

# BIR FORM 1701 PRIMER

## ANNUAL INCOME TAX RETURN FOR SELF-EMPLOYED/PROFESSIONALS, ESTATES AND TRUSTS (INCLUDING THOSE WITH BOTH BUSINESS AND COMPENSATION INCOME) -

Individuals who are engaged in trade or business or the practice of profession including those mixed income earners (i.e., those engaged in the trade/business or profession who are also earning compensation income) are required to file an annual income tax in accordance with Sec. 51 of the Code, as amended. The annual income tax return summarizes all the transactions covering the calendar year of the taxpayer.

This Form is to be accomplished by the taxpayer in three (3) copies. The first two (2) copies upon filing will be submitted to BIR for its File and Encoding Copies, while the third copy is retained by the taxpayer for his/her/its File Copy.

This Form is required to be filed, whether or not resulting in taxable income or loss or no operations/transactions.

The following are the general instructions in accomplishing this Form:

- (1) All applicable spaces must be filled in;
- (2) All information required by the Form must be written in capital fonts (CAPITAL LETTERS);
- (3) Mark with an "X" all applicable circles.

### (A) Contents and Instruction/Description of the Fields of Information/Data Required by the Form.

Item No.	Information/Data	Description
<b>Part 1 Background Information</b>		
1	For the year (YYYY)	Indicate the taxable year covered by the return. Individual taxpayers are always on a calendar year basis (i.e. 2012).
2	Amended Return? <input type="radio"/> Yes <input type="radio"/> No	Mark the applicable circle with an "X". This item shall indicate whether or not the tax return being accomplished and filed for the year is a correction or an amendment to a previously filed income tax return covering the same year .
3	Joint Filing? <input type="radio"/> Yes <input type="radio"/> No	Mark the applicable circle with an "X". This item shall indicate whether or not the return to be accomplished, in the case of spouses, shall be a joint return of both their income. If no spouse, mark the No circle with an "X".
<b>TAXPAYER'S BACKGROUND INFORMATION</b>		
4	Taxpayer Identification Number (TIN)	Fill in the Taxpayer Identification Number (TIN) issued to the taxpayer evidencing his/her/its registration with the Bureau. The TIN comprises of a nine to thirteen (9 to 13) digit numeric code where the first nine (9) digits is the TIN proper and the last four (4) digits is the branch code. The branch code shall always be 0000.
5	RDO Code	Indicate the Revenue District Office Code, comprising of three (3) digits numeric or alphanumeric code, where the taxpayer's head

		office is registered. For example: 001 for Laoag City, 43A for East Pasig.
6	Taxpayer's Name Last Name First Name Middle Name	Write the name of the individual taxpayer beginning with the surname/last name followed by the first name and lastly the middle name.
7	Registered Address Unit/Room Number/Floor Building Name Lot/Block/Phase/House/Building Number Street Name Subdivision/Village Barangay Municipality/City Province Zip Code	Write the registered address of the principal place of business of the taxpayer. All applicable spaces must be filled in.
8	Date of Birth (MM/DD/YYYY)	Write the taxpayer's date of birth indicating the month, day and year. In case of estate or trust, the date of birth is the day when it was registered in the BIR. For example: If the birthday is January 5, 1970, write 01 05 1970.
9	Gender (Sex) <input type="radio"/> Male <input type="radio"/> Female	Mark the applicable circle with an "X". This refers to the gender of a person, either a male or female, at the time of birth in accordance with the Civil Code. For estate and trust, leave this item unmarked.
10	Civil Status <input type="radio"/> Single <input type="radio"/> Married <input type="radio"/> Separated <input type="radio"/> Widow/er	Mark the applicable circle with an "X". This refers to the civil status of the taxpayer. The estate or trust is considered to be single.
11	Contact Number	Write the telephone or cell phone number of the taxpayer where the taxpayer can be contacted in case there is a need to validate certain information/data contained in the return filed.
12	E-mail address	Write the existing official email address of the taxpayer wherein BIR will be able to communicate electronically in case there is a need to validate certain information/data contained in the return filed
13	Line of Business	Indicate the nature of the business/profession the taxpayer is engaged in as indicated in the Certificate of Registration (BIR Form No. 2303).

14	Alphanumeric Numeric Code (ATC) II 011 Compensation Income <input type="radio"/> II 012 Business Income/Income from Profession <input type="radio"/> II 013 Mixed Income <input type="radio"/>	Mark the applicable circle with an "X".
15	Method of Deduction <input type="radio"/> Itemized Deduction [Secs. 34 (A to J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD)-40% of Gross Sales/ Receipts/Revenues/Fees [Section 34 (L), NIRC, as amended by R.A. No. 9504]	Mark the applicable circle with an "X" the method of deduction employed by the taxpayer in claiming the deductions for the taxable year whether itemized or optional standard deduction. The chosen method of deduction used in the first quarter of the year shall be consistently applied throughout the year.
16	Claiming for Additional Exemption? <input type="radio"/> Yes <input type="radio"/> No	Mark the circle Yes with an "X" if the taxpayer/filer is the one claiming the additional exemption/s for qualified child/ren, otherwise mark with "X" the circle No. If there is no child to be claimed as additional exemption, leave the space unmark.
17	If yes, number of Qualified Dependent Children	If yes to Item 16, write 1, 2, 3 or 4 on the box depending on the number of qualified dependent child/ren listed in Item 29.
<b>SPOUSE'S INFORMATION</b>		
18	Spouse's Name Last Name First Name Middle Name	Write the name of the spouse of the individual taxpayer beginning with the surname/last name followed by the first name and lastly the middle name.
19	Taxpayer Identification Number (TIN)	Fill in the Taxpayer Identification Number (TIN) issued to the spouse of the taxpayer evidencing his/her registration with the Bureau, if applicable.
20	RDO Code	Indicate the Revenue District Office Code, comprising of three (3) digits numeric or alphanumeric code, where the spouse of the taxpayer is registered, if applicable.
21	Date of Birth (MM/DD/YYYY)	Write the date of birth of the spouse of the taxpayer indicating the month, day and year. For example: If the birthday is January 5, 1970, write 01 05 1970.
22	Contact Number	Write the telephone or cell phone number of the spouse of the taxpayer where the spouse can be contacted in case there is a need to validate certain information /data contained in the return filed.

