



Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

Quarterly Income Tax Return

BIR Form No.
1702Q
July 2008 (ENCS)

For Corporations, Partnerships and Other Non-Individual Taxpayers

Fill in all applicable spaces. Mark all appropriate boxes with an "X".

1 For the Year Ended (MM / YYYY)	▶ <input type="checkbox"/> Calendar <input type="checkbox"/> Fiscal	3 Quarter	▶ <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd	4 Amended Return?	▶ <input type="checkbox"/> Yes <input type="checkbox"/> No	5 No. of sheet/s attached	<input type="text"/>
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Part I Background Information

6 TIN	<input type="text"/>	7 RDO Code	<input type="text"/>	8 Line of Business	<input type="text"/>
9 Taxpayer's Name	<input type="text"/>			10 Telephone No.	<input type="text"/>
11 Registered Address	<input type="text"/>				
12 Zip Code	<input type="text"/>	13 Method of Deduction	▶ <input type="checkbox"/> Itemized Deduction <input type="checkbox"/> 40% Optional Standard Deduction		
14 Are you availing of tax relief under Special Law / International Tax Treaty?	▶ <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, specify <input type="text"/>			15 ATC	<input type="text"/>

Part II Computation of Tax

Declaration This Quarter		EXEMPT		TAXABLE	
				Special Rate	Regular Rate
16 Sales/Revenues/Receipts/Fees....	16A <input type="text"/>	16B <input type="text"/>	16C <input type="text"/>	16C <input type="text"/>	16C <input type="text"/>
17 Less: Cost of Sales/Services...	17A <input type="text"/>	17B <input type="text"/>	17C <input type="text"/>	17C <input type="text"/>	17C <input type="text"/>
18 Gross Income from Operation.....	18A <input type="text"/>	18B <input type="text"/>	18C <input type="text"/>	18C <input type="text"/>	18C <input type="text"/>
19 Add: Other Non-Operating and Taxable Income.....	19A <input type="text"/>	19A <input type="text"/>	19B <input type="text"/>	19B <input type="text"/>	19B <input type="text"/>
20 Total Gross Income.....	20A <input type="text"/>	20B <input type="text"/>	20C <input type="text"/>	20C <input type="text"/>	20C <input type="text"/>
21 Less: Deductions.....	21A <input type="text"/>	21B <input type="text"/>	21C <input type="text"/>	21C <input type="text"/>	21C <input type="text"/>
22 Taxable Income This Quarter.....	22A <input type="text"/>	22A <input type="text"/>	22B <input type="text"/>	22B <input type="text"/>	22B <input type="text"/>
23 Add: Taxable Income from Previous Quarter(s)	23A <input type="text"/>	23A <input type="text"/>	23B <input type="text"/>	23B <input type="text"/>	23B <input type="text"/>
24 Total Taxable Income to Date.....	24A <input type="text"/>	24A <input type="text"/>	24B <input type="text"/>	24B <input type="text"/>	24B <input type="text"/>
25 Tax Rate (except MCIT Rate).....	25A <input type="text"/>	25A <input type="text"/>	25B <input type="text"/>	25B <input type="text"/>	25B <input type="text"/>
26 Income Tax (Other Than MCIT).....	26A <input type="text"/>	26A <input type="text"/>	26B <input type="text"/>	26B <input type="text"/>	26B <input type="text"/>
27 Less: Share of Other Agencies (RA 7916/8748, etc).....	27 <input type="text"/>	27 <input type="text"/>			
28 Minimum Corporate Income Tax (MCIT) (see Schedule 1)			28 <input type="text"/>	28 <input type="text"/>	28 <input type="text"/>
29 Tax Due					
29A Tax on Transactions under Regular Rate (Normal Income Tax or Minimum Corporate Income Tax whichever is higher).....			29A <input type="text"/>	29A <input type="text"/>	29A <input type="text"/>
29B Less: Unexpired Excess of Prior Year's MCIT over Normal Income Tax Rate (deductible only if the quarterly's tax due is the normal rate).....			29B <input type="text"/>	29B <input type="text"/>	29B <input type="text"/>
29C Balance (Item 29A less Item 29B).....			29C <input type="text"/>	29C <input type="text"/>	29C <input type="text"/>
29D Add: Tax Due to the BIR on Transactions under Special Rate (26A less 27).....		29D <input type="text"/>			
30 Aggregate Income Tax Due (Sum of Items 29C and 29D).....			30 <input type="text"/>		
31 Less: Tax Credits/Payments					
31A Prior Year's Excess Credits - Taxes Withheld.....			31A <input type="text"/>		
31B Tax Payment(s) for the Previous Quarter(s) of the same taxable year other than MCIT....			31B <input type="text"/>		
31C MCIT Payment(s) for the Previous Quarter(s) of the same taxable year.....			31C <input type="text"/>		
31D Creditable Tax Withheld for the Previous Quarter(s).....			31D <input type="text"/>		
31E Creditable Tax Withheld Per BIR Form No. 2307 for this Quarter.....			31E <input type="text"/>		
31F Tax Paid in Return Previously Filed, if this is an Amended Return.....			31F <input type="text"/>		
31G Others, please specify			31G <input type="text"/>		
31H Total Tax Credits/Payments (Sum of Items 31A to 31G).....			31H <input type="text"/>		
32 Tax Payable/(Overpayment)(Item 30 less Item 31H).....			32 <input type="text"/>		
33 Add: Penalties					
33A SurchARGE	33A <input type="text"/>	33B Interest	33B <input type="text"/>	33C Compromise	33C <input type="text"/>
33D			33D <input type="text"/>		
34 Total Amount Payable/(Overpayment)(Sum of Items 32 and 33D).....			34 <input type="text"/>		

