TAXPAYER'S BILL OF RIGHTS

(Website Posting)

9/12/2018
Public Information & Education Division
1. When does the audit process begin?

The audit process commences with the service of a duly issued electronic Letter of Authority (eLA) to a taxpayer who has been selected for audit.

2. What is an eLA?

An eLA is a Letter of Authority to examine the taxpayers’ books and records for a particular period. The eLA is electronically generated and its issuance is through the electronic Letter of Authority Monitoring System (eLAMS). There are also eLAs issued thru the electronic Tax Information System (eTIS).

3. How many times can a taxpayer’s books of accounts and records be subjected to examination and inspection?

The said books and records shall be subject to examination and inspection by internal revenue officers: Provided, That, for income tax purposes, such examination and inspection shall be made only once in a taxable year, except in the following cases:

(a) When the Commissioner determines that fraud, irregularities, or mistakes were committed;
(b) When the taxpayer requests reinvestigation;
(c) When there is a need to verify the taxpayer’s compliance with withholding tax laws and regulations;
(d) When the taxpayer’s capital gains tax liabilities must be verified; and
(e) When the Commissioner chooses to exercise his power under Section 5(B) of the NIRC to obtain information from other persons, in which case, another or separate examination and inspection may be made.

"Any provision of existing general or special law to the contrary notwithwithstanding, the books of accounts and other pertinent records of tax-exempt organizations or grantees of tax incentives shall be subject to examination by the Bureau of Internal Revenue for purposes of ascertaining compliance with the conditions under which they have been granted tax exemptions or tax incentives, and their tax liability, if any."
4. How is a particular taxpayer selected for audit?

An audit program is prepared for the purpose of prescribing the policy guidelines for selecting tax returns that will be subjected to investigation by the following audit offices: Audit Divisions under the Large Taxpayers Service and Enforcement Service in the National Office, and Revenue District Offices, Assessment Divisions and Regional Investigation Divisions under the Revenue Regions. Based on the selection criteria, which may vary from year to year, the audit offices select tax returns that match the selection criteria prescribed in the audit program. In the absence of an annual audit program, the Commissioner of Internal Revenue has the authority to make an assessment pursuant to Section 6(A) of the NIRC, as amended.

For cases under the Run After Tax Evaders (RATE) Program, preliminary investigation commences upon receipt of a third-party information or motu proprio upon orders of the Commissioners of Internal Revenue.

In general, all taxpayers are considered as possible candidates for audit.

5. What are some of the powers of the Commissioner relative to the audit process?

The authority of the Commissioner relative to audit process consists, among others, of the following:

- Power to obtain information, and to summon, examine, and take testimony of persons (Sec. 5, NIRC); and
- Power to make assessments and prescribe additional requirements for tax administration and enforcement (Sec. 6, NIRC).

6. Who issues the eLA?

eLAs for the audit/investigation of taxpayers under the jurisdiction of the following investigating/audit offices shall be issued by the following Revenue Officials through the electronic Letter of Authority Monitoring System (eLAMS):

<table>
<thead>
<tr>
<th>Investigating/Audit Office</th>
<th>Authorized Revenue Official</th>
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</thead>
<tbody>
<tr>
<td>Revenue District Offices</td>
<td>Regional Director</td>
</tr>
<tr>
<td>Regional Investigation Divisions</td>
<td>Regional Director</td>
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<tr>
<td>Assessment Divisions</td>
<td>Regional Director</td>
</tr>
<tr>
<td>Investigating Divisions under the Large Taxpayers Service (LTS), including Large Taxpayers District Offices (LTDO)</td>
<td>Assistant Commissioner (ACIR), Large Taxpayers Service</td>
</tr>
<tr>
<td>National Investigation Division (NID)or the Regional Investigation Division (RID)</td>
<td>Commissioner of Internal Revenue/Deputy Commissioner- Legal Group</td>
</tr>
</tbody>
</table>

Note: In some instances, the Commissioner is specifically provided as the signatory to the eLAs such as the Conglomerate Audit Program.
7. What is a Notice for Informal Conference?

A Notice for Informal Conference is a written notice informing a taxpayer that the findings of the audit conducted on his books of accounts and accounting records indicate that additional taxes or deficiency assessments have to be paid. If, after the culmination of an audit a Revenue Officer recommends the imposition of deficiency assessments, this recommendation is communicated by the Bureau to the taxpayer concerned by sending a Notice for Informal Conference to the taxpayer in order to afford the taxpayer an opportunity to present the side of the case. The Informal Conference shall in no case extend beyond thirty (30) days from receipt of the Notice of Informal Conference (Section 228, NIRC and RR 7-2018 dated January 22, 2018).