23	E-mail Address	Write the existing official e-mail address of the spouse of the taxpayer wherein BIR will be able to communicate electronically in case there is a need to validate certain information/data contained in the return filed.
24	Line of Business	Indicate the nature of the business/profession the spouse of the taxpayer is engaged in, if applicable.
25	Alphanumeric Numeric Code (ATC) II 011 Compensation Income <input type="radio"/> II 012 Business Income/Income from Profession <input type="radio"/> II 013 Mixed Income <input type="radio"/>	Mark the applicable circle with an "X".
26	Method of Deduction <input type="radio"/> Itemized Deduction [Secs. 34 (A to J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD)-40% of Gross Sales/ Receipts/Revenues/Fees [Section 34 (L), NIRC, as amended by R.A. No. 9504]	Mark the applicable circle with an "X" the method of deduction employed by the spouse of the taxpayer in claiming the deductions for the taxable year whether itemized or optional standard deduction. The chosen method of deduction used in the first quarter of the year shall be consistently applied throughout the year.
27	Claiming for Additional Exemption?	Mark the circle Yes with an "X" if the spouse is the one claiming the additional exemption/s for qualified child/ren, otherwise mark with "X" the circle No. If there is no child to be claimed as additional exemption, leave the space unmark.
28	If yes, number of Qualified Dependent Children	If yes to Item 28, write 1, 2, 3 or 4 on the box depending on the number of qualified dependent child/ren listed in Item 29.
29	Qualified Dependent Children	Write the surname/last name, first name(s), middle name, date of birth, (month, day, and year) of the child/ren, and mark the circle with an "X" if physically or mentally incapacitated. In the case of married individuals where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption. An individual, whether single or married, shall be allowed an additional exemption of P25,000.00 for each qualified dependent child, not exceeding four (4). The additional exemption for dependents shall be claimed by the husband, who is deemed the proper claimant unless he explicitly waives his right in favor of his wife.  Dependent child means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer if such dependent is not

		more than twenty one (21) years of age, unmarried and not gainfully employed or if such dependent, regardless of age, is incapable of self-support because of mental or physical defect.
30	Are you availing of tax relief under Special Law or International Tax Treaty? O Yes O No	Mark the applicable circle with an "X". The yes circle is applicable to those who are availing of preferential tax rates/incentives and privileges/exemptions granted by special law, international agreement or treaty.  If the answer to this query is yes, the taxpayer is required to fill in Part VII (Items 91 to 98) the specific details to indicate the required information/data to which the particular incentive/exemption/preferential tax rate is being availed, otherwise, mark the circle No with an "X".
<b>NOTE: In case any information in the income tax return differs from the registered information, the taxpayer shall immediately inform/notify in writing the Revenue District Office where the taxpayer is registered using BIR Form No. 1905 in order to effect the necessary change/update on any background information in the registration.</b>		
<b>Part II Computation of Tax</b> <b>(NOTE: The tax shall be computed per column for Taxpayer or Spouse)</b>		
<b>Before filling in Part II, fill in first Part V of this form (Items 51 to 71)</b>		
31	Income Tax Due under Regular Rate	Write the amount of income tax due under Regular Rate by copying the amount reflected in Item 69C/69D of Part V.
32	Add: Income Tax Due under Special Rate	Write the amount of income tax due under Special rate by copying the amount reflected in Item 69A/69B of Part V.
33	Total Income Tax Due	Write the amount of Total Income Tax Due which is the sum of Items 31A and 32A/31B and 32B.
34	Aggregate Income Tax Due	Write the amount of aggregate income tax due of the taxpayer and spouse which is the sum of Items 33A and 33B.
35	Less: Tax Credits/Payments (attach proof)	This refers to the amount of tax credits/payments of the taxpayer/spouse during the year allowed to be deducted from the tax due. Proof is required to be attached.
35A/B	Prior Year's Excess Credits	This refers to the amount of excess payments/withholding in prior year/s which are carried forward in the current year and allowed to be applied against the income tax due.
35C/D	Tax Payment for the 1 <sup>st</sup> Three Quarters	Write the amount of the income tax payments made for the first three (3) quarters of the current year.

35E/F	Creditable Tax Withheld for the 1 <sup>st</sup> Three Quarters	Write the amount of the creditable income tax withheld by payor/s on the income payments made to the taxpayer/spouse in the first three quarters of the current year.
35G/H	Creditable Tax Withheld per BIR Form No. 2307 for the 4 <sup>th</sup> quarter	Write the creditable income tax withheld by payor/s on the income payments made to the taxpayer/spouse in the fourth (4 <sup>th</sup> ) quarter of the current year. Attach BIR Form No. 2307 issued by the payor/s.
35I/J	Tax withheld per BIR Form No. 2316	Write the amount of withholding tax on compensation withheld by the employer/s on the compensation income of the taxpayer/spouse and remitted to the BIR. Attach BIR Form No. 2316 issued by the employer/s.
35K/L	Tax Paid in Return Previously Filed, if this is an Amended Return	Indicate the amount of income tax paid in the previous return filed. Attach the previous return filed and proof of income tax payment.
36M/N	Foreign Tax Credits	Write the amount of final tax or income tax withheld by a foreign country. Ex: Income tax withheld by the U.S. government to the prize of Manny Paquiao after his fight or the income tax withheld by a U.S. corporation(s) wherein he endorsed its/their products.
35O/P	Other Payments/Credits, specify	Indicate the amount/s of any other payments/tax credits allowed to be applied against the tax due.
35Q/R	Total Tax Credits/ Payments	Write the amount of the total tax credits/payment claimed ( <i>Sum of Items 35A, C, E, G, I, K, M and O/35B, D,F, H, J, L, N and P</i> )
36	Net Tax Payable/(Overpayment)	Indicate the difference between the tax due in Item 33A/33B and the total payments/credits in Item35Q/35R).
37	Aggregate Tax Payable/ (Overpayment)	Indicate the aggregate tax payable/ (overpayment) of taxpayer and spouse which is the sum of Items 36A and 36B.
38 Penalties	<p>38A/38E Surcharge (25% or 50% of tax due)</p> <p>38B/38F Interest (20% per year of tax due)</p> <p>38C/38G Compromise (basis is RMO 19-2007)</p> <p>38D/38H Total penalties (sum of Items 38A, 38B and 38C/38E, 38F and</p>	<p>Indicate the amounts which are additions to the tax that serve as civil penalties imposed upon the taxpayer in cases of violations committed with respect to the filing of the income tax return and/or payment of the tax due thereon.</p> <p>There shall be imposed and collected as part of the tax:</p> <p>1. A surcharge of twenty five percent (25%) for each of the following violations:</p> <p>a) Failure to file any return and pay the amount of tax or installment due on or</p>

