



Republic of the Philippines
Department of Education
Region XI
SCHOOLS DIVISION OF DIGOS CITY
Digos City



DIVISION MEMORANDUM
No. 350, s. 2018

April 23, 2018

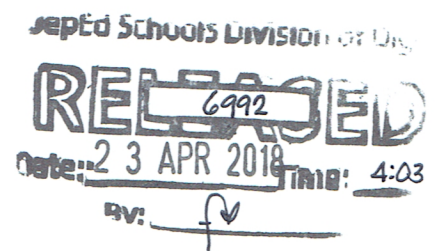
**INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES
OF JOB ORDERS AND CONTRACT OF SERVICE PERSONNEL**

To: **PUBLIC SCHOOLS DISTRICT SUPERVISOR
ELEMENTARY AND SECONDARY SCHOOL PRINCIPALS
ACCOUNTING SECTION
JOB ORDERS AND CONTRACT OF SERVICE
ASSIGNED IN THE SCHOOLS DIVISION OF DIGOS CITY**

1. Pursuant to the letter dated April 12, 2018 of Monib M. Dimakuta, Revenue District Officer, Office of the Revenue District Officer, Revenue District Office No. 115, Bureau of Internal Revenue, Digos City, you are hereby enjoined to observed the following:
 - a. For Public Schools District Supervisor, School Principals and Accounting Section with personnel under Job Order or Contract of Service, you shall inform the subject personnel of the Sworn Declaration of Gross Receipts/Sales as mandated by the Bureau of Internal Revenue and direct them to get a photo machine copy of the declaration attached to this memorandum.
 - b. For Job Order and Contract of Service Personnel, you shall secure a photo machine copy of the form: **"Income Payee's Sworn Declaration of Gross Receipts/Sales"** for accomplishment and submit the same to the BIR.
2. For immediate dissemination and compliance.

 4/23/18
WINNIE E. BATOON, Ed. D.

Officer in Charge
Office of the Schools Division Superintendent



Encls: as stated
References: as stated
To be indicated in the Perpetual Index under the following subjects:
SUBJECT: CID, ADMIN, ACCOUNTING

admin5: Income Payee's Sworn Declaration of Gross Receipts/Sales.
23 April 2018



Office of the Revenue District Officer
Revenue District Office No. 115
Digos City

April 12, 2018

DEPARTMENT OF EDUCATION CULTURE & SPORT(DEPED-DIGOS)

Roxas-Lopez Jaena Sts., Zone II, Davao Del Sur
000-863-958-654

Dear Taxpayer,

Greetings!

In view of the recent developments under the new Tax Reform for Acceleration and Inclusion pursuant to Republic Act No. 10963 (TRAIN law), particularly on the exemption from the creditable withholding tax of your income payments to all your Job Order personnel (JO) and contract of service personnel, may we request you to help disseminate and require your concerned JO to submit a duly accomplished **"INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES"** (sample copy attached), pursuant to the following pertinent provisions of Revenue Regulations (RR) No. 11-2018, as amended by RR No. 14-2018 dated March 28, 2018, which partly reads, to wit:

"SECTION 2.57.3. Persons Required to Deduct and Withhold – xxx

XXX	XXX	XXX
XXX	XXX	XXX

*Provided, however, that an individual seller-income earner/payee, may not be subjected to withholding under Section 2.57.2, hereof if the source of income comes from a lone income payor and the total income payment is less than P250,000 in a taxable year. In this case, the concerned individual shall execute an **INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES** (Annex "B-2") that shall be **submitted to the lone payor**. The payee's sworn declaration shall be submitted to the lone income payor of income before the initial payment of income or before January 15 of each year, whichever is applicable. XXX (emphasis and underscoring supplied)*

XXX	XXX	XXX
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In the event that the individual payee's cumulative gross receipts in a year exceed P250,000, the income payor/withholding agent shall withhold the prescribed withholding tax based on the amount in excess of P250,000, despite the prior submission of the individual income payee's sworn declaration. On the other hand, if the individual income payee failed to submit an income payee's sworn declaration to the lone income payor/withholding agent, the income payment shall be subject to the applicable withholding tax even though in a taxable year the income payment is P250,000 and below.

