REVENUE MEMORANDUM ORDER NO. 18-2004 issued on April 5, 2004 further expands the coverage of the Centennial Taxpayers Recognition Program (CTRP) to include individual business income taxpayers who reported a net loss for tax year 2002. Said taxpayers may qualify for the Centennial Taxpayer Award by fulfilling, in the minimum, all of the following conditions:

a. The ratio of Income Tax payment to Gross Sales in year 2003 must be at least equal to the year 2002 ratio. In addition, the ratio of Income Tax payment to Gross Sales for the first (1st) quarter of 2004 must be at least equal to the first (1st) quarter 2003.

b. For those subject to Value-Added Tax (VAT), the effective VAT rate (ratio of actual VAT paid to total sales/receipts) for taxable year 2003 shall be equal to or greater than the higher of (a) 3% of their total sale/receipt of 2003, or (b) effective VAT rate for the taxable year 2002. For those subject to Percentage Tax, the ratio of Percentage Tax actually paid to gross sales/receipt for taxable year 2003 should not be less than the ratio of the Percentage Tax actually paid to gross sales/receipt for taxable year 2002.

c. Made an “actual tax payment” for tax year 2003 equal to or greater than 25% of the amount equivalent to the Minimum Corporate Income Tax (MCIT) said taxpayer would have paid in tax year 2002 if he/she was a corporation.

d. Made an “actual tax payment” for the first quarter of tax year 2004 equal to or greater than 25% of the “tax due of the taxpayer” for the first quarter of tax year 2003. Provided, the “tax due of the taxpayer” for the first quarter of 2003 shall not be less than 25% of the aggregate of the tax payment for tax year 2003 determined under the preceding condition and any current creditable withholding tax included in computing the actual tax payment made by the taxpayer for tax year 2003.

Clarifications on the provisions set in RMO Nos. 7 and 14-2004 relative to the criteria to be considered in the centennial award selection process is specified in the Order.