	38G)	<p>before the due dates;</p> <p>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;</p> <p>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;</p> <p>d) Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment.</p> <p>2. A surcharge of fifty percent (50%) of the basic tax or of the deficiency tax shall be imposed in case of willful neglect to file the return within the period prescribed by the Tax Code and/or by rules and regulations or in case of a false or fraudulent return is filed.</p> <p>3. Interest at the rate of twenty percent (20%) per annum on any unpaid amount of tax, from the date prescribed for the payment until it is fully paid.</p> <p>4. Compromise Penalty, pursuant to existing/applicable revenue issuances.</p>
39	Aggregate Penalties	Indicate the aggregate penalties of taxpayer and spouse which is the sum of Items 38D and 38H.
40 40A/40B	Total Amount Payable/ (Creditable/Refundable)	Indicate the total amount payable/ (creditable/ refundable) which is the sum of Items 36A & 38D/36B and 38H.
41	Aggregate Amount Payable/ (Creditable/Refundable)	Indicate the aggregate amount payable/ (creditable /refundable) of taxpayer and spouse which is the sum of Items 40A and 40B.
42 42A/42B	Less: Portion of Tax Payable Allowed for 2 <sup>nd</sup> Installment Payment to be paid on or before July 15	<p>Indicate the amount/ portion of tax payable allowed for 2<sup>nd</sup> installment payment to be paid on or before July 15.</p> <p>When the tax due is in excess of P 2,000.00, the taxpayer may elect to pay the tax in two (2) equal installments in which case, the first installment shall be paid at the time the return is filed and the second installment, on or before July 15 following the close of the calendar year.</p>
43 43A/43B	Amount of Tax Required to be Paid Upon Filing this Return	Indicate the amount of tax required to be paid upon filing which is the difference between the total amount payable in Item 40 and portion of tax payable allowed for 2 <sup>nd</sup> installment in Item 42.
44	Net aggregate amount of tax required to be paid/ (creditable/ refundable) upon filing of this	Indicate the net aggregate amount of tax required to be paid by taxpayer and spouse which is the sum of Items 43A and 43B.

	return.	
	<p>If overpayment , mark “X” one circle only</p> <p><input type="radio"/> To be refunded</p> <p><input type="radio"/> To be issued a Tax Credit Certificate (TCC)</p> <p><input type="radio"/> To be carried over as tax credit for next year/quarter</p>	<p>An excess of the total tax credits/payments over the actual income tax due computed in the final adjusted return may be refunded or issued with the Tax Credit Certificate to the taxpayer or credited against his/her estimated income tax liabilities for the quarters of the succeeding taxable years. The taxpayer shall exercise its option by marking with an “X” the appropriate circle. Thus, once the taxpayer opted to carry-over and apply the excess income tax against income tax due for the succeeding taxable year, no application for cash refund or issuance of a tax credit certificate shall be allowed. In case the taxpayer fails to signify his/her choice, the excess payment shall be automatically carried-over to the next taxable period.</p>
<b>Part III Availment of Tax Income Incentives/Exemptions</b>		
45	Total Tax Relief/Savings	Indicate the amount of total tax relief by copying the amount in Item 98J/98K of Part VII
46	Aggregate Amount of Tax Relief/Savings	Indicate the aggregate amount of tax relief/savings of taxpayer and spouse which is the sum of Items 45A and 45B.
<b>Part IV Details of Payment</b>		
	<p><b>A – Drawee Bank/Agency</b>  <b>B – Number</b>  <b>C – Date (MM/DD/YYYY)</b>  <b>D – Amount</b></p>	Space to indicate the details of the payment and the mode of payment (whether by cash/bank debit memo, check, TDM, others) identifying the bank/agency; number, if any; date; and amount. Only the applicable spaces must be filled in.
47	Cash/Bank Debit Memo	For cash payment, indicate the amount in column 46D and write “ <b>N/A</b> ” ( <i>Not Applicable</i> ) in columns A, B and C. For Bank Debit Memo (BDM), indicate the name of the bank, number, date of BDM and amount in the appropriate columns (A, B, C and D).
48	Check	Indicate the name of drawee bank, check number, date of check and amount in the appropriate columns (A, B, C and D).
49	Tax Debit Memo	Indicate the Tax Debit Memo (TDM) number, date and amount in the appropriate columns (A, B and C).
50	Others	Specify other modes of payment. Indicate “ <b>N/A</b> ” or fill in appropriate columns, if applicable. Ex. Special Allotment Release Order (SARO) Tax Subsidy Debit Memo (TSDM) Tax Remittance Advice (TRA) Tax Subsidy Availment Certificate (TSAC) Direct Crediting



