

BIR likely missed July collection goal

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BY KATRINA MENNEN A. VALDEZ REPORTER The Philippines' main tax agency said it likely missed its collection target for July.

The admission came even after the new chief of the Bureau of Internal Revenue (BIR) revised downwards the agency's monthly goals for the rest of the year. In a luncheon briefing, Commissioner Kim Jacinto-Henares said she is not confident that the agency could hit its P67.388 billion collection target for the month.

"July is not going to be a good month [for collections] since several adjustments are still underway. Thus, uncertainty is more imminent," Jacinto-Henares said.

This month's revised target has yet to be approved by the inter-agency Development Budget Coordination Committee (DBCC).

"In the event that we, at BIR fail to meet the collection target for July, we can recover it on the subsequent months," Jacinto-Henares, however, said.

"What is important is we could raise the total of P860.4 billion at end-year," she said.

The BIR chief's forecast differed from that of National Treasurer Roberto Tan, who said both the BIR and Bureau of Customs can collect more revenues starting this month.

"I am optimistic that the two main-revenue generating agencies could raise higher revenue for the government," Tan had said during a Treasury auction on Monday.

In June, the BIR collected P59.366 billion or P2.937-billion short of its P62.303-billion goal.

Earlier, Jacinto-Henares said the BIR under the previous administration had incurred a revenue shortfall of P1.731 billion at end-May, contrary to the agency's earlier report that it overshot its five-month target by P20.27 billion.

DOJ opinion on banks sought

Amid a looming shortfall this month, the government said it would pursue cases against banks that issue loans to tax evaders.

Department of Finance (DOF) Secretary Cesar Purisima said the agency already sent a letter to the Department of Justice (DOJ) seeking the latter's opinion on the former's plan to criminally charge banks that would process loan applications from taxpayers using financial statements different from what the applicant filed with the BIR for income tax returns (ITR).

"The opinion of the DOJ would enable us to criminally charge those banking and financial institutions that entertain borrowers that would use their book 2 instead of their ITR," Purisima said.

The book 2 pertains to financial statements that business proprietors or companies use to entice lenders to grant loans, whereas book 1 represents financial statements filed with the BIR for purposes of income tax reporting.

"The DOJ opinion would likewise allow us to impose upon banks not to use any book but the ITR in determining the viability of the borrowers' capacity to pay," Purisima said.

"It is no longer a secret that corporations use two books, one for the government and the other one for the banks. We are [of] the opinion that it is prohibited under the present law," he said.

Jacinto-Henares said that once the DOF gets a favorable opinion from the DOJ, the government would ask the Bangko Sentral ng Pilipinas to draft a memorandum circular requiring banks to accept only ITR-based financial statements.

"Otherwise, banks and financial institutions will be penalized and could be charged with tax evasion case as accomplices," she said.

Besides tax-delinquent bank borrowers, the DOF also wrote to the DOJ seeking its opinion with regards the BIR campaign on the payment of estate taxes of deceased individuals.

Purisima earlier said the government also wants to penalize banks and its employees if they would allow the heirs of the deceased owners of the deposits to withdraw the accounts without the payment of rightful estate taxes.