For individual payees, the income payor/withholding agent shall withhold the prescribed withholding tax rate. In case there are two rates prescribed, the higher rate shall apply if (1) the payee failed to provide the income payor/withholding agent of the required declaration; or (2) the income payment exceeds P3M, despite receiving the sworn declaration from the income payee."

Accordingly, as a lone payor/withholding agent, you are likewise required to execute your own **"INCOME PAYOR/WITHHOLDING AGENT'S SWORN DECLARATION"** (sample copy attached), stating the number of payees who shall not be subjected to withholding taxes and have duly submitted their income payee's sworn declarations and copies of the Certificate of Registration (COR), if any. Together with the said income payor/withholding agent's sworn declaration, you are to attach the list of payees, who shall not be subjected to withholding tax, and submit to the concerned BIR office on or before the last day of January of each year or on the fifteenth (15th) day of the following month when a new income recipient submitted the payee's sworn declaration to you.

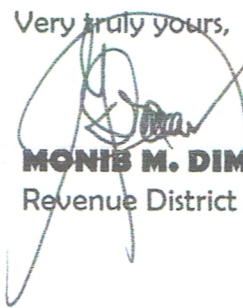
In the meantime, the JO subject to the withholding tax under Section 2.57.2 of the foregoing RR and availing to be exempt from the prescribed withholding tax rates on income shall submit to your office (being the lone payor) on or before April 20, 2018 the abovementioned duly accomplished **"INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES"**, together with a copy of the COR (if any).

In the same manner, you are mandated to submit at least in two (2) copies, to this office on or before April 30, 2018, the duly accomplished **"INCOME PAYOR/WITHHOLDING AGENT'S SWORN DECLARATION"** together with the List of Payees who have submitted the **"INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES"** and copies of COR (if any).

For more information, please refer to the aforecited RR which can be downloaded from the BIR website at www.bir.gov.ph.

Thank you very much.

Very truly yours,


MONIB M. DIMAKUTA
Revenue District Officer

MMD/DMBD
Encls. as stated

INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES
(For Self-Employed and/or Engaged in the Practice of Profession with Lone Income Payor)

I, _____, of legal age, single/ married to _____,
(Name) (Citizenship)
 _____ permanently residing at _____
(Name of Spouse) (Address)
 with
 Taxpayer Identification Number (TIN) _____, after having been duly sworn in accordance with law
 hereby depose and state:

- That I derived my _____ income only from _____
(business/professional) (Name of Lone Payor)
 with Taxpayer Identification Number _____ and business address at _____
 _____;
- That for the current year _____, my gross receipts will not exceed Two Hundred Fifty Thousand Pesos (P250,000.00) and that I am registered as a non-VAT taxpayer; that whatever is the amount of income received, I will comply with the requirement to file my Income Tax Return on the prescribed due date. For this purpose, I opt to avail of either one of the following:
 - ☐ Graduated Income Tax Rates under Section 24(A)(2)(a) of the Tax Code, as amended, based on the taxable income. With this selection, I acknowledge that I am subject to 0% income tax, thus, not subject to creditable withholding tax; subject to percentage tax, if applicable, and will file the required percentage tax returns or subject to withholding percentage tax, in case of government money payments.
 - ☐ Eight Percent (8%) income tax rate under Section 24(A)(2)(b) of the Tax Code, as amended, based on gross receipts/sales and other non-operating income - with this selection, I understand that this is in lieu of the graduated income tax rates and the Percentage Tax under Section 116 of the Tax Code, as amended; thus, no withholding tax shall be made;
- That based on my selection above, if my gross sales/receipts and other non-operating income exceeds P250,000.00 but not over P3,000,000.00, my afore-stated lone income payor shall automatically withhold the prescribed rate of withholding tax:
 - In case of Graduated Income Tax Rates, I acknowledge that aside from income tax, I am subject to business tax (Percentage Tax, if applicable) and creditable withholding of income in excess of P250,000.00, and business tax withholding, if any, are applicable on the entire income payment; OR
 - In case of Eight Percent (8%) income tax rate, I acknowledge that I am only subject to income tax and thus, to the creditable withholding income tax in excess of P250,000.00;
- That I duly execute this **SWORN DECLARATION** in compliance with the requirement prescribed under Section ____ of Revenue Regulations No. _____;
- That I declare, under the penalties of perjury, that this declaration has been made in good faith, and to the best of my knowledge and belief to be true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__ at _____, Philippines

