



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Manila

097.7 DPWH
04.08.2019

April 5, 2019

DEPARTMENT MEMORANDUM)

CIRCULAR NO. 34)

Series of 2019 04.08.19)

**FOR / TO : Undersecretaries
Assistant Secretaries
Service Directors
Bureau Directors
Regional Directors
Heads of UPMOs
District Engineers
This Department**

For information and guidance, attached is a copy of BIR Revenue Memorandum Circular No. 17-2019 dated January 23, 2019 entitled "**CIRCULARIZING THE AVAILABILITY OF THE NEW BIR FORM NO. 1701A – ANNUAL INCOME TAX RETURN FOR INDIVIDUALS EARNING PURELY FROM BUSINESS/PROFESSION (THOSE UNDER THE GRADUATED INCOME TAX RATES WITH OPTIONAL STANDARD DEDUCTION (OSD) AS MODE OF DEDUCTIONS OR THOSE WHO OPTED TO AVAIL OF THE 8% FLAT INCOME TAX RATE) JANUARY 2018 VERSION**".

A copy of said National Budget Circular may also be downloaded from the **DPWH website: <http://dpwhweb>**. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS upon request.

For dissemination to all concerned.


B. ELIZABETH E. YAP, Ph.D., CESO II
Assistant Secretary for Support Services

Encl: BIR Revenue Memorandum Circular No. 17-2019 dated January 23, 2019

Cc: Office of the Secretary

8.1.2 JJC/MAP

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

January 23, 2019

REVENUE MEMORANDUM CIRCULAR NO. 17-2019

SUBJECT : Circularizing the Availability of the New BIR Form No. 1701A -- Annual Income Tax Return for Individuals Earning Income PURELY from Business/Profession (Those under the graduated income tax rates with Optional Standard Deduction (OSD) as mode of deductions OR those who opted to avail of the 8% flat income tax rate) January 2018 version

TO : All Internal Revenue Officials, Employees and Others Concerned

This Circular is issued to prescribe the new BIR Form No. 1701A, hereto attached as **Annex "A"** in relation to the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The new return shall be used by the Individuals Earning Income PURELY from Business/Profession, who are under the graduated income tax rates with Optional Standard Deduction (OSD) as mode of deductions OR those who opted to avail of the 8% flat income tax rate, in filing the annual income tax return and paying the income tax due starting the year 2018 which is due on or before April 15, 2019.

Taxpayer shall file and/or pay through the following mode:

A. Manual Return –

1. The **new return** is already available under the BIR Forms-Income Tax Return section of the BIR website (www.bir.gov.ph).
2. Manual filers shall download the PDF version of the new BIR Form No. 1701A, print it and then fill out the applicable items/fields.
3. Payment of the income tax due thereon shall be made thru:
 - a. Manual Payment-
 - Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered
 - In places where there are no AABs, the return shall be filed and the tax due shall be paid to the concerned Revenue Collection Officer (RCO) under the jurisdiction of the RDO using the MRCOS facility.
 - b. Online Payment-

- Thru GCash Mobile Payment (once the form becomes available in the GCash)
- Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card
- DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit Card

B. Electronic Bureau of Internal Revenue Forms (eBIRForms)

1. The **new return** is already available in the Offline eBIRForms Package v7.3.
2. eBIRForms filers/individuals mentioned above shall download such eBIRForms package and use the new BIR Form No. 1701A in filing and paying the annual income tax due starting the year 2018 and which is due on or before April 15, 2019.
3. Payment of the income tax due, if any, shall be made thru:
 - a. Manual Payment-
 - Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered
 - In places where there are no AABs, the return shall be filed and the tax due shall be paid to the concerned Revenue Collection Officer (RCO) under the jurisdiction of the RDO using the MRCOS facility.
 - b. Online Payment-
 - Thru GCash Mobile Payment (once the form becomes available in the GCash)
 - Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card
 - DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit Card

C. Electronic Filing and Payment System (eFPS)

1. The **new return** is not yet available in the eFPS.
2. As a work-around procedure, the eFPS filers shall use the new return in the Offline eBIRForms Package v7.3 to file the annual income tax return for the year 2018.
3. Payment of the income tax due, if any, shall be made thru:
 - a. Manual Payment-
 - Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered

- In places where there are no AABs, the return shall be filed and the tax due shall be paid to the concerned Revenue Collection Officer (RCO) under the jurisdiction of the RDO using the MRCOS facility
- b. Online Payment-
- thru GCash Mobile Payment (once the form becomes available in the GCash)
 - Landbank of the Philippines (LBP) Linkbiz Portal, for taxpayers who have ATM account with LBP and/or holders of Bancnet ATM/Debit Card
 - DBP Tax Online, for holders of VISA/Master Credit Card and/or Bancnet ATM/Debit
4. In case the eFPS filers had already filed and paid the income tax due for the year 2018 using the **old return (BIR Form No. 1701)**, taxpayer is still required to file the annual income tax return using the new BIR Form No. 1701A in the Offline eBIRForms Package v7.3 and mark the return as an amended return.

