

This MAP Tax Bulletin for August 2022 was contributed by  
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## **BUREAU OF INTERNAL REVENUE (BIR) RULINGS**

1. Duly registered/Department of Energy (DOE) certified Renewable Energy (RE) Developers are entitled to zero percent (0%) value-added tax (VAT) on their purchases of local supply of goods, properties and services needed during the development, construction, and installation of their plant facilities, **and the whole process of exploration and development of RE sources up to its conversion into power, i.e., the entire development/commercial stage, which includes commercial operations**, pursuant to Republic Act (RA) No. 9513, otherwise known as the Renewable Energy Act of 2008.

The BIR interpreted Section 15(g) of RA No. 9513 to apply to all stages of RE development and operation, including commercial operations, **as long as there are renewable energy sources being converted into power during said commercial operations**. The BIR likewise cited Revenue Regulations (RR) No. 07-2022, dated 22 June 2022, in support of this interpretation.

The BIR further reiterated that the sale of power or fuel generated from renewable sources of

energy are subject to 0% VAT, and any input VAT paid or attributable to such zero-rated sales, to the extent that such input tax has not been applied against output tax, may be claimed for refund under Section 112 of the Tax Code, as amended. ***(BIR Ruling No. VAT-351-2022, dated 05 July 2022)***

2. Homeowners associations are not entities that, in whose favor donations or gifts are made, would be exempt from donor's tax, as stated in Revenue Memorandum Circular (RMC) No. 53-2013. Hence, real property donated to a homeowners association is not exempt from donor's tax. ***(BIR Ruling No. DT-352-2022, dated 14 July 2022)***
3. The BIR confirmed a proposed change in the accounting treatment of a Corporation's assets in claiming depreciation, both for tax and financial accounting purposes, effective as of the proposed date of change, pursuant to the provisions of Section 34(F) of the Tax Code, as amended.

Citing Sections 105 and 109 of Revenue Regulations (RR) No. 2, dated 10 February 1940, the BIR stated that a taxpayer and the BIR may

agree on the estimated useful life and rate of depreciation of any property, and that the rate so agreed upon shall be binding on both the taxpayer and the BIR. However, if it develops that the useful life of the property originally estimated under previous factual conditions is no longer reasonable, the law allows the taxpayer to lengthen or shorten the useful life of the property in the light of prevailing factual considerations. (***BIR Ruling No. OT-353-2022, dated 19 July 2022***)

## REVENUE MEMORANDUM ORDERS (RMO)

1. RMO No. 32-2022<sup>1</sup> - This order mentions the assumption to duty of Lilia Catris Guillermo as Commissioner of Internal Revenue (CIR) effective 01 July 2022, and the manner of preparation of all documents and correspondences for her signature, as the CIR.
2. RMO No. 33-2022<sup>2</sup> - This order amends the Freedom of Information (FOI) Reports, particularly the FOI Registry Report, the Consolidated FOI Registry Report, and the FOI Summary Report, prescribed in RMO No. 35-2021.

## REVENUE MEMORANDUM CIRCULARS (RMC)

1. RMC No. 85-2022<sup>3</sup> - Consolidated Price of Sugar at Millsite for the Month of May 2022
2. RMC No. 86-2022<sup>4</sup> - Publishes the Daily Minimum Wage Rates in National Capital Region (NCR) under Wage Order No. NCR-23
3. RMC No. 87-2022<sup>5</sup> - Publishes the Daily Minimum Wage Rates in Cordillera Administrative Region (CAR) under Wage Order No. CAR-21
4. RMC No. 88-2022<sup>6</sup> - Publishes the Daily Minimum Wage Rates in Ilocos Region (Region I) under Wage Order No. RB-1-DW-03
5. RMC No. 89-2022<sup>7</sup> - Publishes the Daily Minimum Wage Rates in Cagayan Valley (Region II) under Wage Order No. RTWPB 2-21
6. RMC No. 90-2022<sup>8</sup> - Publishes the Daily Minimum Wage Rates in Central Luzon (Region II) under Wage Order No. RBIII-23
7. RMC No. 91-2022<sup>9</sup> - Publishes the Daily Minimum Wage Rates in CALABARZON (Region IV-A) under Wage Order No. IVA-19

<sup>1</sup> Dated 01 July 2022, issued 05 July 2022.

