



Bringing In Revenues  
for Nation-Building

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

Quezon City



**BAGONG  
PILIPINAS**

FEB 19 2025

008-2025

REVENUE MEMORANDUM ORDER NO.



**SUBJECT :** Amends Certain Provisions and Procedures Under Revenue Memorandum Order (RMO) No. 25-2024 in the Processing of Tax Credit or Refund of Excess/Unutilized Creditable Withholding Taxes (CWT) on Income Pursuant to Section 76(C), in relation to Sections 204(C) and 229 of the National Internal Revenue Code of 1997, as Amended (Tax Code)

All Internal Revenue Officials, Employees and Others Concerned

This Order is issued to realign inconsistencies on some provisions of RMO No. 25-2024 relative to the verification of the creditable withholding taxes claimed by taxpayer claimants, in relation to processing of Tax Credit Certificates or cash refund of excess/unutilized CWT on income under Section 76(C), in relation to Sections 204(C) and 229 of the Tax Code. The following amendments are hereby introduced to some provisions and procedures of RMO No. 25-2024.

### I. Verification of Proof of Payment of Withholding Taxes by Withholding Agents

Section I(6) of RMO No. 25-2024 mentions that no income tax refund shall be granted unless the authenticity and veracity of the BIR Form No. 2307 or 1606, whichever is applicable, is verified without prejudice to establishing whether the withholding tax payments, which is the source of the claimed creditable taxes, have been declared and included in the Alphabetical List of Payees filed by the taxpayer-claimant's respective withholding agents, and that the aforementioned withholding agents have remitted the corresponding amounts to the government.

For claims of CWT by taxpayer claimants, Republic Act (R.A.) No. 11976, otherwise known as the "Ease of Paying Taxes (EOPT)" Act, was enacted with the intention of excluding the proof of payment of taxes withheld by the withholding agents. It is to be emphasized that proof of withholding is incumbent upon the taxpayer claiming for the income tax credit/refund. However, the remittance of such withholding taxes rests upon the withholding agent that withheld such taxes from their purchases from the seller taxpayer-claimant who is claiming the corresponding CWT. It is unfair for the seller taxpayer-claimant to be penalized if indeed the taxes were withheld from its sales to the buyer withholding agent but the latter failed to remit, whether inadvertently or intently, the said taxes withheld. Under our existing rules and regulations, it is the withholding agent who shall be liable for possible administrative and criminal sanctions for such non-remittance. Hence, inclusion of the seller taxpayer-claimant with the indication of the amount so withheld in the Alphabetical List of Payees submitted by the withholding agents in their BIR Form No. 1604-E or 1601-EQ, whichever is applicable, is sufficient proof that the said BIR Form No. 2307 is valid. This procedure is embodied in Sections A(3) to A(5) both of Annexes "D.1" and "D.2" of RMO No. 25-2024.

BIR National Office Bldg., Senator Miriam Defensor-Santiago Avenue, Diliman, Quezon City

Website: [www.bir.gov.ph](http://www.bir.gov.ph)

Trunkline: 8981-7000 ; 8929-7676

However, Section A(1)(d)(iv) of Annex "D.1" and Section A(1)(c)(iv) of Annex "D.2" of RMO No. 25-2024 are not clear whether the BIR Payment Certifications in accordance with the format prescribed under RMO No. 7-2016 is still part of the verification of the claimed CWT by the taxpayer-claimants.

To eliminate such confusion, Section I(6) of RMO No. 25-2024 is hereby amended to read as follows:

#### **"I. GENERAL POLICIES**

XXX XXX XXX

6. The burden of proof of withholding is incumbent upon the taxpayer claiming for the income tax credit/refund. No income tax refund shall be granted unless the authenticity and veracity of the BIR Form No. 2307 or BIR Form No. 1606, whichever is applicable, has been verified. To establish such, the following guidelines shall be followed:

- a. For BIR Form No. 2307, which is the source of the claimed creditable taxes, it must be established that the corresponding withholding tax was declared and included in the Alphabetical List of Payees filed by the taxpayer-claimant's respective withholding agents in the BIR Form No. 1604-E or 1601-EQ, whichever is applicable; and
- b. For BIR Form No. 1606, the taxpayer engaged in real estate business claiming for the creditable taxes withheld has filed and remitted the taxes withheld to the government."

**II. Request for Data/Documents by the Processing Office.** Section II(A)(3)(b)(b.2) of RMO No 25-2024 is hereby amended to read as follows:

**"3. Verification and Reporting.** The assigned RO and Group Supervisor (GS) shall process and evaluate the claim based on submitted documents and investigation procedures prescribed in this Order.

a. XXX XXX XXX

b. The assigned ROs shall secure/print copies of the documents available at the records/database of the BIR or any other online sources taking into note the following:

b.1 XXX XXX XXX

b.2 For data/documents requested from BIR offices other than the processing office, either manually or electronically, the following rules shall govern:

i. The assigned ROs shall, within 30 days upon official receipt of the application for income tax credit/refund, request for the pertinent document/s from the appropriate BIR Office; and

