



BIR Form No. <b>1701-MS</b> August 2024 Page 1		<b>Annual Income Tax Return</b> For Individuals Classified as MICRO or SMALL Taxpayers <i>Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X".</i>				 1701-MS 08/24 P1			
1 For the Year (MM/YYYY)		2 Amended Return? <input type="checkbox"/> Yes <input type="checkbox"/> No		3 Short Period Return? <input type="checkbox"/> Yes <input type="checkbox"/> No					
4 Civil Status		5 If married, you are filing <input type="checkbox"/> Jointly <input type="checkbox"/> Separately <input type="checkbox"/> Not applicable, spouse has no income							
PART I – Taxpayer/Filer and Spouse Information									
Particulars		A. Taxpayer/Filer			B. Spouse				
6 Taxpayer Identification Number (TIN)									
7 RDO Code									
8 Taxpayer's Name (Last Name, First Name, Suffix, Middle Name)/ ESTATE OF (First Name, Middle Name, Last Name)/ TRUST FAO: (First Name, Middle Name, Last Name)									
9 Email Address									
10 Contact Number (Landline/Cellphone No.)									
11 Source of Income		<input type="checkbox"/> Income from Business <input type="checkbox"/> Mixed Income <input type="checkbox"/> Income from Profession			<input type="checkbox"/> Income from Business <input type="checkbox"/> Mixed Income <input type="checkbox"/> Income from Profession <input type="checkbox"/> Compensation Income				
12 Income is subject to (If with two (2) or more activities OR multiple tax regimes or tax rates, please use BIR Form No. 1701)		<input type="checkbox"/> Graduated Income Tax Rates <input type="checkbox"/> 8% Income Tax Rate <input type="checkbox"/> Exempt from Income Tax (IT) (Fill out Items 13 to 16) <input type="checkbox"/> Special/Preferential Rate (Fill out Items 13 to 16)			<input type="checkbox"/> Graduated Income Tax Rates <input type="checkbox"/> 8% Income Tax Rate <input type="checkbox"/> Exempt from Income Tax (IT) (Fill out Items 13 to 16) <input type="checkbox"/> Special/Preferential Rate (Fill out Items 13 to 16)				
13 Legal Basis of Tax Relief/Exemption (Specify)									
14 Investment Promotion Agency (IPA)/ Government Agency (Specify)									
15 Registered Activity/Program (Registration Number)									
16 Effectivity Date of Tax Relief/Exemption (MM/DD/YYYY)		From To			From To				
17 Method of Deduction		<input type="checkbox"/> Itemized Deduction [Sec. 34(A-J), NIRC] <input type="checkbox"/> Optional Standard Deduction (OSD) [40% of Gross Sales/Revenues/Fees [Sec. 34(K), NIRC]			<input type="checkbox"/> Itemized Deduction [Sec. 34(A-J), NIRC] <input type="checkbox"/> Optional Standard Deduction (OSD) [40% of Gross Sales/Revenues/Fees [Sec. 34(K), NIRC]				
18 Alphanumeric Tax Code (ATC) (see Table 1)									
PART II – Total Income Tax Payable (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)									
Particulars		A. Taxpayer/Filer			B. Spouse				
19 Income Tax Due – Special/Preferential Rate (From Part IV Item 18A)									
20 Less: Share of Other Government Agency, if remitted directly to the Agency									
21 Net Income Tax Due/Share of National Gov't.–Special/Preferential Rate (Item 19 less Item 20)									
22 Income Tax Due - Regular Rate (From Part IV Item 18B OR Item 25)									
23 Total Income Tax Due (Sum of Items 21 and 22)									
24 Less: Total Tax Credits/Payments (From Part V Item 10)									
25 Tax Payable/(Overpayment) (Item 23 Less Item 24)									
26 Less: Tax Due Allowed for 2 <sup>nd</sup> Installment to be paid on or before October 15 (50% or less of Item 23)									
27 Amount of Tax Payable/(Overpayment) (Item 25 Less Item 26)									
28 Add: Penalties 28A Surcharge									
28B Interest									
28C Compromise									
28D Total Penalties (Sum of Items 28A to 28C)									
29 Total Amount Payable/(Overpayment) (Sum of Items 27 and 28D)									
30 Aggregate Amount Payable/(Overpayment) (Sum of Items 29A and 29B)									
31 If overpayment, mark up to two (2) boxes and indicate in the space provided the amount, which shall be equivalent to Item No. 27 (Once the choice is made, the same is irrevocable)									
<input type="checkbox"/> To be refunded		<input type="checkbox"/> To be issued a Tax Credit Certificate		<input type="checkbox"/> To be carried over as tax credit for next year/quarter					
32 I hereby declare, under the penalties of Perjury, that all the information provided by me (as taxpayer/authorized representative) in this tax return, which I filed electronically, are true, correct and complete pursuant to the provisions of the National Internal Revenue Code of 1997, as amended, and the revenue regulations issued pursuant thereto. Also, I declare and fully understand that I will be held criminally, civilly and administratively liable under existing laws, rules and regulations if any of the information/statement I submitted/supplied therein are false, misleading, deceptive and inaccurate. Finally, I give my consent to the processing of my information as contemplated under Republic Act (RA) No. 10173, or the Data Privacy Act of 2012, for legitimate and lawful purpose, adhering to the principle of proportionality.									
<input type="checkbox"/> Agree						35 Number of Attachments			
33 Printed Name and Signature of Taxpayer/Authorized Representative				34 TIN of Authorized Representative					
PART III - Details of Payment									
Particulars		Drawee Bank/Agency		Number		Date (MM/DD/YYYY)		Amount	
36 Cash/Bank Debit Advice									
37 Check									
38 Tax Debit Memo									
39 Others (specify below)									
Machine Validation/Revenue Official Receipt Details (if not filed with an Authorized Agent Bank)								Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