	<b>Receiving Portion</b>  <b>Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)</b>	Space provided for stamping and affixing the initials of the revenue officer or bank teller, as the case maybe, evidencing the date of receipt of the return from the taxpayer/authorized representative.
<b>Part V Breakdown of Income (attach additional sheet/s, if necessary)</b>		
<b>This part shall be filled in first before filling in Part II (Items 31 to 44)</b> <b>(NOTE: The tax shall be computed per tax regime per column of taxpayer and spouse.)</b> <b>A – Exempt; B – Special Rate; C – Regular/Normal Rate</b>		
51	Gross Compensation Income (from schedule 1)	Indicate the gross compensation income earned during the calendar year. This can be taken from Item 75A and/or 75C of Part VI, Schedule 1.
52	Less: Non-Taxable/Exempt Compensation	Indicate the total non-taxable/exempt compensation such as, contributions to PAG-IBIG, PHILHEALTH, SSS, GSIS, Union dues and other non-taxable/exempt compensation as reflected in BIR Form No. 2316-Certificate of Compensation and Taxes Withheld issued by the employer/s.
53	Gross Taxable Compensation Income	The difference between Gross Compensation Income (Item 51) and Non-Taxable/Exempt Compensation (Item 52). Taxpayer: 53A = 51A less 52A; Spouse: 53B = 51B less 52B
54	Less Deductions	This refers to allowable deductions under the Code.
54A/B	Premium on Health and/or Hospitalization Insurance (not to exceed P 2,400/year)	Indicate the amount of actual health and/or hospitalization insurance premium but not to exceed P 2,400.00 Provided, that, the family gross income is P 250,000.00 or less in a taxable year. Provided, finally, that in case of married taxpayers, only the spouse claiming for additional exemption for dependents shall be entitled to this deduction.
54C/D	Personal Exemption/Exemption for Estate or Trust	Indicate the amount of P 50,000.00 allowed for each individual taxpayer, whether single or married. For Estate or Trust, the personal exemption is P 20,000.00.
54E/F	Additional Exemptions	Indicate the amount claimed by individual, whether single or married, which shall be P 25,000.00 for each qualified dependent child, <u>not exceeding four (4)</u> . For example: with 1 qualified dependent child P 25,000.00; with 5 qualified dependent children, only P 100,000.00 is allowed (4 x P 25,000.00).
54G/H	Total Deductions	Write the Sum of Items 54A, C & E/54B, D & F.

55	Total Compensation Income/ (Excess of Deductions)	Indicate the amount which is Item 53A less 54G/ Item 53B less 54H.
56	Sales/Revenues/Receipts/Fees (net of sales returns, allowances and discounts)	Write the amount of Sales/Revenues/Receipts/ Fees (net of sales returns, allowances and discounts) of the taxpayer/spouse during the taxable year from trade/business or practice of profession segregated into corresponding columns of exempt, special rate or regular rate. For example: BMBE—exempt, PEZA—special rate.
57	Add: Other Taxable/Exempt Income from Operation, not subject to final tax	Indicate the amount of other taxable/exempt income from operation, which was not subjected to final tax. For example: scrap sale.
58	Total Sales/Revenues/Receipts/Fees	Indicate the amount of sales /receipts/revenues/fees and other taxable income which is the sum of Items 56A & 57M, 56B & 57N for exempt, 56C & 57O, 56D & 57P for special rate and 56E & 57Q, 56F & 57R for regular rate.
59	Less: Cost of Sales/Services	Indicate the amount of direct cost incurred in generating the sales from goods/services.
60	Net Sales/Revenues/Receipts/Fees	Write the amount of net sales/revenues/ receipts/fees which is Item 58A less 59A, 58B less 59B for exempt, 58C less 59C, 58D less 59D for special rate and 58E less 59E, 58F less 59F for regular rate.
61	Add: Non-Operating Taxable Income	Indicate the amount of Non-operating Taxable Income. For example: Interest income from advances to employees.
62	Gross Income	Write the amount of gross income which is the sum of Net sales/revenues/receipts/fees and non- operating taxable income (Item 60 plus Item 61).  For ECOZONES Gross income shall refer to gross sales or gross revenue derived from registered business activity within the zone, net of sales discounts, sales returns and allowances minus <u>cost of sales or direct costs</u> but before any deductions for administrative, marketing, selling, operating expenses or incidental losses during a given taxable period.  For BCDA Gross income shall refer to gross sales or gross revenue derived from registered business activity within the zone, net of sales discounts, sales returns and allowances minus <u>cost of sales or direct costs</u> but before any deductions for administrative, marketing, selling, operating expenses or incidental losses during a given

		taxable period. For financial enterprises, gross income shall include interest income, gains from sales and other income net of costs of funds.
63	Less: Deductions	Refers to allowable deductions.
63A/B	Optional Standard Deduction (OSD)  <b><u>OR</u></b>	Indicate the amount of computed OSD if the option to use OSD is exercised. The amount of OSD is forty percent (40%) of the Total Sales/Revenues/Receipts/fees (Item 58E/58F x 40%). This type of deduction shall not be allowed for non-resident aliens engaged in trade or business. Once this option is availed of, the taxpayer need not submit the Account Information Form (AIF)/ Financial Statements (FS).
63C/D/E/F/G/H	Regular Allowable Itemized Deductions	Indicate the amount of allowable expenses incurred during the taxable year. This is the total amount reflected in the Mandatory Attachment to BIR Form No. 1701.
63I/J/K/L/M/N 63O/P/Q/R/S/T	Special Allowable Itemized Deductions  <i>Description</i>  <i>Legal Basis</i>	Write the amount of allowable deductions provided under existing regular and special laws, rules and issuances such as but not limited to Rooming-in and Breastfeeding Practices under RA 7600, Adopt-a-School Program under RA 8525, Expanded Senior Citizens Discount under RA 9994, and Free Legal Assistance under RA 9999.
63U/V/W/X/Y/Z	Allowance for NOLCO <i>(from Item 83)</i>	Write the amount of the applied portion of Net Operating Loss Carry Over (NOLCO) computed in Item 83 of Part VI, Schedule 2A.
63AA/AB/AC/ AD/AE/AF	Total Allowable Itemized Deductions	Indicate the sum of the regular and special allowable itemized deductions, and allowance for NOLCO ( <i>Sum of Items 63C, I, O &amp; U/ 63D, J, P &amp; V/ 63E, K, Q &amp; W/ 63F, L, R &amp; X/ 63G, N, S &amp; Y/ 63H, N, T &amp; Z</i> ).
64	Net Income	Indicate the amount of net income which is the difference between gross income and total deductions. ( <i>For taxpayers who opted to avail of OSD – Item 62E less 63A/ 62F less 63B</i> ). <i>For taxpayers who opted for itemized deductions - Item 62A less 63AA/ 62B less 63AB/ 62C less 63AC/ 62D less 63AD/ 62E less 63AE/ 62F less 63AF.</i> )
65	Less: Excess of Deductions over Taxable Compensation Income ( <i>from Item 55A/55B</i> ) OR the Total Deductions ( <i>from Item 54G/54H</i> ), if there is no Compensation Income	Indicate the amount of excess of Deductions over Taxable Compensation Income ( <i>from Item 55A/55B</i> ) OR the Total Deductions ( <i>from Item 54G/54H</i> ), if there is no Compensation Income.