Taxpayer shall fill out the applicable fields/items in the **new return** and if there is any payment made using the **old return**, he/she shall indicate the amount paid in Item No. 61 (Tax Paid in Return Previously Filed, if this is an Amended Return) of the new return. If the computation resulted to a payable, taxpayer shall pay the tax still due thereon in accordance with number three (3) above of this RMC.

All concerned are hereby enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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|--|--|---|
| BIR Form No. 1701A January 2018 Page 1 | Annual Income Tax Return Individuals Earning Income PURELY from Business/Profession [Those under the graduated income tax rates with OSD as mode of deduction OR those who opted to avail of the 8% flat income tax rate] Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X". Two copies must be filed with the BIR and one held by the Tax Filer. |  1701A 01/18 P1 |
|--|--|---|

| | | |
|--------------------------------|--|---|
| 1 For the Year (MM/YYYY) _____ | 2 Amended Return? <input type="checkbox"/> Yes <input type="checkbox"/> No | 3 Short Period Return? <input type="checkbox"/> Yes <input type="checkbox"/> No |
|--------------------------------|--|---|

Part I – Background Information on Taxpayer/Filer

| | | |
|---|--|---|
| 4 Taxpayer Identification Number (TIN) _____-_____-_____-00000 | 5 RDO Code _____ | 6 Taxpayer Type <input type="checkbox"/> Single Proprietor <input type="checkbox"/> Professional |
| 7 Alphanumeric Tax Code (ATC) <input type="checkbox"/> II012 Business Income - Graduated IT Rates <input type="checkbox"/> II014 Income from Profession – Graduated IT Rates <input type="checkbox"/> II015 Business Income - 8% IT Rate <input type="checkbox"/> II017 Income from Profession – 8% IT Rate | | |
| 8 Taxpayer's Name (Last Name, First Name, Middle Name) _____ | | |
| 9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905) _____ _____ | | |
| | | 9A ZIP Code _____ |
| 10 Date of Birth (MM/DD/YYYY) _____ | 11 Email Address _____ | |
| 12 Citizenship _____ | 13 Claiming Foreign Tax Credits? <input type="checkbox"/> Yes <input type="checkbox"/> No | 14 Foreign Tax Number, if applicable _____ |
| 15 Contact Number (Landline/Cellphone No.) _____ | 16 Civil Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Legally Separated <input type="checkbox"/> Widow/er | |
| 17 If married, spouse has income? <input type="checkbox"/> Yes <input type="checkbox"/> No | 18 Filing Status <input type="checkbox"/> Joint Filing <input type="checkbox"/> Separate Filing | |
| 19 Tax Rate <input type="checkbox"/> Graduated rates with OSD as method of deduction <input type="checkbox"/> 8% in lieu of Graduated Rates under Sec. 24(A) & Percentage Tax under Sec. 116 of NIRC [available if gross sales/receipts and other non-operating income do not exceed Three million pesos (P3M)] | | |

Part II – Total Tax Payable (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

| Particulars | A) Taxpayer/Filer | B) Spouse |
|---|-------------------|-----------|
| 20 Tax Due (Either from Part IV.A Item 46 OR Part IV.B Item 56) | | |
| 21 Less: Total Tax Credits/Payments (From Part IV.C Item 64) | | |
| 22 Net Tax Payable/(Overpayment) (Item 20 Less Item 21) (From Part IV Item 65) | | |
| 23 Less: Portion of Tax Payable Allowed for 2 nd Installment to be paid on or before October 15 (50% or less of Item 20) | | |
| 24 Amount of Tax Payable/(Overpayment) (Item 22 Less Item 23) | | |
| Add: Penalties 25 Surcharge | | |
| 26 Interest | | |
| 27 Compromise | | |
| 28 Total Penalties (Sum of Items 25 to 27) | | |
| 29 Total Amount Payable/(Overpayment) (Sum of Items 24 and 28) | | |
| 30 Aggregate Amount Payable/(Overpayment) (Sum of Items 29A & 29B) | | |

If overpayment, mark one (1) box only. (Once the choice is made, the same is irrevocable)

To be refunded To be issued a Tax Credit Certificate (TCC) To be carried over as a tax credit for next year/quarter

I declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by me, and to the best of my knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. Further, I give my consent to the processing of my information as contemplated under the "Data Privacy Act of 2012 (R.A. No. 10173) for legitimate and lawful purposes. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

| | |
|--|---|
| Printed Name and Signature of Taxpayer/Authorized Representative _____ | 31 Number of Attachments <input type="text"/> |
|--|---|

Part III - Details of Payment

| Particulars | Drawee Bank/Agency | Number | Date (MM/DD/YYYY) | Amount |
|---------------------------|--------------------|--------|-------------------|--------|
| 32 Cash/Bank Debit Memo | | | | |
| 33 Check | | | | |
| 34 Tax Debit Memo | | | | |
| 35 Others (specify below) | | | | |

| | |
|--|--|
| Machine Validation/Revenue Official Receipt Details (if not filed with an Authorized Agent Bank) | Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial) |
|--|--|