8. Within what time period must an assessment be made?

An assessment must be made within three (3) years from the last day prescribed by law for the filing of the tax return, for the tax that is being subjected to assessment or from the day the return was filed, if filed late. (Section 203, NIRC). However, in case of false or fraudulent return, or of failure to file a return, the Bureau has ten (10) years from the date of discovery of such falsity, fraud, or omission within which to make the assessment. (Section 222, NIRC). The period to assess may be extended through the execution by the taxpayer of a written Waiver of the Statute of Limitations before the expiration of the prescriptive period to assess. (Section 222, NIRC)

9. What is a Preliminary Assessment Notice (PAN)?

The PAN is a written communication issued by the Commissioner of Internal Revenue or his duly authorized representative informing a taxpayer who has been audited of the findings of his deficiency tax/es, showing in details the facts and the law, rules and regulations, and/or jurisprudence on which the assessment is based. If the taxpayer disagrees with the findings stated in the PAN, he shall then have fifteen (15) days from his receipt of the PAN to file a written reply contesting the proposed assessment. (RR12-1999, as amended by RR 18-2013 dated November 28, 2013)

10. Under what instances is PAN no longer required?

A PAN shall not be required in any of the following cases, in which case, issuance of the Final Assessment Notice for the payment of the taxpayer's deficiency tax liability shall be sufficient:

(a) When the finding for any deficiency tax is the result of mathematical error in the computation of the tax appearing on the face of the tax return filed by the taxpayer; or

(b) When a discrepancy has been determined between the tax withheld and the amount actually remitted by the withholding agent; or

(c) When a taxpayer who opted to claim a refund or tax credit of excess creditable withholding tax for a taxable period was determined to have carried over and automatically applied the same amount claimed against the estimated tax liabilities for the taxable quarter or quarters of the succeeding taxable year; or
(d) When the excise tax due on excisable articles has not been paid; or

(e) When an article locally purchased or imported by an exempt person, such as, but not limited to vehicles, capital equipment, machineries and spare parts, has been sold, traded or transferred to non-exempt persons (Section 228, NIRC).

11. What is a Formal Letter of Demand/Final Assessment Notice (FLD/FAN)?

An FLD/FAN is a written demand to pay deficiency taxes (RR 18-2013 dated November 28, 2013 and RMC 11-2014 dated February 18, 2014) issued to a taxpayer who fails to respond to a PAN within the prescriptive period of time, or whose reply to the PAN was found to be without merit, whether in full or in part. The FAN/FLD calling for payment of the taxpayer’s deficiency tax or taxes shall state the facts, the law, rules and regulations, or jurisprudence on which the assessment is based, otherwise, the FAN/FLD shall be void.

12. What is required of a taxpayer who is being audited?

A taxpayer who is being audited is required to:

- Duly acknowledge his receipt of the appropriate eLA upon its presentation by the RO authorized to conduct the audit, and affix on the eLA his signature and indicate the date of receipt;
- Present within the required time, his books of accounts and other related accounting records. The time frame to present the books of accounts should be within the due date indicated in the communication issued by the BIR stating the checklist of documentary requirements; and
- Submit the necessary schedules as may be requested by the RO as per checklist of requirements within the required time from his receipt of the eLA.

13. What is the recourse of a taxpayer who cannot submit the documents being required of him within the prescribed period?

A taxpayer, believing that he cannot present his books of accounts and/or other accounting records, who intends to request for more time to present these documents may execute what is referred to as a Waiver of the Defense of Prescription under the Statute of Limitations of the NIRC. This recourse does not apply when a Subpoena Duces Tecum has already been issued.