TIN	Tax Filer's Last Name
00000	

PART IV – Computation of Tax

A. Taxable Compensation Income		(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)	
Particulars	A. Taxpayer/Filer	B. Spouse	
1 Gross Compensation Income			
2 Less: Non-Taxable / Exempt Compensation			
3 Taxable Compensation Income (Item 1 Less Item 2)			
4 Tax Due-Compensation Income (Item 3 x applicable Income Tax Rate from Table 2)			
B. Taxable Business Income (If graduated rates/special or preferential rate or exempt, fill in Items 5 to 18B; if 8% income tax rate, fill in items 19 to 25)			
B1. For Graduated Income Tax Rates/Special or Preferential Rate/Exempt from IT (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)			
5 Sales/Revenues/Fees			
6 Less: Sales Returns, Allowances and Discounts			
7 Net Sales/Revenues/Fees (Item 5 Less Item 6)			
8 Less: Cost of Sales/Services (applicable only if availing Itemized Deductions)			
9 Gross Income/(Loss) from Operation (Item 7 Less Item 8)			
10 Less: Deductions Allowable under Existing Laws			
10A Ordinary Allowable Itemized Deductions			
10B Special Allowable Itemized Deductions			
10C Net Operating Loss Carry Over (NOLCO)			
10D Total Allowable Itemized Deductions (Sum of Items 10A to 10C)			
OR			
11 Optional Standard Deduction (OSD) (40% of Item 7)			
12 Net Income/(Loss) (If Itemized: Item 9 Less Item 10D; If OSD: Item 9 Less Item 11)			
13 Add: Other Non-Operating Income			
14 Taxable Income-Business (Sum of Items 12 and 13)			
15 Total Taxable Income – Compensation & Business (Sum of Items 3 and 14)			
16 Tax Rate (For Special/Preferential Rate or Exempt from Income Tax)		%	%
17 Tax Due-Special/Preferential Rate or Exempt from Income Tax (If Exempt: Item 14 x Item 16; If Special: Item 9 x Item 16)			
18A Total Tax Due-Compensation & Business Income (under special/preferential rate or exempt) (Sum of Items 4 and 17) (To Part II Item 19)			
18B Total Tax Due-Compensation & Business Income (under graduated rates) (Item 15 x applicable Income Tax Rate from Table 2) (To Part II Item 22)			

