# Guidelines and Instructions for BIR Form No. 1601-EQ [January 2019 (ENCS)] Monthly Value-Added Tax (VAT) Declaration

**Who Shall File**

This quarterly withholding tax remittance return shall be filed in triplicate by every withholding agent (WA)/payor required to deduct and withhold taxes on income payments subject to Creditable Withholding Taxes.

If the Government of the Philippines or any political subdivision agency or instrumentality thereof, as well as a government-owned or controlled corporation, is the withholding agent/payor, the return shall be accomplished and signed by the officer or employee having control of disbursement of income payments or other officer or employee appropriately designated for the purpose.

If the person required to withhold and pay the tax is a corporation, the return shall be made in the name of the corporation and shall be signed and verified by the president, vice-president, or any authorized officer.

With respect to a fiduciary, the return shall be made in the name of the individual, estate or trust for which such fiduciary acts and shall be signed and verified by such fiduciary. In case of two or more joint fiduciaries, the return shall be signed and verified by one of such fiduciaries.

Authorized Representative and Accredited Tax Agent filing, in behalf of the taxpayer, shall also use this return to pay the creditable taxes withheld.

**When and Where to File and Remit**

The quarterly withholding tax remittance return shall be filed and the tax paid not later than the last day of the month following the close of the quarter during which withholding was made. Provided, however, that with respect to non-large and large taxpayers who shall file through the Electronic Filing and Remittance System (EFPS), the deadline for electronically filing the return and paying the taxes due thereon shall be in accordance with the provisions of existing applicable revenue issuances.

The return shall be filed and the tax paid with the Authorized Agent Bank (AAB) of the Revenue District Office (RDO) having jurisdiction over the withholding agent's place of business/office. In places where there are no Authorized Agent Banks, the return shall be filed and the tax paid with the Revenue Collection Officer (RCO) of the RDO having jurisdiction over the WA's place of business/office, who will issue an Electronic Revenue Official Receipt (eROR) therefor.

When the return is filed with an AAB, taxpayer must accomplish and submit BIR-prescribed deposit slip, which the bank teller shall machine validate as evidence that payment was received by the AAB. The AAB receiving the tax return shall stamp mark the word "Received" on the return and also machine validate the return as proof of filing and payment of the tax by the taxpayer. The machine validation shall reflect the date of payment, amount paid and transactions code, the name of the bank, branch code, teller's code and teller's initial. Bank debit memo number and date should be indicated in the return for taxpayers paying under the bank debit system.

A taxpayer may file a separate return for the head office and for each branch or place of business/office or a consolidated return for the head office and all the branches/offices except in the case of large taxpayers where only one consolidated return is required.

**Penalties**

There shall be imposed and collected as part of the tax:

1. A surcharge of twenty-five percent (25%) for the following violations:
   a. Failure to file any return and pay the amount of tax or installment due on or before the due date;
   b. Unless otherwise authorized by the Commissioner, filing a return with a person or office other than those with whom it is required to be filed;
   c. Failure to pay the full or part of the amount of tax shown on the return, or the full amount of tax due for which no return is required to be filed on or before the due date; d. Failure to pay the deficiency tax within the time prescribed for its remittance in the notice of assessment.

2. A surcharge of fifty percent (50%) of the tax or of the deficiency tax, in case any payment has been made on the basis of such return before the discovery of the falsity or fraud, for each of the following violations:
   a. Willful neglect to file the return within the period prescribed by the Code or by rules and regulations; or
   b. In case a false or fraudulent return is willfully made.
3. Interest at the rate of double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas from the date prescribed for remittance until the amount is fully remitted: Provided, That in no case shall the deficiency and the delinquency interest prescribed under Section 249 Subsections (B) and (C) of the National Internal Revenue Code, as amended, be imposed simultaneously.
4. Compromise penalty.

**Violation of Withholding Tax Provisions**

Any person required to withhold, account for, and remit any tax imposed by the National Internal Revenue Code or who willfully fails to withhold such tax, or account for and remit such tax, or aids or abets in any manner to evade any such tax or the remittance thereof, shall, in addition to other penalties provided for under the Law, be liable upon conviction to a penalty equal to the total amount of the tax not withheld, or not accounted for and remitted.

Any person required under the National Internal Revenue Code or by rules and regulations promulgated thereunder to pay any tax, make a return, keep any record, or supply correct and accurate information, who willfully fails to pay such tax, make such return, keep such record, or supply such correct and accurate information, or withhold or remit taxes withheld, or refund excess taxes withheld on compensation, at the time or times required by law or rules and regulations shall, in addition to the other penalties provided by law, upon conviction thereof, be punished by a fine of not less than ten thousand pesos (P = 10,000.00) and suffer imprisonment of not less than one (1) year but not more than ten (10) years.

Every officer or employee of the Government of the Republic of the Philippines or any of its agencies and instrumentalities, its political subdivisions, as well as government-owned or controlled corporations, including the Bangko Sentral ng Pilipinas, who, under the provisions of the Code, as amended, or regulations promulgated thereunder, is charged with the duty to deduct and withhold any internal revenue tax and to remit the same in accordance with the provisions of the Tax Code, as amended, and other laws and who is found guilty of any offense herein below specified shall, upon conviction of each act or omission, be fined in a sum not less than five thousand pesos (P = 5,000) but not more than fifty thousand pesos (P = 50,000) or imprisoned for a term of not less than six (6) months and one day but not more than two (2) years, or both:

a. Those who fail or cause the failure to deduct and withhold any internal revenue tax under any of the withholding tax laws and implementing regulations;
b. Those who fail or cause the failure to remit taxes deducted and withheld within the time prescribed by law, and implementing regulations; and
c. Those who fail or cause the failure to file a return or statement within the time prescribed, or render or furnish a false or fraudulent return or statement required under the withholding tax laws and regulations.

If the withholding agent is the Government or any of its agencies, political subdivisions or instrumentalities, or a government-owned or controlled corporation, the employee thereof responsible for the withholding and remittance of tax shall be personally liable for the additions to the tax prescribed by the National Internal Revenue Code.

**Note: All background information must be properly filled out**.

- The last 5 digits of the 14-digit TIN refers to the branch code
- All returns filed by an accredited tax agent on behalf of a taxpayer shall bear the following information:
  A. For Individual (CPAs, members of GPPs, and others)
  a.1 Taxpayer Identification Number (TIN); and
  a.2 BIR Accreditation Number, Date of Issue, and Date of Expiry.
  B. For members of the Philippine Bar (Lawyers)
  b.1 Taxpayer Identification Number (TIN);
  b.2 Attorney's Roll Number;
  b.3 Mandatory Continuing Legal Education (MCLE) Compliance Number; and
  b.4 BIR Accreditation Number, Date of Issue, and Date of Expiry.

**Required Attachments:**

- Acknowledgment Receipt/Validation Successful message as proof of submission of Quarterly Alphalist of Payees (QAP) thru Electronic attachment for eFPS or email to esubmission@bir.gov.ph