed down one business establishment under Oplan Kandado in Ocampo, Camarines Sur on January 22, 2019.

The said establishment is under the jurisdiction of RDO-66, Iriga City led by Revenue District Officer Arturo D. Abenoja, Jr. A team from that district office conducted an overt and covert surveillance operations to a certain taxpayer Efren J. De Luna who is operating a business under a general merchandise and feeds supply. It found to have a significant under-declaration of the actual gross receipts by more than 30 percent on transactions subject to Value-Added Tax (VAT). The average estimated sales covering the taxable year 2017 to June 2018 amounted to more than P59.4M as compared to the declared sales per percentage tax covering the same period which was only P2.522M, having a tremendous under-declaration of more than P56.8M. The total VAT deficiency amounted to P6.827M.

During the service of the Closure Order, Director Dumayas together with Assistant Regional Director Mary Jane B. Asuncion also discovered that the establishment was not only engaged in general merchandise but also selling hardware materials, meat products and other frozen items. It only appeared as a small store but it has a wide bodega with full of stocks within the compound and employed more than 20 employees.

The taxpayer was given a 48-hour notice to explain their violations, and as part of the due process, they were also given a five-day VAT compliance notice to correct their tax payment and declare their true income. However, they failed to comply within the required period, so the full implementation of the law was enforced. (RMP)

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Approved for Release: REGIONAL DIRECTOR GERRY O. DUMAYAS,
Revenue Region No. 10, Legazpi City