14. What is a Waiver of the Defense of Prescription under the Statute of Limitations of the NIRC?

The Waiver of the Defense of Prescription under the Statute of Limitations is a signed written statement, executed before the expiration of the period to assess or to collect, whereby the taxpayer conveys his agreement to extend within a specific future date the period within which the Bureau may validly issue and assessment for and/or collect deficiency taxes. If a taxpayer opts to execute a waiver of the Statute of Limitations, he shall likewise be, in effect, waiving his right to invoke the defense of prescription for assessment issued after the reglementary period. No waiver of Statute of Limitations shall be
considered valid unless it is accepted by a duly authorized Bureau official. (RMO 14-2016 dated April 4, 2016)

15. If a taxpayer does not agree with the assessment made following an audit, can he protest this assessment?

Yes, he can. A taxpayer has the right to contest an assessment and may do so by filing:

a) a response to the PAN within 15 days from receipt of the PAN;

b) a Protest to the FLD/FAN within 30 days from date of receipt of the FLD/FAN either through a Request for Reconsideration or a Request for Reinvestigation.

Request for Reconsideration – refers to a plea for re-evaluation of an assessment on the basis of existing records without need of additional evidence. It may involved a question of fact or of law or both.

Request for Reinvestigation – refers to a plea for re-evaluation of an assessment on the basis of newly discovered or additional evidence that a taxpayer intends to present in the reinvestigation. It may also involve a question of fact or of law or both. (RR 18-2013 dated November 28, 2013)

16. What are the characteristics of a valid protest?

The taxpayer must file a protest within thirty (30) days from the date of receipt of the FLD/FAN and shall state in his protest:

a) The nature of protest whether reconsideration or reinvestigation, specifying the desire for submission of newly discovered or additional evidence he intends to present if it is a request for reinvestigation,

b) date of the assessment notice, and

c) the applicable law, rules and regulations or jurisprudence on which his protest is based, otherwise, his protest will be considered void and without force and effect.

For request for reinvestigation, the taxpayer shall submit all relevant supporting documents in support of his protest within sixty (60) days from date of filing of his letter of protest, otherwise, the assessment shall become final.

The term "relevant supporting documents" refer to those documents necessary to support the legal and factual bases in disputing a tax assessment as determined by the taxpayer. The sixty (60)-day period for the submission of all relevant supporting documents shall not apply to requests for reconsideration. Furthermore, the term "the assessment shall become final" shall mean the taxpayer is barred from disputing the correctness of the issued assessment by introduction of newly discovered or additional evidence, and the FDDA shall consequently be issued denying the protest.

If the taxpayer fails to file a valid protest against the FLD/FAN within thirty (30) days from date of receipt thereof, the assessment shall become final, executory and demandable (RR 18-2013 dated November 28, 2013)
17. In the event that the protest is denied in whole or in part, or is not acted upon by the Commissioner's duly authorized representative, what alternative recourse of action is open to a Taxpayer?

If the protest is denied, in whole or in part, by the Commissioner or his duly authorized representative, the taxpayer may either:

a) appeal to the Court of Tax Appeals, through a Petition for Review, within thirty (30) days from receipt of the said decision; or

b) elevate his protest through request for reconsideration to the Commissioner within thirty (30) days from date of receipt of the said decision. No request for reinvestigation shall be allowed in administrative appeal and only issues raised in the decision of the Commissioner’s duly authorized representative shall be entertained by the Commissioner.

If the protest is not acted upon by the Commissioner’s duly authorized representative within one hundred eighty (180) days counted from the date of filing of the protest in case a request for reinvestigation, the taxpayer may either:

1) appeal to the CTA within thirty (30) days after the expiration of the one hundred eighty (180) day period; or

2) await the final decision of the Commissioner’s duly authorized representative on the disputed assessment.

(Section 228, NIRC and RR 18-2013 dated November 28, 2013)

18. What recourse is open to a Taxpayer if his request for reconsideration (administrative appeal) is denied by the Commissioner?

If the request for reconsideration is denied by the Commissioner, the taxpayer may appeal such Final Decision to the CTA, within 30 days after receipt of a copy of such decision (RR 18-13 dated November 28, 2013)

19. If the Taxpayer is not satisfied with the CTA’s decision, can he appeal the decision to a higher court?

Yes, he can. Decision of a Division of the Court of Tax Appeals may be appealed with the Court of Tax Appeals (en banc), within fifteen (15) days from the Taxpayer’s receipt of the questioned Decision or Resolution. (Revised Rules of CTA)

In the event that the Taxpayer is likewise unsatisfied with the decision of the Court of Tax Appeals (en banc), he may appeal this decision with the Supreme Court, within fifteen (15) days from receipt of the Decision/Resolution. (Rules of Court)

20. Can a taxpayer claim a refund or tax credit for erroneously or illegally collected taxes?

Yes, he can. The taxpayer may file a written claim for refund, with the Commissioner of Internal Revenue, with a categorical demand for the recovery of erroneously or illegally collected taxes, within two (2) years from the date of payment of the tax or penalty sought to be refunded. Failure of the taxpayer to file such claim within this prescribed period shall
result in the forfeiture of his right to the refund or tax credit. (Section 229, NIRC). Policies related to filing, processing and approval of tax credit/refund are provided in RMC Nos. 89-2017 and RMC 17-2018.