B2. For 8% Income Tax Rate			
19 Sales/Revenues/Fees (net of sales returns, allowances and discounts)			
20 Add: Other Non-Operating Income			
21 Total Income (Sum of Items 19 and 20)			
22 LESS: Allowable reduction from gross sales and other non-operating income of purely self- employed individuals and/or professionals in the amount of P250,000 (not applicable if with compensation income)			
23 Taxable Income/(Loss) (Item 21 Less Item 22)			
24 Tax Due - Business Income (Item 23 x 8% Income Tax Rate)			
25 Total Tax Due-Compensation & Business Income (under 8% Income Tax Rate) (Sum of Items 4 and 24) (To Part II Item 22)			

PART V – Tax Credits/Payments (attach proof)			
1 Prior Year's Excess Credits			
2 Tax Payments for the First Three (3) Quarters			
3 Creditable Tax Withheld for the First Three (3) Quarters			
4 Creditable Tax Withheld per BIR Form No. 2307 or BIR Form No. 1606 for the 4 <sup>th</sup> Quarter			
5 Creditable Tax Withheld per BIR Form No. 2316			
6 Tax Paid in Return Previously Filed, if this is an Amended Return			
7 Foreign Tax Credits (specify Foreign Tax Number, if applicable)			
8 Special Tax Credits, if applicable			
9 Other Tax Credits/Payments (specify)			
10 Total Tax Credits/Payments (Sum of Items 1 to 9) (To Part II Item 24)			

PART VI – Tax Relief Availment (For Taxpayers with Special/Preferential or Exempt from Income Tax Only) (For BIR Use Only)

1 Total Tax Relief Availment [(Sum of Items 10B and 14 of Part IV x Applicable Income Tax Rate from Table 2) Less Item 17 of Part IV; Add Item 8 of Part V]		
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TABLE 1 – Alphanumeric Tax Codes (ATCs)			
II012 Business Income-Graduated IT Rates	II014 Income from Profession-Graduated IT Rates	II013 Mixed Income-Graduated IT Rates	II011 Compensation Income
II015 Business Income-8% IT Rate	II017 Income from Profession-8% IT Rate	II016 Mixed Income-8% IT Rate	

TABLE 2 – Tax Rates (effective January 1, 2023 and onwards)	
If Taxable Income is:	Tax Due is:
Not over P 250,000	0%
Over P 250,000 but not over P 400,000	15% of the excess over P 250,000
Over P 400,000 but not over P 800,000	P 22,500 + 20% of the excess over P 400,000

Continuation of Table 2	
If Taxable Income is:	Tax Due is:
Over P 800,000 but not over P 2,000,000	P 102,500 + 25% of the excess over P 800,000
Over P 2,000,000 but not over P 8,000,000	P 402,500 + 30% of the excess over P 2,000,000
Over P 8,000,000	P 2,202,500 + 35% of the excess over P 8,000,000

# Guidelines and Instructions for BIR Form No. 1701-MS [August 2024]

## Annual Income Tax Return

### For Individuals Classified as MICRO or SMALL Taxpayers

These instructions are designed to assist taxpayers, or their representatives, with the preparation of the annual income tax return (ITR). If there are questions which are not adequately covered, please consult the local BIR office. If there appears to be any discrepancies between these instructions and the applicable laws and regulations, the laws and regulations take precedence.

Who Shall File

BIR Form No. 1701-MS shall be filed by individuals who are engaged in trade/business or the practice of profession including those with mixed income (i.e., those engaged in the trade/business or profession who are also earning compensation income) 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 return shall be filed by the following individuals classified as micro (those with gross sales of less than ₱ 3,000,000) or small (those with gross sales of ₱ 3,000,000 to less than ₱ 20,000,000) taxpayers:

1. A resident citizen engaged in trade, business, or practice of profession within and without the Philippines.
2. A resident alien, non-resident citizen or non-resident alien individual engaged in trade, business or practice of profession within the Philippines.
3. A trustee of a trust, guardian of a minor, executor/administrator of an estate, or any person acting in any fiduciary capacity for any person, where such trust, estate, minor, or person is engaged in trade or business.
4. An individual engaged in trade or business or in the exercise of their profession and receiving compensation income as well.