We declare, under the penalties of perjury that this return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.

35A _____ President/Vice President/Principal Officer/Accredited Tax Agent/ (Signature Over Printed Name)	35B _____ Treasurer/Assistant Treasurer (Signature Over Printed Name)
_____ Title/Position of Signatory	_____ Title/Position of Signatory
_____ Tax Agent Acc. No./Atty's Roll No. (if applicable)	_____ TIN of Signatory
_____ Date of Issuance	_____ Date of Expiry

Part III Details of Payment

Particulars	Drawee Bank/ Agency	Number	Date			Amount
			MM	DD	YYYY	
36 Cash/Bank Debit Memo	36A <input type="text"/>	36B <input type="text"/>	36C <input type="text"/>	36C <input type="text"/>	36C <input type="text"/>	36D <input type="text"/>
37 Check	37A <input type="text"/>	37B <input type="text"/>	37C <input type="text"/>	37C <input type="text"/>	37C <input type="text"/>	37D <input type="text"/>
38 Tax Debit Memo	38A <input type="text"/>	38B <input type="text"/>	38C <input type="text"/>	38C <input type="text"/>	38C <input type="text"/>	38C <input type="text"/>
39 Others	39A <input type="text"/>	39B <input type="text"/>	39C <input type="text"/>	39C <input type="text"/>	39C <input type="text"/>	39D <input type="text"/>

Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/ Bank Teller's Initial)

Machine Validation/Revenue Official Receipt Details (If not filed with the bank)

