REVENUE REGULATIONS NO. 8-2002 issued on June 24, 2002 amends further the pertinent provisions of RR No. 7-95 relative to the time of filing of Quarterly VAT returns; contents and submission of Quarterly Total of Monthly Sales and Purchases per supplier or customer as well as the penalties and effect of non-submission thereof; and clarifies further the mode of remittance of Value Added Tax (VAT) due from non-residents.

Every person liable to pay VAT shall file a quarterly return of the amount of his quarterly gross sales or receipts within twenty five (25) days following the close of the taxable quarter using the latest version (April 2002–ENCS version) of Quarterly VAT return (BIR Form 2550Q).

Amounts reflected in the monthly VAT declarations for the first two (2) months of the quarter shall still be included in the quarterly VAT return, which reflects the cumulative figures for the taxable quarter. Payments in the monthly VAT declarations shall, however, be credited in the quarterly VAT return to arrive at the net VAT payable or excess input tax/over-payment as of the end of a quarter.

All persons liable to VAT shall pay the tax monthly based on the taxable sales/receipts for the month, using the VAT declaration form within twenty (20) days after the end of each month. Provided, however, that with respect to taxpayers who availed of the Electronic Filing and Payment System (EFPS), the deadline for electronically filing the monthly VAT declaration and paying the tax due thereon via the EFPS shall be five (5) days later than the aforesaid deadline. The declaration shall be accomplished only for the first two (2) months of each taxable quarter.

The VAT payable/excess input tax for each taxable quarter shall be reduced by the total amount of tax (es) previously paid for the immediately preceding two (2) months, and the advance payments/creditable VAT withheld by the payors for the three months of the quarter.

Any person who retires from business with due notice to the BIR office where the taxpayer (head office) is registered or whose VAT registration has been cancelled shall file a final quarterly return and pay the tax due within twenty five (25) days from the end of the month when the business ceases to operate or when the VAT registration has been officially cancelled. Provided, however, that subsequent monthly declarations/quarterly returns are still required to be filed if the results of the winding up of the affairs/business of the taxpayer reveal taxable transactions.

All persons first registered under Sec. 4.107-1(b)(3) and 4.107-1(c) of the Regulations shall be liable to VAT on the effective date of registration stated in the Certificates of Registration: i.e., the first day of the month following their registration. If the effective date of registration falls on the first or second month of the taxable quarter, the initial monthly VAT declaration shall be filed within twenty (20) days after the end of the month, and the initial quarterly return shall be filed on or before the 25th day after the end of the taxable quarter. On the other hand, if the effective date of registration falls on the third month of the taxable quarter, the quarterly return shall be filed on or before the 25th day of the month following the end of the taxable quarter, and no monthly VAT declaration need be filed for the initial quarter. The deadline for the filing of monthly VAT declaration shall be five (5) days later than the deadline set forth in the Regulations if the taxpayer is filing under the Electronic Filing and Payment System (EFPS).
Only one consolidated quarterly VAT return or monthly VAT declaration covering the results of operation of the head office as well as the branches for all lines of business subject to VAT shall be filed by the taxpayer, for every return period, with the BIR office where said taxpayer is required to be registered.

The government or any of its political subdivisions, instrumentalities, or agencies, including government-owned or controlled corporations (GOCCs) shall, before making payment on account of its purchase of goods from sellers and/or of services rendered by contractors/suppliers which are subject to VAT, deduct and withhold VAT due at the rate of three percent (3%) of the gross sales, whether paid or payable, for the purchase of goods, and six percent (6%) on gross receipts on services rendered by contractors/service-providers, on every sale or installment payment which shall be creditable against the VAT liability of the seller or contractor/supplier. In case of government public works contractors, the withholding tax rate shall be eight and one-half percent (8.5%).

The government or any of its political subdivisions, instrumentalities or agencies, including GOCCs, as well as private corporations, individuals, estates and trusts, whether large or non-large taxpayers, shall withhold ten percent (10%) VAT with respect to the payments specified in the Regulations.

The VAT withheld and paid for the non-resident recipient, which VAT is passed on to the resident withholding agent by the non-resident recipient of the income, may be claimed as input tax by said VAT-registered withholding agent upon filing of his own VAT return.

If the resident withholding agent is a non-VAT taxpayer, said passed-on VAT by the non-resident recipient of the income shall form part of the cost of purchased services, which may be treated either as an “asset” or “expense”, whichever is applicable, of the resident withholding agent.

All persons liable for VAT such as manufacturers, wholesalers, service-providers, among others, with quarterly total sales/receipts (net of VAT) exceeding Two Million Five Hundred Pesos (₱2,500,000) or with quarterly total purchases (net of VAT) exceeding One Million Pesos (₱1,000,000) are required to submit the Quarterly Summary Lists of Sales/Purchases.

The Quarterly Summary List of Sales must contain the monthly total sales generated from regular buyers/customers, regardless of the amount of sale per buyer/customer, as well as from casual buyers/customers with individual sales amounting to ₱100,000 or more.

The shifting from a calendar quarter VAT return to a fiscal quarter VAT return shall start in the fiscal quarter ending July 31, 2002, which is due for filing on or before August 25, 2002. Since the last quarterly VAT return filed covers the quarter ending June 30, 2002, the initial short-period quarterly VAT return for the fiscal year ending July 31, 2002 shall cover only one month period. For this fiscal quarter, no monthly VAT declaration need be filed. Likewise, for the fiscal quarter ending August 31, 2002, the initial short-period quarterly VAT return shall cover a two-month period, which is the period from July 1, 2002 to August 31, 2002. The monthly VAT declaration that has to be filed for this fiscal quarter is the VAT declaration for the month of July only. Correspondingly, the Quarterly Summary Lists of Sales/Purchases shall be filed in accordance with the rules prescribed in the Regulations.
The magnetic file format prescribed in RR No. 13-97, as amended by RR No. 7-99, shall apply to the Quarterly Summary List of Sales and Output Tax/Purchases and Input Tax/Importations/Services rendered in the Philippines by non-residents covering the quarters ending March 31, 2002 and June 30, 2002. However, in the preparation of the Schedules of Sales and Purchases for submission to the BIR covering the quarter ending July 31, 2002 and thereafter, the electronic format, using any of the options provided in Section 4 of the Regulations, shall be adopted.

The diskettes to be submitted must be readable; otherwise, the same shall be considered as not to have been submitted at all. However, for diskettes of schedules covering the quarters ending March 31, 2002 and June 30, 2002, which have not been successfully uploaded in the BIR system, the same must be re-filed on or before August 31, 2002 after using the validation program of the BIR. However, it is emphasized that all schedules covering the quarter ending July 31, 2002 and thereafter shall strictly comply with the new provisions.

The prescribed diskettes shall be submitted to the concerned BIR Office having jurisdiction over the taxpayer’s principal place of business (head office) or where it is required to be registered, without prejudice to the privilege of transmitting the data electronically to the BIR National Office once it is ready for this activity and the taxpayer is registered for this purpose.