Married individuals shall file a return for the taxable year to include the income of both spouses, computing separately their individual income tax based on their respective total taxable income. Where it is impracticable for the spouses to file one return, each spouse may file a separate return of income. If any income cannot be definitely attributed to or identified as income exclusively earned or realized by either of the spouses, the same shall be divided equally between the spouses for the purpose of determining their respective taxable income.

The income of unmarried minors derived from property received from a living parent shall be included in the return of the parent except (1) when the donor’s tax has been paid on such property, or (2) when the transfer of such property is exempt from donor’s tax.

If the taxpayer is unable to make his own return, the return may be made by his duly authorized agent or representative or by the guardian or other person charged with the care of his person or property, the principal and his representative or guardian assuming the responsibility of making the return and incurring penalties provided for erroneous, false or fraudulent returns.

When and Where to File and Remit

The return shall be filed and the tax shall be paid on or before the 15<sup>th</sup> day of April of each year covering income of the preceding taxable year.

The return shall be filed electronically in any of the available electronic platforms. However, in case of unavailability of the electronic platforms, manual filing of the return may be allowed. For tax payments, the same shall be made either electronically in any of the available electronic platforms or manually to any Authorized Agent Banks (AABs) or to the Revenue Collection Officers (RCOs).

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.

Payment may also be made thru the ePayment channels of AABs thru either their online facility, credit/debit/prepaid cards, and mobile payments.

A taxpayer shall file a consolidated return for the head office and all the branches/offices.

How to Accomplish the Form

1. Enter all required information in **CAPITAL LETTERS** using **BLACK INK**. Mark applicable boxes with an “X”. Two copies **MUST** be filed with the BIR and one held by the taxpayer;
2. Indicate Taxpayer Identification Number (TIN) and registered name on each page;
3. For all questions wherein an appropriate box is provided for a possible answer, mark the applicable box corresponding to the chosen answer with an “X”; and
4. Required information wherein the space provided has a letter separator, the same must be supplied with CAPITAL LETTERS where each character (including comma or period) shall occupy one box and leave one space blank for every word.

However, if the word is followed by a comma or period, there is no need to leave blank after the comma or period. Do NOT write “NONE” or make any other marks in the box/es.

This return is divided into Part 1 to VI. Individual instructions as to the source of the information and the necessary calculations are provided on each line item.

PART NO.	PARTS	PAGE NO.
I	Taxpayer/Filer and Spouse Information	1
II	Total Income Tax Payable	1
III	Details of Payment	1
IV	Computation of Tax	2
V	Tax Credits/Payments	2
VI	Tax Relief Availment	2

For Items 1 to 5:

- Item 1** Indicate the taxable year covered by the return being filed.
- Item 2** Choose “Yes” if the tax return is one amending the previously filed return, “No” if not.
- Item 3** Choose “Yes” if the return is made for a fractional part of a year (e.g., commencement or retirement).
- Item 4** Indicate Civil Status, whether single, married, legally separated or widow/er.
- Item 5** Indicate whether married individual is filing jointly, separately or not applicable.

