REVENUE REGULATIONS NO. 7-2018 issued on January 31, 2018 amends certain sections of Revenue Regulations (RR) No. 12-99, as amended by RR No. 18-13, relative to the due process requirement in the issuance of a deficiency tax assessment.

The Revenue Officer (RO) who audited the taxpayer’s records shall, among others, state in his report whether or not the taxpayer agrees with his findings that the taxpayer is liable for deficiency tax or taxes. If the taxpayer is not amenable, based on the said Officer’s submitted report of investigation, the taxpayer shall be informed, in writing, by the Revenue District Office (RDO) or by the Special Investigation Division (SID), as the case may be (in the case of Revenue Regional Offices) or by the Chief of Division concerned (in case of the BIR National Office) of the discrepancy or discrepancies in the taxpayer’s payment of his internal revenue taxes, for the purpose of “Informal Conference,” in order to afford the taxpayer with an opportunity to present his side of the case.

The Informal Conference shall, in no case, extend beyond thirty (30) days from receipt of the notice for informal conference. If it is found that the taxpayer is still liable for deficiency tax or taxes after presenting his side, and the taxpayer is not amenable, the RDO or the Chief, SID of the Revenue Regional Office, or the Chief of Division in the National Office, as the case may be, shall endorse the case within seven (7) days from the conclusion of the Informal Conference to the Assessment Division of the Revenue Regional Office or to the Commissioner or his duly authorized representative for issuance of a deficiency tax assessment.

Failure on the part of ROs to comply with the prescribed periods shall be meted with penalty as provided by existing laws, rules and regulations.