21. If a taxpayer has filed a claim for refund and the Bureau has yet to render a decision on this claim, can the taxpayer elevate his claim to the CTA?

The rules are as follows:

I. Claim for refund under Section 112 of the NIRC of 1997, as amended.

   A. Two-Year prescriptive Period

      1. It is only the administrative claim that must be filed within the two-year prescriptive period. (Aichi)

      2. The proper reckoning date for the two-year prescriptive period is the close of the taxable quarter when the relevant sales were made. (San Roque)

      3. The only other rule is the Atlas ruling, which applied only from 8 June 2007 to 12 September 2008. Atlas states that the two-year prescriptive period from filing a claim for tax refund or credit of unutilized input VAT payments should be counted from the date of filing of the VAT return and payment of the tax. (San Roque)

   B. 120+30 Day Period

      1. The taxpayer can file an appeal in one of two ways: (1) file the judicial claim within thirty days after the Commissioner denies the claim within the 120-day period, or (2) file the judicial claim within the thirty days from the expiration of the 120-day period if the Commissioner does not act within the 120-day period.

      2. The 30-day period always applies, whether there is a denial or inaction on the part of the Commissioner.

      3. As a general rule, the 30-day period to appeal is both mandatory and jurisdictional. (Aichi and San Roque)

      4. As an exception to the general rule, premature filing is allowed only if filed between 10 December 2003 and 5 October 2010, when BIR Ruling No. DA-489-03 was still in force. (San Roque)

      5. Late filing is absolutely prohibited, even during the time when BIR Ruling No. DA-489-03 was in force. (San Roque)

(Silicon Philippines v. Commissioner of Internal Revenue, G.R. No. 173241, March 25, 2015)

In case of taxpayer’s claim for VAT refund, under the TRAIN Law, effective January 1, 2018, such claim should be acted upon within the 90-day period (RR 13-2018).
II. Claim for refund under Section 229 of the NIRC of 1997, as amended.

The claim for refund of excessively or erroneously collected taxes under Section 229 should be made within two (2) years from the date the taxes are paid. Both the administrative and judicial claims should be brought within the two (2)-year prescriptive period. Otherwise, they shall forever be barred.

Thus, the taxpayer may elevate his claims to the CTA if the two (2) year prescriptive period is about to expire and the BIR has not yet rendered a decision on his claim. (CBK Power Company Ltd. Vs. Commissioner of Internal Revenue, 750 Phil. 748 [2015])

22. Within what period must collection be made?

Any internal revenue tax, which has been assessed within the period prescribed, shall be collected within five (5) years from date of assessment (Section 203 and 222 of the NIRC). In cases without an assessment involving false or fraudulent return or where no return was filed, a proceeding in court for the collection thereof may be filed within ten (10) years after the discovery of the falsity, fraud, or omission (Section 222a of the NIRC). Moreover, the period to collect may be extended, if, before the expiration of the prescribed period, a valid Waiver of the Statute of Limitations shall have been executed. (Section 222 of the NIRC).

REMEDIES OF THE BUREAU IN THE AUDIT PROCESS AND COLLECTION OF DELINQUENT ACCOUNTS

23. What means are available to the Bureau to compel a Taxpayer to produce his books of accounts and other records?

A Taxpayer shall be requested, in writing, not more than two (2) times, to produce his books of accounts and other pertinent accounting records, for inspection. If, after the Taxpayer’s receipt of the second written request, he still fails to comply with the requirements of the notice, the Bureau shall then issue him a Subpoena Duces Tecum.

24. What course of action shall the Bureau take if the Taxpayer fails to comply with the Subpoena Duces Tecum?

If, after the Taxpayer fails, refuses, or neglects to comply with the requirements of the Subpoena Duces Tecum, the Bureau may:

File a criminal case against the Taxpayer for violation of Section 266 (Failure to Obey Summons) as it relates to Sections 5 & 14, of the NIRC, as amended; and/or

When the person summoned fails to appear or produce the documents requested, the investigating officers may proceed to assess based on the best evidence obtainable.