Items 6 to 18 (Part I – Taxpayer/Filer and Spouse Information):

- Item 6 Taxpayer Identification Number (TIN):** Enter taxpayer/filer’s TIN in Column A and spouse’s TIN in Column B, if applicable. If no TIN, apply for one before filing using *Application for Registration-For Self-Employed (Single Proprietor/Professional), Mixed Income Individuals, Non-Resident Alien Engaged in Trade/Business, Estates and Trusts* (BIR Form No. 1901).
- Item 7 RDO Code:** Enter the appropriate RDO code of the taxpayer/filer in Column A, and of the spouse in Column B, if applicable per BIR Form No. 1901 and/or Certificate of Registration (BIR Form No. 2303).
- Item 8 Taxpayer’s Name:** Enter the Last Name, First Name, Suffix, Middle Name for taxpayer/filer in Column A and for the spouse in Column B, if applicable / ESTATE of First Name, Middle Name, Last Name / TRUST FAO First Name, Middle Name, Last Name as it was entered on the BIR Form Nos. 1901/1905/2303.
- Item 9 Email Address:** Indicate email address of the taxpayer/filer in Column A and the spouse in Column B, if applicable.
- Item 10 Contact Number:** Indicate landline or cellphone number of the taxpayer/filer in Column A and of the spouse in Column B, if applicable.
- Item 11 Source of Income:** Indicate in Column A whether the source of income of the taxpayer/filer is from business, profession or mixed, and in Column B for the spouse, if applicable. Mixed Income refers to the income of the taxpayer coming from compensation and business.
- Item 12 Income is subject to:** Indicate whether the income of the taxpayer/filer (Column A) and of the spouse (Column B), if applicable, is subject to graduated income tax rates or 8% income tax rate or special/preferential rate or exempt from income tax. If income is subject to special/preferential rate or exempt from income tax, fill-out Items 13 to 16. If with two (2) or more activities or multiple tax regimes or tax rates, use BIR Form No. 1701.
- Items 13 Legal Basis of Tax Relief/Exemption:** Indicate the legal basis of tax relief or tax exemption of taxpayer/filer in Column A, and of the spouse in Column B, if applicable.
- Item 14 Investment Promotion Agency (IPA)/ Government Agency:** Indicate the investment promotion agency or the government agency who granted the tax relief or tax exemption to the taxpayer/filer in Column A and to the spouse in Column B, if applicable.
- Item 15 Registration Activity/Program (Registration Number):** Indicate registration number of the registered activity/program of the taxpayer/filer in Column A and f the spouse in Column B, if applicable.
- Item 16 Effectivity Date of Tax Relief/Exemption:** Indicate the effectivity of the tax relief or tax exemption of the taxpayer/filer in Column A and of the spouse in Column B, if applicable.
- Item 17 Method of Deduction:** Taxpayer/Filer (Column A) and the spouse (Column B) shall choose either Itemized Deduction under Section 34(A-J), NIRC or Optional Standard Deduction (OSD), which is 40% of Gross Sales/Receipts/Revenues/Fees under Section 34(L), NIRC as amended by RA 9504. The option to choose applies only to individuals subject to Sec. 24 of the Tax Code, as amended, and with no special/preferential tax rates applied. The chosen method of deduction used in the first quarter of the year shall be irrevocable and consistently applied throughout the year.
- Item 18 Alphanumeric Tax Code:** Indicate the appropriate Alphanumeric Tax Code (ATC) of the taxpayer/filer in Column A and of the spouse in Column B, if applicable. Refer to Table 1 of the return.

Items 19 to 30 (Part II - Total Income Tax Payable):

Complete first Part IV – Computation of Tax on page 2 before accomplishing these items. Then transfer the information from Part IV to each of the items. Individual instructions as to the source of the information and the necessary calculations are provided on each line item.

**Item 26 2<sup>nd</sup> Installment Payment:** When a tax due is in excess of Two thousand pesos (P2,000), the taxpayer other than a corporation 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 October 15 following the close of the calendar year, if any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid becomes due and payable together with the delinquency penalties.

