REVENUE MEMORANDUM CIRCULAR NO. 57-2019 issued on May 31, 2018 clarifies certain issues on Tax Amnesty on Delinquencies under Revenue Regulations No. 4-2019, which implemented certain provisions of Republic Act No. 11213 (Tax Amnesty Act), as implemented by Revenue Regulations (RR) No. 4-2019.

All persons, whether natural or juridical, with delinquent internal revenue tax liabilities covering taxable year 2017 and prior years, on or before April 24, 2019, may avail of Tax Amnesty on Delinquencies within one year from the effectivity of RR No. 4-2019, under any of the following instances:

A. Delinquent accounts
   ➢ Delinquent Accounts, whether without or with application for compromise settlement, either on the basis of (a) doubtful validity of the assessment or (b) financial incapacity of the taxpayer, and the same was denied by or still pending with the Regional Evaluation Board (REB of the National Evaluation Board (NEB), as the case may be;

B. With pending criminal cases with the DOJ/Prosecutor’s Office of the courts for tax evasion and other criminal offenses under Chapter II of Title IX and Section 275 of the Tax Code, as amended, with or without assessments duly issued;

C. With final and executory judgment by the courts; and

D. Withholding tax liabilities of withholding agents arising from their failure to remit withholding taxes (Section 3, RR No. 4-2019)

If the assessment notices pertain to penalties only (i.e. without basic taxes assessed), the taxpayer can avail of the tax amnesty if the penalties pertain to taxable year 2017 and prior years and the assessment notices have become final and executory on or before April 24, 2019. However, since the required tax amnesty amount is based on the basic tax assessed, there shall be no amount due for payment.

The tax liabilities which have become final and executory on or before April 24, 2019 and covered by a compromise settlement application that was subsequently denied by either the NEB or REB during the one-year availment period can be subject of the tax amnesty on delinquencies, provided the filing of the tax amnesty return together with the complete documentary requirements shall be made within the one-year availment period.

A total of nine (9) issues, including those with specific scenarios are clarified in the Circular in the form of questions and answers.