66	Taxable/Exempt Business Income/ Income from Profession (Item 64 less 65)	Indicate the amount of Taxable/Exempt Business Income/Income from profession which is Item 64 less Item 65.
67	Total Taxable Income (Sum of Items 55 and 66)	Indicate the amount of Total Taxable Income which is the sum of Items 55 and 56. However, if Item 55 (Total Compensation Income/ (Excess of Deductions) shows negative amount, simply copy the amount in Item 66.
68	Applicable Tax Rate (i.e. special rate/regular rate)	For special rate, indicate special rate under existing laws. For example: PEZA 5%  For regular rate, indicate the applicable tax rate under Section 24 as shown below:  If taxable income is: Not over P10,000 = 5% Over P10,000 but not over P30,000 = P500 + 10% in excess of P10,000 Over P30,000 but not over P 70,000 = P2,500 + 15% in excess of P30,000 Over P70,000 but not over P140,000 = P8,500 + 20% in excess of P70,000 Over P140,000 but not over P250,000 = P22,500 + 25% in excess of P140,000 Over P250,000 but not over P500,000 = P50,000 + 30% in excess of P250,000 Over P 500,000 = p125,000 + 32% in excess of P500,000
69	Income Tax Due	Indicate the amount of tax due by multiplying the total taxable income (Item 67) by the applicable tax rate (Item 68).
70	Less: Share of Other Agencies	Indicate the portion of the income tax computed under the special rate due to the other agencies. For example: 2% share of LGU for PEZA enterprise.
71	Income Tax Due to National Government under Special Rate	Indicate the difference between the income tax due (Item 69) and share of other agencies (Item 70).
<b>Part VI Schedule 1 Gross Compensation Income and Tax Withheld (attach additional sheet/s, if necessary)</b>		
72 to 74	Names of Employer/s	Write the name(s) of employer/s or employers if more than 1 during the taxable year.
A/B/C/D/E	Taxpayer Identification Numbers (TINs)	Write the TIN(s) of employer or employers if more than 1 during the taxable year.
	Compensation Income - Taxpayer/Filer or Spouse	Write the compensation income or compensation incomes of taxpayer/spouse, if more than 1 employers during the year.

75	Tax Withheld – Taxpayer/Filer or Spouse  Total Compensation Income/Tax Withheld	Write the tax withheld or taxes withheld of taxpayer/spouse if more than 1 employers during the year.  Sum of the compensation income(s)/tax/es withheld of the taxpayer/spouse (Sum of Items 72 to 74).
<b>Schedule 2 Computation of Net Operating Loss Carry Over (NOLCO)</b>		
76	Gross Income	Copy the amount of gross income in Item 60
77	Less: Total Deductions Exclusive of NOLCO & Deductions under Special Laws	Copy the amount of regular allowable itemized deductions in Item 63E/F/G/H
78	Net Operating Loss Carry Over	Indicate the difference between Item 76 and 77.
<b>Schedule 2A Computation of Available Net Operating Loss Carry Over (NOLCO) (attached additional sheet/s, if necessary)</b>		
A schedule which is an integral part of the form detailing the computation of available NOLCO (applied and unapplied portion). Only net operating losses incurred by the qualified taxpayer may be carried over to the next three (3) immediately succeeding taxable years following the year of such loss.		
79 to 82  A/B/C/D/E	<b><u>Net Operating Loss Year Incurred</u></b> <b>A - Amount</b>  <b><u>Net Operating Loss Carry Over</u></b> <b>B - Applied Previous Year</b> <b>C - Applied Current Year</b> <b>D - Expired</b>  <b><u>E - Net Operating Loss (Unapplied)</u></b>	Indicate the year incurred in 79 to 82 and the amount in 79A to 82A for net operating loss.  Indicate the amount for net operating loss carry over applied for the previous year (Items 79B to 82B), applied for the current year (Items 79C to 82C) and the expired portion (Items 79D to 82D).  Indicate the unapplied amount of net operating loss (Items 79E to 82E).
83	Total (Sum of Items 79C, 80C, 81C & 82C) (to Item 63W/X/Y/Z)	Write the sum of available net operating loss carry over applied to the current year (Sum of Items 79C, 80C, 81C & 82C)
<b>Schedule 3 Reconciliation of Net Income per Books Against Taxable Income (attached additional sheet/s, if necessary)</b>		
84	Net Income/(Loss) per Books	Net Income(Loss) before Income Tax
85	Add: Other Taxable Income/Non-deductible Expenses	Indicate the amount of Non-operating Taxable Income. For example: Interest income from advances to employees.  Indicate the amount of non-deductible expenses. Example: Depreciation Expense arising from increase in valuation as a result of appraisal.  Write the total amount of all non-deductible expenses and taxable other income under the appropriate column whether at the regular or special rate columns.

		<p>For taxpayer subject to regular rate, fill up the regular/normal rate column with the non-deductible expenses such as: allowance for bad debts not actually written off, amortization and others which are not deductible for taxation purposes. Also, add other taxable income such as: recovery of bad debts previously written off, adjustment to retained earnings, and other adjustments that are considered as income for tax purposes.</p> <p>For taxpayer subject to special rate, fill up the special rate column with the non-deductible expenses for tax purposes such as: administrative, marketing, selling, operating expenses or incidental losses during a given taxable period. Further, all other items considered as income for tax purposes should be added-back.</p>
86	Total	Item 84 less item 85= Item 86
87	Less: Total Non-taxable Income and Income Subjected to Final Tax	Example of non-taxable income: Retirement benefits pursuant to Section 32(B)(6)(a). Example of income already subjected to final tax: Interest income from bank deposit wherein the 20% final tax was withheld by the bank.
88	Special Deductions	<p>Write the amount of special deductions such as deductions under the Adopt-a-School Program, free legal assistance, senior citizens discounts, etc.</p> <p>Indicate the sum of 63K &amp; Q, 63L &amp; R, 63M &amp; S and/or 63N &amp; T in the corresponding column of tax regime.</p>
89	Total	Sum of Items 87 and 88.
90	Net Income	Indicate the resulting difference of the Total Income and Total Deductions (Item 86A less 89A/86B less 89B/86C less 89C/86D less 89D). This should equal the amount reflected as Net Income from Item 64C & 64D/64E & 64F.
<b>Part VII Details of Income Tax Incentives/Exemptions (attach additional sheet/s, if necessary)</b>		
91A to 97A	Certificate of Registration/BIR Ruling/MOA/Others	Write the registered activity/program as shown in the registration certificate issued by the concerned IPA which granted the exemption/incentive/preferential tax rate, for example Board of Investment (BOI), Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Cooperative Development Authority (CDA), Department of Foreign Affairs, etc. Indicate the registration number, if applicable.