# Guidelines and Instructions for BIR Form No. 1701-MS [August 2024]

## Annual Income Tax Return

### For Individuals Classified as MICRO or SMALL Taxpayers

**Items 28A to 28C PENALTIES:**

- There shall be imposed and collected as part of the tax:
1. A surcharge of ten percent (10%) for the following violations:
    - a. Failure to file any return and pay/remittance the tax due thereon, on or before the prescribed due date for its filing;
    - b. Failure to pay/remittance 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; or
    - c. Failure to pay/remittance the deficiency tax within the time prescribed for its payment/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/remittance has been made 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. A false or fraudulent return is willfully made.
  3. Interest at the reduced rate of fifty percent (50%) of the interest rate mandated in Section 249 of the Tax Code, as amended. The legal interest imposable to covered taxpayers shall be six percent (6%). In case a new legal interest is prescribed, the Commissioner of Internal Revenue shall issue a separate circular therefor.
  4. Compromise penalty at a reduced compromise penalty of fifty percent (50%) of the applicable rate or amount of compromise under Annex "A" of Revenue Memorandum Order (RMO) No. 7-2015 and its subsequent amendments, if any, shall be applied.

**Item 31 Overpayment Line:** 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 its estimated income tax liabilities for the quarters of the succeeding taxable years. The taxpayer shall exercise its option by placing an "X" in the appropriate box, which option shall be considered irrevocable for that taxable period. 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 its choice, the excess payment shall be automatically carried-over to the next taxable period.

**Item 32 Perjury Clause:** Declaration of the taxpayer/filer that the information provided in the return are true, correct and complete and will be held criminally, civilly and administratively liable if any information/statement supplied in the return are false, misleading, deceptive and inaccurate. By clicking agree, taxpayer confirm that he/she read and understood the Declaration and agreed to it.

**Item 33 Signature Line:** When all pages of the return are complete, taxpayer/filer shall sign the return in the place indicated.

**Item 34 TIN of Authorized Representative:** If the return is filed by an authorized representative, his/her TIN shall be provided in the indicated space.

**Item 35 Number of Attachments:** Enter the number of pages of the required attachments

**Items 36 to 39 (Part III - Details of Payment):**

Enter the information required and then pay the taxes due thereon, if any, to any AAB or to the Revenue Collection Officer (RCO). Refer to [www.bir.gov.ph](http://www.bir.gov.ph) for the applicable AAB or visit the local BIR Office. For no payment returns, file electronically in any of the available electronic platforms.

**Items 1 to 25 (Part IV - Computation of Tax):**

At the top of this page, enter the tax filer's TIN and Last Name. The requirement for entering centavos on the ITR has been eliminated. If the amount of centavos is 49 or less, drop down the centavos (e.g. P100.49 = P100.00). If the amount is 50 centavos or more, round up to the next peso (P100.50 = P101.00).

Generally, for all the lines in this part there is a need to complete the appropriate items and then transfer the sub-totals to the appropriate line. On the other lines make the appropriate calculations as directed and enter the totals.

**Items 1 to 4 (Part IV A - Taxable Compensation Income):** Fill-out and/or compute the required information.

**Items 5 to 18 (Part IV B1 Taxable Business Income For Graduated Income Tax Rates / Special or Preferential Rate / Exempt from IT):**

**Items 5 to 9:** Fill-out and/or compute the required information.

**Items 10 Deductions Allowed under Existing Laws:** May choose either the itemized or optional standard deduction, and such choice made in the initial quarterly return during the taxable year is irrevocable for the said year for which the return is made.

**Item 10A Ordinary Allowable Itemized Deductions:** There shall be allowed as deduction from gross income all the ordinary and necessary trade and business expenses paid or incurred during the taxable year in carrying on or which are directly attributable to the development, management, operation and/or conduct of the trade and business. Itemized deductions include also interest, taxes, losses, bad debts, depreciation, depletion, charitable and other contributions, research and development and pension trusts. This deduction is mandatory to the taxpayers with income tax rates other than the income tax rates prescribed under Sec. 24 of the Tax Code. Breakdown of this Item, if any, shall be shown in the Notes to Financial Statement.

**Item 10B Special Allowable Itemized Deductions:** There shall be allowable deduction from gross income in computing the taxable income, in addition to the regular allowable

itemized deductions, as provided under the existing regular and special laws, rules and issuances such as, but not limited to: Rooming-in and Breast-feeding Practices under R.A. No. 7600, Adopt-A-School Program under R.A. No. 8525, Expanded Senior Citizens Act under R.A. No. 9257, Free Legal Assistance under R.A. 9999, etc. Breakdown of this Item, if any, shall be shown in the Notes to Financial Statement.