<sup>2</sup> Dated 04 July 2022, issued 14 July 2022.

<sup>3</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>4</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>5</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>6</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>7</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>8</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>9</sup> Dated 06 July 2022, issued 14 July 2022.

8. RMC No. 92-2022<sup>10</sup> - Publishes the Daily Minimum Wage Rates in MIMAROPA (Region IV-B) under Wage Order No. RB-MIMAROPA-10
9. RMC No. 93-2022<sup>11</sup> - Publishes the Daily Minimum Wage Rates in Bicol Region (Region V) under Wage Order No. RBV-20
10. RMC No. 94-2022<sup>12</sup> - Publishes the Daily Minimum Wage Rates in Western Visayas (Region VI) under Wage Order No. RB 6-DW-04
11. RMC No. 95-2022<sup>13</sup> - Publishes the Daily Minimum Wage Rates in Central Visayas (Region VII) under Wage Order No. ROVII-23
12. RMC No. 96-2022<sup>14</sup> - Publishes the Daily Minimum Wage Rates in Eastern Visayas (Region VIII) under Wage Order No. RB VIII-22
13. RMC No. 97-2022<sup>15</sup> - Publishes the Daily Minimum Wage Rates in Zamboanga Peninsula (Region IX) under Wage Order No. RIX-21
14. RMC No. 98-2022<sup>16</sup> - Publishes the Daily Minimum Wage Rates in Northern Mindanao (Region X) under Wage Order No. RX-21
15. RMC No. 99-2022<sup>17</sup> - Publishes the Daily Minimum Wage Rates in Davao Region (Region XI) under Wage Order No. RB XI-21
16. RMC No. 100-2022<sup>18</sup> - Publishes the Daily Minimum Wage Rates in SOCCSKSARGEN (Region XII) under Wage Order No. RB XII-22
17. RMC No. 101-2022<sup>19</sup> - Publishes the Daily Minimum Wage Rates in CARAGA (Region XIII) under Wage Order No. RXIII-17
18. RMC No. 102-2022<sup>20</sup> - Publishes Fiscal Incentives Review Board Resolution No. 017-22 - Grant of authority to implement a 70:30 Work-From-Home arrangement for Registered Business Enterprises in the Information Technology – Business Process Management Sector
19. RMC No. 103-2022<sup>21</sup> - Publishes Fiscal Incentives Review Board Resolution No. 018-22 – granting the Board of Investments authority to implement temporary measures for Registered Business Enterprises affected by typhoon Odette

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<sup>10</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>11</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>12</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>13</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>14</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>15</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>16</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>17</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>18</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>19</sup> Dated 06 July 2022, issued 14 July 2022.

<sup>20</sup> Dated 07 July 2022, issued 19 July 2022.

<sup>21</sup> Dated 07 July 2022, issued 19 July 2022.