91B to 97B	Legal Basis (Special Law/ R.A. No.)	Write the specific special law, international agreement or treaty which is the legal basis for the grant of the tax exemption/ incentive/preferential tax rate. For example, EO 226 – Omnibus Investment Code, RA 7196 - PEZA Law, in the case of regular/normal rate (special tax relief) RA 8525– Adopt-a-School Program or RA 9257 Senior Citizens Act, etc.
91C to 97C	Effectivity Date of Incentive Exemption From (MM/DD/YYYY)	Indicate the start date of the effectivity on the grant of tax exemption/incentive/preferential tax rate as shown in the certificate of registration issued by the concerned IPA by writing the month, day and year. For example: May 1, 2011 as the start date, write 05 01 2011.
91D to 97D	To (MM/DD/YYYY)	Indicate the end date of the effectivity on the grant of tax exemption/incentive/preferential tax rate as shown in the certificate of registration issued by the concerned IPA by writing the month, day and year. For example: April 30, 2014 as the end date, write 04 30 2014.
91E to 97E	Nature and Extent of Incentive/ Exemption	For example: ITH
91F to 97F 91G to 97G	Amount of Income Tax Payable under Regular Rate Taxpayer/Filer Spouse	Indicate the regular income tax otherwise due by first getting the sum of special allowable itemized deductions in Items 63I to 63T and the net taxable income in Item 67, then multiply by the applicable tax rate (refer to tax table).
91H to 97H 91I to 97I	Amount of Actual Income Tax Paid Taxpayer/Filer Spouse	Copy the computed income tax due in Item 69.
91J to 97J 91K to 97K	Amount of Tax Relief/Savings Taxpayer Spouse	Difference between column F and column H/column G and column I.
98	Total	Sum of Items 91J to 97J/91K to 97K which shall be forwarded to item 45
<b>Part VIII – For Estate and Trust (Engaged in Trade and Business)</b> <b>Payments to Heirs/Beneficiaries (attached additional sheet/s, if necessary)</b>		
99 to 101	Name	Indicate the Name/s of Heir/s or Beneficiary/ies.
99A to 101A	Taxpayer Identification Number (TIN)	Indicate the TIN/s of Heir/s or Beneficiary/ies.
99B to 101B	Amount	Write the amount of income payment/s to heir/s or

		beneficiary/ies.
99C to 101C	Tax Withheld	Write the amount of tax/es withheld from the income payment/s to heir/s or beneficiary/ies.
102	Total Payment to Heirs/Beneficiaries	Write the total income payment/s to the heir/s of the estate or to the beneficiaries of the trust. (Sum of Items 99B to 101B)
<b>Jurat Clause</b>		
<b><i>I declare under the penalties of perjury, that this annual return has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.</i></b>		
103	Name of the Taxpayer/ Authorized Representative/ Accredited Tax Agent  Position and TIN of Authorized Representative/ATA  Tax Agent Accreditation No./ Atty's Roll No. (if applicable) Issue Date Date of Expiry	Portion requiring the signature of the taxpayer or any person filing on his/her/its behalf such as his/her/its authorized representative or accredited tax agent (ATA) attesting to the truthfulness and correctness of the information contained in the return.  In case the return is filed by an authorized representative, the TIN of the authorized representative must be indicated and an authorization letter from the taxpayer must be attached.  All returns filed by an accredited tax agent on behalf of a taxpayer shall bear the following information: A. For CPAs and others (individual practitioners and members of GPPs): a.1 TIN; and a.2 Certificate of Accreditation Number, Date of Issuance, and Date of Expiry (which is within three [3] years from date of expiry). B. For members of the Philippine Bar (individual practitioners and members of GPPs): a.1 TIN; and a.2 Attorney's Roll Number or Accreditation Number, if any.
104 to 107	Community Tax Certificate No. Place of Issue Date of Issue Amount	Space to indicate the details of the Community Tax Certificate issued by the Local Government Unit.
<b>Part IX Supplemental Information (attached additional sheet/s, if necessary)</b>		
<b>Gross Income/Receipts Subjected to Final Withholding</b>		
108	Interest	Refers to interest from any currency bank deposit and yield or any monetary benefit from deposit substitute and from trust funds and similar arrangements.
108A/108D	Actual Amount	Write the actual amount of interest income.
108B/108E	Final Tax Withheld/Paid	Write the final tax withheld/paid.