Schedule 1 Computation of Minimum Corporate Income Tax (MCIT) for the Quarter(s)									
		1st Quarter		2nd Quarter		3rd Quarter		Total	
Total Gross Income (except Gross Income Taxable under Special Rate) for MCIT									
Tax Rate								2%	
Minimum Corporate Income Tax (to Item 28)									
ATC	Description	Tax Rate	Tax Base	ATC	Description	Tax Rate	Tax Base		
DOMESTIC CORPORATION									
IC 010	1. In General a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	32% 35% 30%	Taxable Income from All Sources	IC 020	6. Taxable Partnership a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	32% 35% 30%	On Taxable Income from All Sources		
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income	IC 055	b. Minimum Corporate Income Tax	2%	On Gross Income		
IC 030	2. Proprietary Educational Institutions a. Proprietary Educational Institution whose gross income from unrelated trade, business or other activity exceeds fifty percent (50%) of the total gross income from all sources. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	10% 32% 35% 30%	On Taxable Income from All Sources Taxable Income from All Sources	IC 011 IC 010	7. Exempt Corporation a. On Exempt Activities b. On Taxable Activities	0% *same rate as in 1a	On Taxable Income from All Sources		
				IC 021	8. General Professional Partnership				
					9. Corporation covered by Special Law*				
RESIDENT FOREIGN CORPORATION									
IC 055	b. Minimum Corporate Income Tax	2%	Gross Income	IC 070	1. In General a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	32% 35% 30%	On Taxable Income from within the Philippines		
IC 031	3. Non Stock-Non Profit Hospitals a. Non Stock-Non Profit Hospitals whose gross income from unrelated trade, business or other activity exceeds fifty percent (50%) of the total gross income from all sources. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	10% 32% 35% 30%	On Taxable Income from All Sources Taxable Income from All Sources	IC 055	b. Minimum Corporate Income Tax	2%	On Gross Income		
				IC 080	2. International Carriers	2.5%	Gross Philippine Billing		
				IC 101	3. Regional Operating Headquarters**	10%	On Taxable Income		
					4. Corporation covered by Special Law*				
IC 055	c. Minimum Corporate Income Tax	2%	Gross Income	IC 190	5. Offshore Banking Units (OBU's) a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	10% 32% 35% 30%	On Gross Taxable Income on Foreign Currency Transaction not subjected to Final Tax On Taxable Income Other Than Foreign Currency Transaction		
IC 040	4. GOCC, Agencies & Instrumentalities a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	32% 35% 30%	On Taxable Income from All Sources	IC 191	6. Foreign Currency Deposit Units (FCDU's) a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	10% 32% 35% 30%	On Gross Taxable Income on Foreign Currency Transaction not subjected to Final Tax On Taxable Income Other Than Foreign Currency Transaction		
IC 055	b. Minimum Corporate Income Tax	2%	On Gross Income						
IC 041	5. National Govt & LGU's a. January 1 - October 31, 2005 November 1, 2005 - December 31, 2008 January 1, 2009	32% 35% 30%	On Taxable Income from Proprietary Activities						
IC 055	b. Minimum Corporate Income Tax	2%	On Gross Income						

* PLEASE REFER TO REVENUE DISTRICT OFFICES

**BIR Form No.1702Q - Quarterly Income Tax Return
For Corporations, Partnerships and Other Non-Individual Taxpayers
GUIDELINES AND INSTRUCTIONS**

Who Shall File

Every corporation, partnership no matter how created or organized, joint stock companies, joint accounts, associations (except foreign corporation not engaged in trade or business in the Philippines and joint venture or consortium formed for the purpose of undertaking construction projects or engaging in petroleum, coal, geothermal and other energy operations), government-owned or controlled corporations, agencies and instrumentalities shall render a true and accurate income tax return in accordance with the provisions of the Tax Code. The return shall be filed in triplicate copies by the president, vice-president or other principal officer and shall be sworn to by such officer and by the Treasurer or Assistant Treasurer.

Every general professional partnership shall file a return of its income setting forth the items of gross income and of deductions and the names, TINs, addresses and shares of each of the partners.

The general professional partnership is not required to file quarterly income tax return/quarterly information return. It is required, however, to file annual income tax return/annual information return (Form 1702) with Audited Financial Statements.

When and Where to File

The corporate quarterly income tax return shall be filed with or without payment within sixty (60) days following the close of each of the first three (3) quarters of the taxable year whether calendar or fiscal year.

The return shall be filed with any Authorized Agent Bank (AAB) located within the territorial jurisdiction of the Revenue District Office where the taxpayer is required to register/which has jurisdiction over the location of the principal office of the "CORPORATION" filing the return.

In places where there are no AABs, the return shall be filed directly with the Revenue Collection Officer or duly Authorized City or Municipal Treasurer within the Revenue District Office where the taxpayer is required to register/which has jurisdiction over the location of the principal office of the "CORPORATION" filing the return.

When and Where to Pay

Upon filing of this return, the total amount payable shall be paid to the Authorized Agent Bank (AAB) where the return is filed. In places where there are no AABs, payments shall be made directly to the Revenue Collection Officer or duly Authorized City or Municipal Treasurer who shall issue Revenue Official Receipt (BIR Form 2524) therefor.

Where the return is filed with an AAB, taxpayer must accomplish and submit BIR-prescribed deposit slip, which the bank teller shall machine validate as evidence that payment was received by the AAB. The AAB receiving the tax return shall stamp mark the word "Received" on the return and also machine validate the return as proof of filing the return and payment of the tax by the taxpayer, respectively. The machine validation shall reflect the date of payment, amount paid and transactions code, the name of the bank, branch code, teller's code and teller's initial. Bank debit memo number and date should be indicated in the return for taxpayers paying under the bank debit system.

