REVENUE REGULATIONS NO. 3-2007 issued on February 14, 2007 provides the policies, guidelines and procedures in the implementation of the Expanded One-Time Administrative Abatement of all penalties/surcharges and interest on delinquent accounts and assessments.

The following are the cases covered under the said program:

a. Delinquent Accounts/Accounts Receivable Cases, except those cases where the Presidential Commission on Good Government (PCGG) has an interest and/or there is a need to coordinate with the PCGG;

b. Income Tax 2\textsuperscript{nd} Installment Cases;

c. Dishonored Checks Cases;

d. Cases under administrative protest pending in the Regional Offices (ROs), Revenue District Offices (RDOs), Legal Service, Large Taxpayers Service (LTS), Collection Service, Enforcement Service and other offices in the National Office (NO), except those cases where the PCGG has an interest and/or there is a need to coordinate with the PCGG;

e. Assessed cases, whether preliminary or final, disputed or not, as of November 30, 2006, except those cases where the PCGG has an interest and/or there is a need to coordinate with the PCGG;

f. Collection and civil tax cases being disputed before the Department of Justice and the courts (e.g., Municipal Trial Court, Regional Trial Court, Court of Tax Appeal, Court of Appeals and Supreme Court) including decided cases which are not yet final and executory, except those cases where the PCGG has an interest and/or there is a need to coordinate with the PCGG;

g. Cases with pending request for Compromise Settlement under Revenue Regulations (RR) No. 6-2000, RR No. 7-2001 and RR No. 30-2002 as amended by RR No. 8-2004 and other prior years’ issuances. However, request for compromise settlement pursuant to the aforementioned Regulations, where the amount offered is more than 100\% of the basic tax which has already been approved shall not be covered by these Regulations;

h. Cases with pending request for abatement under RR No. 13-2001. However, request for abatement pursuant to the aforementioned RR, which has already been approved shall not be covered by these Regulations;

i. Failure to withhold Withholding Taxes discovered upon audit;

j. Criminal violations, (except those already filed in court, those involving criminal tax fraud, those under the BIR Run After Tax Evaders Program and tax fraud cases which are the results of confidential information, unless allowed to avail by the Commissioner or his representative on meritorious grounds);

k. Letter Notice Cases;

l. “Accounts Payable or Due to BIR” account duly recorded or acknowledged by the taxpayer in his books of accounts;

m. Taxpayers who have been paying their tax liabilities through an approved installment plan; provided, they have paid 100\% or more of the basic tax as originally assessed, and provided further that they will waive any claim for refund of what they may have already paid;

n. Government Withholding Agents (e.g. Non-Governmental Agencies, Government-Owned and Controlled Corporations, Local Government Units, etc.) or any delinquent taxpayers who have already remitted 100\% of the basic withholding tax
and was assessed penalties (surcharge, interest and compromise penalties) for late payment. In this case, the interest assessed shall be considered as the basic tax which should be paid to be able to avail of this Program.

Any person/taxpayer, natural or juridical, may settle through the Abatement Program any delinquent account or disputed assessment where the Assessment Notice has been released as of November 30, 2006, by paying an amount equal to 100% or more of the Basic Tax assessed with the Accredited Agent Bank (AAB) of the RDO/LTS/Large Taxpayers District Office (LTDO) that has jurisdiction over the taxpayer. In the absence of an AAB, payment may be made with the Revenue Collection Officer/Deputized Treasurer of the RDO that has jurisdiction over the taxpayer. After payment of the basic tax, the assessment for penalties/surcharge and interest shall be cancelled by the concerned BIR office following existing rules and procedures. Thereafter, the docket of the case shall be forwarded to the Office of the Commissioner, thru the Deputy Commissioner for Operations Group, for issuance of Termination Letter.

The Abatement Program shall include taxpayers who have already paid any portion of the increments (surcharge, interest, etc.) on their tax liabilities; provided, they will waive any claim for refund of paid amount in excess of 100% of the basic tax paid.

Taxpayers with existing tax case(s) on which the PCGG has/have an interest are not covered by the said Program.

All applications shall be filed, accepted and processed with the following offices:

a. Revenue District Office– for regional accounts under its jurisdiction;
b. Assessment Division– for RO cases with administrative protest;
c. Legal Division– for RO cases with judicial protest or for judicial action or with administrative protest involving legal issues;
d. Collection Service– for delinquent accounts under the jurisdiction of the National Office other than LTS cases;
e. Large Taxpayers Service– for large taxpayers cases under the jurisdiction of the Large Taxpayers Service;
f. Legal Service– for NO cases that are for judicial action or with judicial protest and/or administrative protest involving legal issue;
g. Enforcement Service– for tax cases handled by the National Investigation Division of the NO.

Notwithstanding the said provisions, the office which has possession of the docket of the case shall receive and process all applications for abatement of penalties/surcharge and interest on delinquent accounts and assessed tax cases.

Upon filing of the application for/acceptance of the offer to avail of the Abatement Program, the amount offered in complete settlement of the delinquent account/assessed tax cases shall be paid with the AABs located within the jurisdiction of the RDO/LTS/LTDO where the taxpayer is registered. In the absence of AABs, the payment may be made to the Revenue Collection Officer/Deputized Treasurer of the City/Municipality of the RDO/LTDO that has jurisdiction over the taxpayer.

Staggered payments of the amounts payable under the Program may be considered on a case to case basis in accordance with the existing Regulations of the Bureau of Internal Revenue upon approval of the Regional Director for regional cases, and concerned Assistant Commissioner (LTS, Collection, Legal, or Enforcement), for NO cases. Nonetheless, cases pending in courts shall not be withdrawn unless the concerned taxpayer fully pays 100% of the basic tax.
If the amount, as abated, is not paid as required, the approved staggered payment is automatically nullified and the delinquent account or assessment shall be reverted to the original assessed amount plus the statutory increments incident to delinquency, which shall be collected thru the summary remedies and/or judicial processes provided for by law.

The Regulations shall remain in force until March 31, 2007 subject to extension by the Commissioner of Internal Revenue on meritorious grounds.