20. RMC No. 104-2022<sup>22</sup> - Circularizes Civil Service Commission Resolution No. 2200209 re: policies on Flexible Work Arrangements in the Government
21. RMC No. 105-2022<sup>23</sup> - Circularizes the Consolidated Price of Sugar at Millsite for the month of June 2022
22. RMC No. 106-2022<sup>24</sup> - Notifies the loss of twenty-five (25) sets of unused/unissued BIR Form No. 0535 – Taxpayer Information Sheet
23. RMC No. 107-2022<sup>25</sup> - Notifies the loss of one (1) sets of unused BIR Form No. 0423 – Apprehension Slip
24. RMC No. 108-2022<sup>26</sup> - Publishes the Daily Minimum Wage Rates in Bangsamoro Autonomous Region of Muslim Mindanao (BARMM) under Wage Order No. BARMM-02
25. RMC No. 109-2022<sup>27</sup> - Notifies the loss of one set of unused/unissued BIR Form No. 0535 – Taxpayer Information Sheet
26. RMC No. 110-2022<sup>28</sup> - Publishes the 30 May 2022 letter from the Food and Drug Administration of the DOH endorsing updates to the List of VAT-Exempt Medicines under RA No. 11534 (CREATE Act)
27. RMC No. 111-2022<sup>29</sup> - Publishes the full text of Executive Order No. 170 titled “Adoption of Digital Payments for Government Disbursements and Collections”
28. RMC No. 112-2022<sup>30</sup> - Publishes the 27 June 2022 letter from the Food and Drug Administration of the DOH endorsing updates to the List of VAT-Exempt Medicines under RA No. 11534 (CREATE Act)
29. RMC No. 113-2022<sup>31</sup> - Publishes the 01 July 2022 letter from the Food and Drug Administration of the DOH endorsing updates to the List of VAT-Exempt Medicines under RA No. 11534 (CREATE Act)
30. RMC No. 114-2022<sup>32</sup> - Prescribes the guidelines on the registration of Department of Education Regional Offices, Division Offices and Implementing Unit Schools.

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<sup>22</sup> Dated 04 July 2022, issued 19 July 2022.

<sup>23</sup> Dated 11 July 2022, issued 19 July 2022.

<sup>24</sup> Dated 06 July 2022, issued 20 July 2022.

<sup>25</sup> Dated 05 July 2022, issued 20 July 2022.

<sup>26</sup> Dated 14 July 2022, issued 21 July 2022.

<sup>27</sup> Dated 12 July 2022, issued 21 July 2022.

<sup>28</sup> Dated 01 July 2022, issued 21 July 2022.

<sup>29</sup> Dated 01 July 2022, issued 26 July 2022.

<sup>30</sup> Dated 04 July 2022, issued 28 July 2022.

<sup>31</sup> Dated 13 July 2022, issued 28 July 2022.

<sup>32</sup> Dated 28 July 2022.

Pending the enhancement of the BIR's Electronic Filing and Payment System (eFPS) to accept five (5)-digit Branch Codes, the registration of new DepEd branches shall continue to use the currently assigned DepEd Taxpayer Identification Number (TIN) pursuant to BIR Operations Memorandum (OPM) Nos. 2016-02-04 and 2018-10-05.

The RMC likewise provides guidelines for BIR Revenue District Offices (RDOs) and DepEd Offices/Division Offices/Implementing Unit Schools, to address applications for registration of DepEd, the issuance of new TINs, and the required documentation to process said actions.

31. RMC No. 115-2022<sup>33</sup> - Lifts the suspension on the issuance of Mission Orders (MOs) for the conduct of Tax Compliance Verification Drive (TCVD).

Previously, RMC No. 77-2022 dated 30 May 30 2022 suspended the conduct of, among others, any form of business visitation by the BIR in execution of MOs.

However, to carry out the mandate of the BIR to collect taxes, the resumption of the conduct of TCVD operations is required in order to expand further the tax base, enhance tax compliance on the part of taxpayers and act on, investigate and verify complaints involving alleged violations of the internal revenue tax laws.

Thus, the suspension of the issuance of MOs, only for the conduct of TCVDs, is lifted effective immediately. The BIR reiterates that strict compliance with the existing applicable rules and regulations of the BIR on the issuance and implementation of such MOs shall continue to be observed. Finally, the said RMC reiterates the continuing suspension of the issuance of MOs for purposes other than the conduct of TCVDs.

**END**

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<sup>33</sup> Dated 19 July 2022, issued 28 July 2022.

**DISCLAIMER:** The contents of this bulletin are summaries of selected issuances from various government agencies and Court decisions. They are intended for guidance only and as such should not be regarded as a substitute for professional advice.