

Municipal Accounting Office
(External)

1. Issuance of Tax Certificates for Suppliers

Under Section 2.58(B) of Revenue Regulations No. 2-1998, as amended (RR 2-98), every payor (LGU) required to deduct and withhold taxes under the regulations shall furnish each payee with a withholding tax statements using BIR Form No. 2306 and 2307 showing the income payments made and the amount of taxes withheld therefrom, for every month of the quarter.

BIR FORM	Type	Description	When to issue
BIR Form No. 2306	Certificate of Final Tax Withheld at Source	A Certificate to be accomplished and issued by a Payor/WA to each recipient of income subjected to final tax. The column amount of payment should indicate the total amount paid and the total taxes withheld and remitted during the period.	To be issued to supplier (payee) on or before January 31 of the year following the year in which income payment was made. However upon request of the payee the payor must furnish such statement to the payee simultaneously with the income payment.

BIR Fomr No. 2307	Certificate of Creditable Tax Withheld at Source	A Certificate to be accomplished and issued to recipients of income subject to expanded withholding tax paid by a Payor/Withholding Agent including government money payments made by a government office showing therein the monthly breakdown of the total income payments made and the total taxes withheld and remitted during the quarter/period.	
		For EWT - This Certificate in turn should be attached to the Quarterly/Annual Income Tax Return - BIR Forms 1701Q / 1701 for individuals, or BIR Form 1702Q/ 1702 for non-individuals, in which case, the amount of withholding tax shall be allowed as a tax credit against the income tax liability of the income recipient in the taxable quarter or year in which the income was earned or received.	For EWT - To be issued to payee on or before the 20th day of the month following the close of the taxable quarter. Upon request of the payee, however, the payor must furnish such statement to the payee simultaneously with the income payment.

		<p>For Percentage Taxes on Government Money Payments - This Certificate is to be attached to the Quarterly Percentage Tax return (BIR Form No. 2551M and 2551Q).</p>	<p>For Percentage Tax On Government Money Payments - To be issued to the payee on or before the 10th day of the month following the month in which withholding was made. Upon request of the payee, however, the payor must furnish such statement to the payee simultaneously with the income payment.</p>
		<p>For VAT Withholding - This Certificate is to be attached to the Monthly VAT Declaration (BIR Form No. 2550M) and Quarterly VAT Return (BIR Form No. 2550Q).</p>	<p>For VAT Withholding - To be issued to the payee on or before the 10th day of the month following the month in which withholding was made. Upon request of the payee, however, the payor must furnish such statement to the payee simultaneously with the income payment.</p>

Office / Division:	Office of the Municipal Accountant
Classification:	Simple

Type of Transaction:	G2B - Government to Business, and/or G2C - Government to Citizen			
Who may avail:	Suppliers/Contractors whether Sole Proprietors, Partnership or Corporate			
CHECKLIST OF REQUIREMENTS		WHERE TO SECURE		
Disbursement Voucher for issuance of Withholding Tax Certificate (1 photocopy)				
CLIENT STEPS	AGENCY ACTION	FEES TO BE PAID	PROCESSING TIME	PERSON RESPONSIBLE
1. Request copy of Withholding Tax Certificate	1. Interview client / provide vouchers	None	5 minutes	<i>Admin. Aide II</i> <i>Computer Operator IV</i> <i>Municipal Accounting Office</i>
2. None	2. Review / approve printed certificate	None	1 minute	<i>Mun. Government Department Head</i> <i>Municipal Accounting Office</i>
3. Receive the Certificate	3. Release of Certificate	None	1 minute	<i>Mun. Government Department Head</i> <i>Municipal Accounting Office</i>
TOTAL		None	7 minutes	