**Item 10C Computation of Net Operating Loss Carry Over:** 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. Any person, natural or juridical, enjoying exemption from income tax, pursuant to the provisions of the Tax Code or any special law shall not qualify for purposes of the NOLCO. Breakdown of this Item, if any, shall be shown in the Notes to Financial Statement.

**Item 10D:** Compute to arrive at the Total Allowable Itemized Deductions.

**Item 11 Optional Standard Deduction (OSD):** A maximum of 40% of the Total Sales/Revenue/Fees in Item 7 shall be allowed as deduction in lieu of the itemized deduction if subject to **REGULAR Income Tax Regime Only**. However, individuals who availed and claimed this deduction is no longer required to submit the financial statements when filing the annual tax return but required to keep such records pertaining to the gross sales.

**Items 12:** Fill-out and/or compute the required information.

**Item 13 Other Non-Operating Income:** Breakdown of this Item, if any, shall be shown in the Notes to Financial Statement.

**Items 14 and 15:** Fill-out and/or compute the required information.

**Item 16:** The rate shall be 5% or 0%/ for exempt.

**Item 17:** Compute to arrive at the Tax Due of special/preferential rate or exempt from income tax.

**Item 18A:** Compute to arrive at the Total Tax Due on Compensation & Business Income under special/preferential rate or exempt.

**Item 18B:** Compute to arrive at the Total Tax Due on Compensation & Business Income under graduated rates.

**Items 19 to 25 (Part IV B2 Taxable Business Income for 8% Income Tax Rate)**

**Items 19 to 21:** Fill-out and/or compute required information.

**Items 22:** A maximum of Two Hundred Fifty Thousand Pesos (P250,000) shall be allowed as deduction from gross sales and other non-operating income of purely self- employed individuals and/or professionals.

**Item 23:** Compute to arrive at the Taxable Income or Loss.

**Item 24:** Compute to arrive at the Total Tax Due on Business Income.

**Item 25:** Compute to arrive at the Total Tax Due on Compensation & Business Income under 8% Income Tax Rate.

**Items 1 to 10 (Part V - Tax Credits/Payments)**

**Items 1 to 9:** Indicate claimed Tax Credits/Payments and attach necessary proof/s.

**Item 10:** Fill-out and/or compute required information

**Item 1 (Part VI - Tax Relief Availment)**

Compute to arrive at the Total Tax Relief Availment or revenue foregone.

**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 (if applicable):**

- Filing Reference Number (FRN) as proof of eFiling in the eFPS;
- Tax Return Receipt Confirmation as proof of eFiling in the eBIRForms;
- Proof of Payment/Acknowledgement Receipt of Payment;
- Certificate of Independent CPA duly accredited by the BIR;
- Unaudited or Audited Financial Statements (AFS);
- Notes to AFS;
- Statement of Management Responsibilities (SMR);
- BIR Form No. 2307 [Certificate of Creditable Tax Withheld at Source];
- BIR Form No. 1606 [Withholding Tax Remittance Return (For Onerous Transfer of Real Property Other Than Capital Asset)]
- BIR Form No. 2304 [Certificate of Income Payments not Subjected to Withholding Tax];
- BIR Form No. 2316 – Certificate of Compensation Payment/Tax Withheld
- System generated Acknowledgment Receipt or Validation Report of electronically submitted Summary Alphabet of Withholding Taxes (SAWT) thru [esubmission@bir.gov.ph](mailto:esubmission@bir.gov.ph);
- Duly approved Tax Debit Memo;
- Proof of Foreign Tax Credits;
- Proof of Prior Years' Excess Credits;
- Proof of Other Tax Payment/Credit;
- Special Power of Attorney (SPA) if the return is being filed/paid by an authorized representative;
- For amended return, proof of tax payment and the return previously filed.
- BIR Form No. 1709 – Information Return on Transactions with Related Party.