Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

Eighteenth Congress  
First Regular Session  

HOUSE RESOLUTION NO. 977  

Introduced by: REP. Allan Benedict S. Reyes  

A RESOLUTION URGING THE COMMITTEE ON TRADE AND INDUSTRY OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION ON THE BUREAU OF INTERNAL REVENUE’S REVENUE MEMORANDUM CIRCULAR NO. 60-2020 REGARDING THE OBLIGATIONS OF PERSONS CONDUCTING BUSINESS TRANSACTIONS THROUGH ANY FORMS OF ELECTRONIC MEDIA, AND NOTICE TO UNREGISTERED BUSINESSES  

WHEREAS, in its Revenue Memorandum Circular No. 60-2020 (“RMC 60-2020”) dated 1 June 2020, the Bureau of Internal Revenue (“BIR”) required “all persons doing business and earning income in any manner or form, specifically those who are into digital transactions through the use of any electronic platforms and media, and other digital means, to ensure that their businesses are registered pursuant to the provisions of Section 236 of the Tax Code, as amended, and that they are tax compliant;”

WHEREAS, the above-mentioned obligations “shall not only include partner sellers or merchants, but also other stakeholders such as payment gateways, delivery channels, internet service providers, and other facilitators;”

WHEREAS, RMC 60-2020 also required those who are into digital transactions through the use of any electronic platforms and media, and other digital means (for brevity, “online sellers”) to “register their business activity and/or update their registration status on or before 31 July 2020” in order to avoid incurring penalty for late registration.

WHEREAS, RMC 60-2020 likewise encouraged online sellers to “voluntarily declare their past transactions subject to pertinent taxes and pay the taxes due thereon.” For this purpose, the BIR committed that if past transactions are declared and their corresponding taxes paid on or before 31 July 2020, such transactions shall not be imposed corresponding penalty.

WHEREAS, the BIR also warned in RMC 60-2020 that all those who will be found non-compliant with the registration or update requirements and those who failed to declare past due taxes or unpaid taxes “shall be imposed with the applicable penalties under the law, and existing revenue rules and regulations.”

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2 Id.  
3 Id.  
4 Id.
WHEREAS, social distancing measures and restrictions due to the COVID-19 pandemic paved the way for a boom in e-commerce as most economically affected Filipinos and displaced workers turn to online selling as an alternative source of income to survive and support their respective families;

WHEREAS, only online sellers whose annual taxable income is P250,000 or less are exempt from the personal income tax5 and while exempt, it will still be difficult for them to process all the requirements needed for their registration on or before the 31 July 2020 deadline;

WHEREAS, in view of the current pandemic and the extraordinary economic difficulties that our citizens are experiencing, BIR’s directive seems to be ill-timed, if not insensitive. Setting an immediate deadline and warning online sellers of stiff penalty is out of touch of reality and fails to take into careful consideration the current predicament of our citizens;

WHEREAS, we must still discourage people from going outside and congregating in the RDOs of BIR to meet the 31 July 31, 2020 deadline for registration and payment of taxes;

WHEREAS, there is also a need to allow our citizens to recover first from the financial beating of COVID-19 and help small entrepreneurs who are trying to cope with an economy crippled by the pandemic;

WHEREAS, we must urge the BIR to postpone the deadline until such reasonable time so that online sellers will be able to prepare for their registration and, when required, pay their respective taxes;

WHEREAS, we must also allow micro and small businesses to flourish and, thereby, help jump-start the economy of the country as a whole;

NOW THEREFORE, BE IT RESOLVED, as it is hereby resolved by the House of Representatives to direct the Committee on Trade and Industry to conduct an investigation in aid of legislation on the Bureau of Internal Revenue’s Revenue Memorandum Circular No. 60-2020 regarding the obligations of persons conducting business transactions through any forms of electronic media, and notice to unregistered businesses.

Adopted,

HON. ALLAN BENEDICT S. REYES
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