108C/108F	Exempt	Write the amount of exempt interest income which is the interest income from long-term deposit substitutes or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments evidenced by certificates prescribed by the BSP.
109	Royalties	Refers to royalties, except on books, as well as other literary works and musical composition.
109A/109C	Actual Amount/Fair Value/Net Capital Gains	Market Write the actual amount of royalty income.
109B/109D	Final Tax Withheld/Paid	Write the amount of tax withheld/paid
110	Dividends	Refers to Cash and/or Property Dividends actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance or mutual fund companies and regional operating headquarters of multinational companies, or on the share of an individual in the distributable net income after tax of a partnership (except GPP) of which he is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or joint venture or consortium taxable as a corporation of which he is a member or co-venturer.
110A/110C	Actual Amount/Fair Value/Net Capital Gains	Market Indicate the actual amount of Cash Dividends or Fair Market Value of Property Dividends.
110B/110D	Final Tax Withheld/Paid	Indicate the amount of final tax withheld/paid based on zonal valuation of real property or FMV if goods or inventory.
111	Prizes and Winnings	Refers to prizes [except P10,000 or less which is subject to the progressive rates under Section 24(A)(1)] and winnings (except Philippine Charity Sweepstake and Lotto winnings) received by an individual.
111A/111C	Actual Amount/Fair Market Value/Net Capital Gains	Indicate the actual amount of prizes or winnings, if the prize is cash or fair market value, if the prize is a real property like car or personal property like goods.
111B/111D	Final Tax Withheld/Paid	Indicate the amount of final tax withheld/paid based on zonal valuation of real property or FMV if goods or inventory.
112	Fringe Benefits	Refers to any good, service or other benefit furnished or granted in cash or in kind by an employer to an individual employee (except rank-and-file employees).
112A/112C	Actual Amount/Fair Market Value/Net Capital Gains	Indicate the actual amount of the fringe benefit, if the benefit is in cash or FMV of the fringe benefit, if the benefit is a real property like car or personal property like goods.
112B/112D	Final Tax Withheld/Paid	Indicate the amount of final tax withheld based on zonal valuation of real property or FMV if goods or inventory. The formula of computing the final tax of Fringe Benefits Tax (FBT): Actual monetary value of expense account of P50,000.00 received by the CEO

		of the corporation, is to be divided by 68% to be multiplied by 32% in order to arrive to the Gross-up Monetary Value of the fringe benefit.
113	Compensation Subject to 15% Preferential Rate	Refers to Filipinos employed by Regional Operating Headquarters or Regional/Area Headquarters in a managerial or technical position receiving an annual gross taxable compensation of at least P975,000.00.
113A/113C	Actual Amount/Fair Market Value/Net Capital Gains	Indicate the actual amount of the gross compensation income (whether or not this actually received).
113B/113D	Final Tax Withheld/Paid – Taxpayer/Filer	Indicate the amount of final tax withheld/paid on compensation income.
114	Sale/Exchange of Real Properties	Refers to the sale, exchange, or other disposition of real property located in the Philippines, classified as capital assets, including pacto de retro sales and other forms of conditional sales, by individuals, including estates and trusts.
114A/114H	Description of Property	Indicate whether the property is a land, building and improvement, condominium.
114B/114I	OCT/TCT/CCT/Tax Declaration Number	Indicate the OCT or TCT or CCT or the tax declaration number of the property issued by the city or municipal assessor.
114C/114J	Certificate Authorizing Registration (CAR) Number	Indicate the CAR number issued by the BIR who has jurisdiction over the real property sold/transferred.
114D/114K 114F/114M	Actual Amount/Fair Market Value/Net Capital Gains	Indicate the amount which is either the selling price or the current fair market value as determined in accordance with Section (6) of the tax code, whichever is higher.
114E/114L 114G/114N	Final Tax Withheld/Paid	Indicate the amount of final tax withheld/paid (6% capital gains tax based on the selling price or the zonal value whichever is higher).
115	Sale/Exchange of Shares of Stocks	Refers to the net capital gains realized during the taxable year from the sale, barter, exchange or other disposition of shares of stock in a domestic corporation, except shares sold, or disposed of through the PSE.
115A/115J	Kind of Stocks	Indicate whether it is a common or preferred or treasury stock.
115B/115K	Stock Certificate Series Number	Indicate the Stock Certificate Series.
115C/115L	Certificate Authorizing Registration (CAR) Number	Indicate the CAR number issued by the BIR who has jurisdiction over the seller of the stock certificate.
115D/115M	Number of Shares	Indicate the number of Shares sold by a corporation.
115E/115N	Date of Issue (MM/DD/YYYY)	Indicate the date of the issuance of the shares of stock sold by a corporation.
115F/115O 115H/115Q	Actual Amount/Fair Market Value/Net Capital Gains	Indicate the actual amount of cash paid by the buyer while the FMV is the book value of the shares of stock

115G/115P 115I/115R	Final Tax Withheld/Paid	at the time of sale using the latest FS of the corporation.  Indicate the amount of final tax withheld/paid.
116	Other Income Subject to Final Tax Under Sec. 57(A) of the Tax Code, as amended (specify)	Refers to the income that cannot be classified as cash/property dividend, interest on deposit substitute, royalty, prize or winning that fall as Other Income subject to Final Tax under Section 57(A). Example: Director's Fee.
116A	Description	Indicate the nature of income.
116B/116D	Actual Amount/Fair Market Value/Net Capital Gains	Indicate the actual amount of the income received.
116C/116E	Final Tax Withheld/Paid	Indicate the final tax withheld/paid.
117	Total Final Tax Withheld/Paid	Write the total final tax withheld/paid by adding Items 108B-113B, 114E, 114L, 115G, 115P and 116C/ 108E, 109D-113D, 114G, 114N, 115I, 115R and 116E.
117A	Taxpayer/Filer	
117B	Spouse	
<b>Gross Income/Receipts Exempt from Income Tax</b>		
118	Proceeds of Life Insurance Policy	Refers to the proceeds of life insurance policies paid to the heirs or beneficiaries upon the death of the insured, whether in a single sum or otherwise.  Indicate the actual amount received, as legal heirs or beneficiaries, from the Insurance Company based on the Life Insurance
118A 118B	Actual Amount/Fair Market Value Taxpayer/Filer Spouse	
119	Return of Premium	Refers to the amount received by the insured, as a return premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract.  Indicate the actual amount received as a return of premium paid under the life insurance.
119A 119B	Actual Amount/Fair Market Value Taxpayer/Filer Spouse	
120	Retirement Benefits, Pensions, Gratuities, etc.	Refers to the retirement benefits received under RA 7641 or from the reasonable private benefit plan maintained by the employer; any amount received from the employer as a consequence of separation from the service because of death, sickness or other physical disability or for any cause beyond the control of the official/employee; benefits received from SSS or GSIS; benefits due or to become due to any person residing in the Philippines under the laws of the United States administered by the US Veterans Administration.  Indicate the actual amount received from retirement benefits, pension and gratuities.
120A 120B	Actual Amount/Fair Market Value Taxpayer/Filer Spouse	
121	Personal/Real Properties Received thru Gifts, Bequests, and Devises	Refers to the property acquired by gift, bequest, devise, or descent.