Once the Complaint-Affidavit has been filed for violation of Section 266, no prosecuting officer of the Bureau shall cause the withdrawal or dismissal of the case, notwithstanding the subsequent submission of documents indicated in the Subpoena Duces Tecum.
25. What alternatives are open to the Government for collection of delinquent accounts?

Once an assessment or any part thereof becomes final, executory and demandable, the Government may employ any or all, of the following remedies for the collection of delinquent accounts:

a) Distraint of Personal Property belonging to the taxpayer;

b) Levy upon real property and on the interest in or rights to real property;

c) Civil Action;

d) Tax Lien (Sec. 219, NIRC);

e) Forfeiture (Sec. 224, NIRC); and

f) Criminal Action.

Either of these remedies or simultaneously may be pursued, at the discretion of the authorities charged with the collection of such taxes, if the taxpayer fails to pay the delinquent taxes voluntarily.

The remedy by distraint of personal property and levy on real property may be repeated, if necessary, until the full amount of the tax liability, including the increments incident to the delinquency is collected.

No court shall have the authority to grant an injunction to restrain the collection of any internal revenue tax, fee or charge imposed under the NIRC of 1997, as amended.

26. What is Distraint of Personal Property?

Distraint of personal property involves the seizure by the Government of any goods, chattels or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interest in and rights to personal property of the delinquent taxpayer in sufficient quantity to satisfy the tax liability, including any increment thereto incident to delinquency. All seized personal properties shall be sold at public auction after due notice to the owner/possessor of the property and the publication or posting of such notice.

Garnishment is one way of distraining a personal property of a delinquent taxpayer. It is effected by serving a warrant of garnishment upon a third party who is in possession and control of the following properties among others, of the delinquent taxpayer:

a) Salaries of the taxpayer;

b) Deposits with the bank;

c) Stocks and bonds from any private or government offices that safe-keep stocks and bond certificates e.g. Stock Brokers, Philippine Stock Exchange (PSE), the Bureau of Treasury (BTR) etc.;
d) Rental income of the taxpayer from the lessee/tenant; and

e) Trade and other receivables from customers and other debtors.

27. What is "Levy on Real Property?"

Levy on real property refers to the same act of seizure but, in this case, on real property and the interest in and rights to such property in order to enforce the collection of the tax unpaid, including delinquency penalties. As in the distraint of personal property, the property under levy shall be sold in a public sale. Levy on real property is effected by filing a Notice of Levy with the Register of Deeds where the property of the delinquent taxpayer is located.

28. What is the period within which to enforce the collection of delinquent accounts?

Any internal revenue tax which has been assessed and was already considered final and executory shall be collected within five (5) years from the date of the assessment. However, there are cases which are automatically considered as delinquent accounts even without the issuance of assessment notices (e.g. payment of taxes through dishonored checks; non-payment of the second installment of income taxes; non-payment of the tax due as indicated in the tax returns filed, etc.). Such cases should be collected within five (5) years from the date the check was dishonored; due date for the payment of the 2nd installment; date due for the payment of the tax due for tax returns filed, etc., as the case may be.

29. What remedies are available to the taxpayer in the settlement of his tax liabilities?

a) Payment in full including delinquency penalties;

b) Payment in installment including delinquency penalties;

c) Payment through compromise settlement (Revenue Regulations No. 30-2002); and

d) Payment through abatement of penalties (Revenue Regulations No. 13-2001).

30. What are the cases which may be compromised?

a) Delinquent Accounts

b) Cases under Administrative Protest after issuance of the Final Assessment Notice and the cases are still pending in the Regional Offices, Revenue District Offices, Legal Service, Large Taxpayers Service (LTS) and Collection Service

c) Civil Tax cases being disputed before the courts

d) Collection Cases filed in Courts

e) Criminal Violations, other than those already filed in court or those involving criminal fraud

31. What are the cases which may not be compromised?

a) Withholding Tax Cases, unless applicant invokes provisions of Law that cast doubt on the Taxpayer’s obligation to withhold
b) Delinquent Accounts with duly approved schedule of installment payment

c) Criminal Tax Fraud Cases confirmed as such by the CIR or his duly authorized representative

d) Criminal violations already filed in Court

e) Cases where final reports of reinvestigation or reconsideration have been submitted resulting to the reduction of the original assessment and the Taxpayer is agreeable to such findings

f) Cases which become final and executory after final judgement of a court, where compromise is requested on the ground of doubtful validity

g) Estate Tax cases where compromise is requested on the ground of financial incapacity (Section 2, RR 30-2002)