Signature over Printed Name of Individual Taxpayer

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ in _____.
 Applicant exhibited to me his/her _____ issued at _____ on _____.
(Government Issued ID and No.)

NOTARY PUBLIC

Doc. No.: _____
 Page No.: _____
 Book No.: _____
 Series of _____

Affix P30.00
 Documentary
 Stamp Tax

(To be filled-out by the withholding agent/lone payor)

Date Received: _____
 (MM-DD-YYYY-00001)

Received by:

Signature over Printed Name of the Withholding Agent/Payor or Authorized Officer

Designation/Position of Authorized Officer

Name of Withholding Agent/Lone Payor

INCOME PAYOR/WITHHOLDING AGENT'S SWORN DECLARATION

I, _____, _____, of legal age, single/
married, the designated _____ of _____
with Taxpayer Identification Number (TIN) _____, after having been duly sworn in
accordance with law hereby depose and state:

1. That there are _____ income payees (self-employed individuals) where no withholding is made, consisting of the following:

Type of withholding NOT withheld	Number of income payees
Expanded WT only	
WT on VAT/Percentage Tax only	
Both expanded and VAT/Percentage tax	
Total	

2. That the above payees where no withholding tax is deducted from their income payment/s have executed the required Income Payee's Sworn Declarations on the amount of gross receipts which they expect to receive for the year _____, and these sworn declarations are duly received together with copies of their Certificate of Registration (COR);
3. That there are _____ individual income payees withheld five percent (5%) withholding tax rate due to their submission of "Payee's Sworn Declaration of Gross Receipts/Sales" stating that their gross receipts/sales shall not exceed ₱3,000,000 (₱3M) for the current year, while _____ non-individual payees submitted "Income Payee's Sworn Declaration" stating that their gross receipts/sales shall not exceed P720,000 for the current year;
4. That I am attaching with this sworn declaration the list of individual payees subject of items 1 and 2 above consisting of _____ number of pagers, the list of individual payees subject of item 3 above with _____ number of pages, and the list of non-individual payees subject also of item 3 above with _____ number of pages;
5. That the submission is in compliance with the requirements prescribed under Section _____ of Revenue Regulations No. _____.
6. That this declaration, including the attached list/s, is made in good faith, to the best of my knowledge and belief, to be true and correct, under the penalties of perjury.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__ at _____, Philippines

Signature over Printed Name of Withholding Agent Authorized Officer of the Withholding Agent

Designation Position of Authorized Officer

Name of Withholding Agent Lone Payor

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20__ in _____, Applicant exhibited to me his/her _____ issued at _____ on _____
(Government Issued ID and No.)

Doc. No.: _____
Page No.: _____
Book No.: _____
Series of: _____

Affix ₱30.00
Documentary
Stamp Tax

NOTARY PUBLIC

(To be filled-out by the concerned Revenue Officer)

Date Received: _____
(MM-DD-YYYY-00001)

Received by:

Signature over Printed Name of Revenue Officer

Designation Position of Revenue Officer

RDO No.