121A	Description of Property	Indicate whether the property is a land, building and improvement, condominium, car or cash
121B	Mode of Transfer	Indicate the mode of transfer either through donation or inheritance.
121C	Certificate Authorizing Registration (CAR) Number	Indicate the CAR number issued by the BIR who has jurisdiction over the real/personal property.
121D 121E	Actual Amount/Fair Market Value Taxpayer/Filer Spouse	Indicate the actual amount received by the donee in the case of gift and legal heirs in cases of bequests and devises, or the FMV/ book value of the shares of stock at the time of donation using the latest FS of the corporation or the zonal valuation of the real property at the time of donation or death of the decedent in case of bequests and devises.
122	Other Exempt Income/Receipts Under Sec. 32 (B) of the Tax Code, as amended (specify)	Refers to exclusion from Gross Income pursuant to Section 32(B). They are compensation or injuries, income exempt under Treaty like the salary of a Filipino working in a foreign embassy based in the country.
122A	Description	Indicate the nature of exempt income/receipts.
122B 122C	Actual Amount/Fair Market Value Taxpayer/Filer Spouse	Indicate the amount of income exempt under Treaty like the salary of a Filipino working in a foreign embassy based in the country.
123	Total Income/Receipts Exempt from Income Tax	Write the Total Income/Receipts Exempt from Income by adding Items 118A-120A, 121D and 122B/ 118B-120B, 121E and 122C).
123A 123B	Taxpayer/Filer Spouse	

**(A) Attachments.**

- (1) Duly accomplished Account Information Form if the taxpayer's quarterly gross sales/ earnings/receipts do not exceed P150,000.00;
- (2) Certificate of independent CPA and audited financial statements if the taxpayer's quarterly gross sales/receipts/earnings exceed P 150,000.00;
- (3) Certificate of Income Tax Withheld on Compensation (BIR Form No. 2316);
- (4) Certificate of Income Payments not Subjected to Withholding Tax (BIR Form No. 2304);
- (5) Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307) issued by the income payor/s, on which basis the SAWT has been prepared;
- (6) Duly approved Tax Debit Memo (TDM) issued by the Bureau to be used for the payment of the tax due, if applicable;
- (7) Waiver of husband's right in favor of wife to claim additional exemptions, if applicable;
- (8) Proof of prior year's excess credits, if applicable;

- (9) Proof of foreign tax credits, if applicable;
- (10) Proof of payment and copy of previously filed return, if the return being accomplished is an amended return;
- (11) Authorization letter, in case the return is filed and signed by a representative on behalf of the taxpayer;
- (12) Proof of other payments/credits Waiver of husband in favor of wife to file consolidated income tax return;
- (13) Proof of tax payments in the first three (3) quarters;
- (14) Summary Alphabetical Withholding Agents of Income Payments Subjected to Withholding Tax (SAWT) - A summary list required to be submitted by the taxpayer in cases where tax credit is being claimed on the return. This summary list contains among others, total amounts of income/gross sales/gross receipts and claimed tax credits taken from all the Certificates of Creditable Withholding Tax at Source (BIR Form No. 2307) issued by the payors/withholding agents of the income. This summary list must contain all the information required and must be submitted in the format prescribed by Revenue Regulations No. 2-2006 and Revenue Memorandum Circular No. 3-2006;
- (15) Statement of Management's Responsibility (SMR) for Annual Income Tax Return;
- (16) Photocopy of the Tax Credit Certificate against which the TDM is drawn, if applicable;
- (17) Schedules of the following which must be part of the notes to the audited Financial Statements:

**(a) Sales /Receipts /Fees**

<b>Nature of Sales</b>	<b>Amount</b>
Sales from Goods/Properties	Pxxxx
Sales from Services	Xxxx
Lease from Properties	Xxxx
Fees from GPPs	Xxxx
Gross Sales/Receipts/Fees	Pxxx
Less : Sales returns and discounts	(xxx)
Sales/Receipts/Fees	Pxxxx

**(b) Other Taxable Income**

<b>Nature of Non-operating other taxable income</b>	<b>Amount</b>
Xxxx	Pxxxx
	Xxxx
	Xxxx
	Xxxx
Total Other Taxable Income	Pxxx

**( c) Cost of Sales (Trading/Manufacturing)**

	<b>Amount</b>
Beginning Inventory,	Pxxxx
Add : Purchases of Goods	Xxxx
Merchandise Available for Sale	PXxxx
Less : Ending Inventory	(Xxxx)
Cost of Sales	Pxxx

**(d) Cost of Services**

	<b>Amount</b>
Direct charges on salaries, wages and benefits	Pxxx
Direct charges on materials, supplies, facilities	Xxx
Direct charges, on depreciation	Xxx
Direct charges on rental	Xx
Direct charges on outside services	Xx
Direct charges – others	Xx
Cost of Services	Pxxxx

**( e) Schedule of Taxes and Licenses**

<b>Nature of Taxes and Licenses</b>	<b>Amount</b>
xxxx	Pxxxx
	xxx
	xxx
	xxx
<b>Total Taxes and Licenses</b>	<b>Pxxxx</b>

**( f)** Other information prescribed to be disclosed in the Notes to FS.

**(B) Deadline for Submission of Attachments. –**

**(1) Non-EFPS Taxpayers.** - For Non-EFPS taxpayers, these must submitted at the same time the return is filed.

**(2) EFPS Taxpayers.** - In the case of those EFPS taxpayers, these attachments must be submitted within fifteen (15) days from the filing of the return. Schedules 15 (a) to (e) shall be submitted using the e-submission facility of the Bureau. For those other attachments required to be physically submitted , the same shall be submitted with the printed copy of the e-filed return together with the Filing Reference Number in accordance with Revenue Memorandum Order No. 10-06.

**(C) Penalty of Incomplete Submission of Attachments** - Failure to submit any of the attachments applicable to the taxpayer shall be imposed with a penalty in the amount/s provided for under the existing revenue issuances for each such failure provided that such failures during the calendar year shall not exceed P25,000 pursuant to Section 250 of the Code, as amended.