32. What are the basis for acceptance for compromise settlement?

- Doubtful validity of the assessment. - 40% of the basic tax is the minimum offered amount. The offer to compromise a delinquent account or disputed assessment under these Regulations on the ground of reasonable doubt as to the validity of the assessment may be accepted when it is shown that:

a) The delinquent account or disputed assessment is one resulting from a jeopardy assessment; or

b) The assessment seems to be arbitrary in nature, appearing to be based on presumptions and there is reason to believe that it is lacking in legal and/or factual basis; or

c) The taxpayer failed to file an administrative protest on account of the alleged failure to receive notice of assessment and there is reason to believe that the assessment is lacking in legal and/or factual basis; or

d) The taxpayer failed to file a request for reinvestigation/ reconsideration within 30 days from receipt of final assessment notice and there is reason to believe that the assessment is lacking in legal and/or factual basis; or

e) The taxpayer failed to elevate to the Court of Tax Appeals (CTA) an adverse decision of the Commissioner, or his authorized representative, in some cases, within 30 days from receipt thereof and there is reason to believe that the assessment is lacking in legal and/or factual basis; or

f) The assessments were issued on or after January 1, 1998, where the demand notice allegedly failed to comply with the formalities prescribed under Sec. 228 of the National Internal Revenue Code of 1997; or

g) Assessments made based on the "Best Evidence Obtainable Rule" and there is reason to believe that the same can be disputed by sufficient and competent evidence; or
h) The assessment was issued within the prescriptive period for assessment as extended by the taxpayer’s execution of Waiver of the Statute of Limitations the validity or authenticity of which is being questioned or at issue and there is strong reason to believe and evidence to prove that it is not authentic.

- Financial incapacity. - 10% of the basic tax is the minimum offered amount. The offer to compromise based on financial incapacity may be accepted upon showing that:
  
  a) The corporation ceased operation or is already dissolved; or
  
  b) The taxpayer, as reflected in its latest Balance Sheet supposed to be filed with the Bureau of Internal Revenue, is suffering from surplus or earnings deficit resulting to impairment in the original capital by at least 50%; or
  
  c) The taxpayer is suffering from a net worth deficit (Total Liabilities Exceed Total Assets); or
  
  d) The taxpayer is a compensation income earner with no other source of income; or
  
  e) The taxpayer has been declared by any competent authority as bankrupt or insolvent.

33. What are the instances when the CIR may abate or cancel tax liabilities?
   
   a) Tax or any portion thereof appears to be unjustly or excessively assessed.
   
   b) Administrative and collection cost involved do not justify the amount to be collected.
   
   c) Taxpayer is dead, leaving no distrainable/leviable property.
   
   d) Collection of the delinquent account has been prescribed.

34. What are the Exceptions as to Period of Limitation of Assessment and Collection of Taxes?
   
   a) In the case of a false or fraudulent return with intent to evade tax or of failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be filed without assessment, at any time within ten (10) years after the discovery of the falsity, fraud or omission: Provided, That in a fraud assessment which has become final and executory, the fact of fraud shall be judicially taken cognizance of in the civil or criminal action for the collection thereof.
   
   b) If before the expiration of the time prescribed in Section 203 for the assessment of the tax, both the Commissioner and the taxpayer have agreed in writing to its assessment after such time, the tax may be assessed within the period agreed upon. The period so agreed upon may be extended by subsequent written agreement made before the expiration of the period previously agreed upon.
   
   c) Any internal revenue tax which has been assessed within the period of limitation as prescribed in paragraph (a) hereof may be collected by distraint or levy or by a proceeding in court within five (5) years following the assessment of the tax.
d) Any internal revenue tax, which has been assessed within the period agreed upon as provided in paragraph (b) hereinabove, may be collected by distraint or levy or by a proceeding in court within the period agreed upon in writing before the expiration of the five (5)-year period. The period so agreed upon may be extended by subsequent written agreements made before the expiration of the period previously agreed upon.

e) Provided, however, That nothing in the immediately preceding and paragraph (a) hereof shall be construed to authorize the examination and investigation or inquiry into any tax return filed in accordance with the provisions of any tax amnesty law or decree.