

ADVISORY ON THE RETURN PROCESSING SYSTEM ASSESSMENTS BEING ISSUED BY THE BIR

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BIR REVENUE MEMORANDUM CIRCULAR NO. 7-2023	1
Clarification on the Return Processing System Assessment being issued by the Bureau of Internal Revenue	

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**Clarification on the Return Processing System (RPS) Assessment
Being Issued by the Bureau of Internal Revenue**

<p>Return Processing System (RPS)</p>	<p>RPS refers to the Bureau’s Information System which processes tax returns filed by the taxpayers.</p> <p>RPS detects the following:</p> <ul style="list-style-type: none"> i. tax return which was filed late but no corresponding penalties were paid; ii. tax return filed with declared tax due but no corresponding payment was detected; or iii. tax return was filed with tax due but the payment detected was only partial.
<p>RPS Assessment</p>	<p>RPS Assessment is generated once the system detects any of the above scenarios. These are tax payables based on taxpayer’s own tax declaration as reflected in the tax returns filed.</p> <p>Technically, it is a Collection Letter and sending of which is part of the civil/administrative remedies of the Bureau.</p>
<p>Consequence if not settled</p>	<p>If not settled within the prescribed timeline indicated therein, the Bureau considers it already as “delinquent account” pursuant to RMO NO. 11-2014, where the Bureau can both enforce civil and criminal actions as provided under Section 205 of the Tax Code, as amended.</p>
<p>Difference from Regular Assessment Notices</p>	<ul style="list-style-type: none"> ➤ RPS Assessments are not tax assessments arising from the conduct of audit/investigation of taxpayer’s books of accounts and other relevant records. ➤ Issuance of Letter of Authority shall not be required ➤ Taxpayer has no chance to contest or protest

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