*NOTE: The BIR Data Privacy Policy is in the BIR website (www.bir.gov.ph)

Annual Income Tax Return
Individuals Earning Income PURELY from Business/Profession
[Those under the graduated income tax rates with OSD as mode of deduction
OR those who opted to avail of the 8% flat income tax rate]



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| | |
|-----------|-----------------------|
| TIN | Tax Filer's Last Name |
| 0 0 0 0 0 | |

Part IV – Computation of Income Tax

If Optional Standard Deductions (OSD), fill in items 36 to 46; if 8%, fill in items 47 to 56 (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

| IV.A – For Graduated Income Tax Rates | A) Taxpayer/Filer | B) Spouse |
|---|-------------------|-----------|
| 36 Sales/Revenues/Receipts/Fees | | |
| 37 Less: Sales Returns, Allowances and Discounts | | |
| 38 Net Sales/Revenues/Receipts/Fees (Item 36 Less Item 37) | | |
| 39 Less: Allowable Deduction - Optional Standard Deduction (OSD) (40% of Item 38) | | |
| 40 Net Income (Item 38 Less Item 39) | | |
| Add: Other Non-Operating Income (specify below) | | |
| 41 | | |
| 42 | | |
| 43 Amount Received/Share in Income by a Partner from General Professional Partnership (GPP) | | |
| 44 Total Other Income (Sum of Items 41 to 43) | | |
| 45 Total Taxable Income (Sum of Items 40 and 44) | | |
| 46 TAX DUE (Item 45 x Applicable Tax Rate based on Tax Table below) (To Part II - Item 20) | | |

IV.B – For 8% Income Tax Rate (Those whose sales/receipts/others did not exceed P3M and opted at the initial quarter for this rate)

| | | |
|---|--|--|
| 47 Sales/Revenues/Receipts/Fees | | |
| 48 Less: Sales Returns, Allowances and Discounts | | |
| 49 Net Sales/Revenues/Receipts/Fees (Item 47 Less Item 48) | | |
| Add: Other Non-Operating Income (specify below) | | |
| 50 | | |
| 51 | | |
| 52 Total Other Non-operating Income (Sum of Items 50 and 51) | | |
| 53 Total Taxable Income (Sum of Items 49 and 52) | | |
| 54 Less: Allowable reduction from gross sales/receipts and other non-operating income of PURELY self-employed individuals and/or professionals in the amount of P 250,000 | | |
| 55 Taxable Income/(Loss) (Item 53 Less Item 54) | | |
| 56 TAX DUE (Item 55 x 8% Income Tax Rate) (To Part II - Item 20) | | |

IV.C - Tax Credits/Payments (attach proof)

| | | |
|---|--|--|
| 57 Prior Year's Excess Credits | | |
| 58 Tax Payments for the First Three (3) Quarters | | |
| 59 Creditable Tax Withheld for the First Three (3) Quarters | | |
| 60 Creditable Tax Withheld per BIR Form No. 2307 for the 4 th Quarter | | |
| 61 Tax Paid in Return Previously Filed, if this is an Amended Return | | |
| 62 Foreign Tax Credits, if applicable | | |
| 63 Other Tax Credits/Payments (specify) _____ | | |
| 64 Total Tax Credits/Payments (Sum of Items 57 to 63) (To Item 21) | | |
| 65 Net Tax Payable/(Overpayment) (Item 46 OR 56 Less Item 64) (To Part II - Item 22) | | |

Part V – Background Information on Spouse

| | | |
|---|--|--|
| 66 Spouse's Taxpayer Identification Number (TIN) - - - 0 0 0 0 0 | 67 RDO Code _____ | 68 Filer's Spouse Type <input type="checkbox"/> Single Proprietor <input type="checkbox"/> Professional |
| 69 Alphanumeric Tax Code (ATC) <input type="checkbox"/> II012 Business Income - Graduated IT Rates <input type="checkbox"/> II014 Income from Profession – Graduated IT Rates <input type="checkbox"/> II015 Business Income - 8% IT Rate <input type="checkbox"/> II017 Income from Profession – 8% IT Rate | | |
| 70 Spouse's Name (Last Name, First Name, Middle Name) _____ | | |
| 71 Contact Number _____ | 72 Citizenship _____ | |
| 73 Claiming Foreign Tax Credits? <input type="checkbox"/> Yes <input type="checkbox"/> No | 74 Foreign Tax Number (if applicable) _____ | |
| 75 Tax Rate <input type="checkbox"/> Graduated rates with OSD as method of deduction <input type="checkbox"/> 8% in lieu of Graduated Rates under Sec. 24(A) & Percentage Tax under Sec. 116 of NIRC (available if gross sales/receipts and other non-operating income do not exceed Three million pesos (P3M)) | | |