

ADVISORY ON AMENDMENTS INTRODUCED BY THE EASE OF PAYING TAXES ACT

PAGE NOS.

BIR REVENUE REGULATIONS NO. 6-2024 Amendments Introduced on Penalties and Interest for Micro and Small Taxpayers	2
--	---

20/F Chatham House
Valero cor. Rufino Sts.



Salcedo Village
Makati 1227



www.bdblawn.com.ph
info@bdblawn.com.ph



T: (632) 8403-2001



Copyright © 2024 by Du-Baladad and Associates (BDB Law). All rights reserved. No part of this issue covered by this copyright may be produced and/or used in any form or by any means – graphic, electronic and mechanical without the written permission of the publisher.

MEMBER FIRM OF

wts global

AMENDMENTS INTRODUCED BY THE EOPT ACT
ON INTEREST AND PENALTY RATES FOR MICRO AND SMALL TAXPAYERS

I. Coverage

- The reduced interest and penalties shall apply to:

Taxpayer Classification	Annual Gross Sales Threshold
Micro	Less than P3,000,000.00
Small	P3,000,000.00 to less than P20,000,000.00

II. Penalties

- The following civil penalties shall apply to micro and small taxpayers:

Penalty Rate	Applicable Cases
10% of the amount due (reduced rate)	<ul style="list-style-type: none">➤ Failure to file the return and pay the tax due;➤ Failure to pay the deficiency tax within the prescribed period¹; or➤ Failure to pay the full/part of the tax shown on any return required to be filed, or the full tax due for which no return is required to be filed, on or before the date prescribed for its payment.

¹ No penalty shall be imposed to an amended tax return if the initial tax return was filed and the tax due was paid on or before the prescribed due date for filing. Further, in deficiency tax assessments, the penalty shall be imposed on the tax deficiency if the tax return was found to have been filed beyond the prescribed due date.

Penalty Rate	Applicable Cases
50% of the tax (<i>standard rate</i>)	<ul style="list-style-type: none"> ➤ Willful neglect to file a return ➤ False or fraudulent filing of return
P500 per failure (aggregate amount not to exceed P12,500.00 during a calendar year)	Failure to file an information return, statement or list, or keep any record, or supply any information as may be required, on the date prescribed for.
50% of the rate or amount of compromise (<i>reduced rate</i>)	Criminal violations not involving fraud

III. *Imposition of Interest*

- ☑ Interest imposed against micro and small taxpayers shall be at the reduced rate of 50% of the interest rate mandated. As such, the legal interest rate imposable is 6%.
- ☑ In case a new legal interest rate is prescribed, a separate circular shall be issued.

Source:
BIR Revenue Regulation No. 6-2024