For EFPS Taxpayer

The deadline for electronically filing and paying the taxes due thereon shall be in accordance with the provisions of existing applicable revenue issuances.

Normal Rate of Income Tax

The regular rates of income tax are as follows:

January 1 to October 31, 2005 -----	32%
November 01, 2005 to December 31, 2008 -----	35%
January 1, 2009 and onwards -----	30%

Deductions

A corporation shall choose either the itemized or optional standard (described below) deduction. It shall indicate the choice by marking with "X" the appropriate box, otherwise, the corporation shall be considered as having availed of the itemized deduction. The choice made in the return is irrevocable for the taxable year for which the return is made.

Optional Standard Deduction (OSD) – A maximum of 40% of the gross income shall be allowed as deduction in lieu of the itemized deduction. However, a corporation who availed and claimed this deduction is still required to submit its financial statements when it files its annual tax return and to keep such records pertaining to its gross income.

Itemized Deduction – There shall be allowed as deduction from gross income all the ordinary and necessary trade and business expenses paid or incurred during the taxable year in carrying on or which are directly attributable to the development, management, operation and/or conduct of the trade and business. Itemized deduction includes also interest, taxes, losses, bad debts, depreciation, depletion, charitable and other contributions, research and development and pension trust.

For taxable year 2008 which is the initial year of the implementation of the 40% OSD under RA 9504 in lieu of the itemized deduction for corporations, the deduction shall cover only the period beginning the effectivity of RA 9504 which is on July 6, 2008. However, to simplify and for ease of administration July 1, 2008 shall be considered as the start of the period when the 40% OSD may be allowed.

Minimum Corporate Income Tax (MCIT)

A minimum corporate income tax (MCIT) of two percent (2%) of the gross income is imposed upon any domestic corporation and resident foreign corporation beginning the fourth (4th) taxable year (whether calendar or fiscal year, depending on the accounting period employed) immediately following the taxable year in which such corporation commenced its business operation. The MCIT shall be imposed whenever the corporation has zero or negative taxable income or whenever the amount of minimum corporate income tax is greater than the normal income tax due from such corporation. Any excess of the MCIT over the normal income tax shall be carried forward and credited against the normal income tax for the three (3) immediate succeeding taxable years.

The computation and the payment of MCIT shall apply each time a corporate income tax return is filed, whether quarterly or annual basis.

Penalties

There shall be imposed and collected as part of the tax:

- A surcharge of twenty five percent (25%) for each of the following violations:
 - Failure to file any return and pay the amount of tax or installment due on or before the due date;
 - Unless otherwise authorized by the Commissioner, filing a return with a person or office other than those with whom it is required to be filed;
 - Failure to pay the full or part of the amount of tax shown on the return, or the full amount of tax due for which no return is required to be filed on or before the due date;
 - Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment.
- A surcharge of fifty percent (50%) of the tax or of the deficiency tax, in case any payment has been made on the basis of such return before the discovery of the falsity or fraud, for each of the following violations:
 - Willful neglect to file the return within the period prescribed by the Code or by rules and regulations; or
 - In case a false or fraudulent return is willfully made.
- Interest at the rate of twenty percent (20%) per annum, on any unpaid amount of tax, from the date prescribed for the payment until the amount is fully paid.
- Compromise penalty.

Attachments Required

- Certificate of Income Payments not Subject to Withholding Tax (BIR Form 2304), if applicable;
- Certificate of Creditable Tax Withheld at Source (BIR Form 2307), if applicable;
- Duly approved Tax Debit Memo, if applicable;
- Certificate of Tax Treaty relief, if any;
- Summary Alphabet of Withholding Agents of Income Payments Subjected to Withholding Tax at Source (SAWT), if applicable; and
- Proof of other payment/s, if applicable.

The quarterly income tax return does not have to be accompanied with Account Information Form and/or Financial Statements.

Note: All Background information must be properly filled up.

- All returns filed by an accredited tax agent on behalf of a taxpayer shall bear the following information:
 - For CPAs and others (individual practitioners and members of GPPs);
 - 1 Taxpayer Identification Number (TIN); and
 - 2 Certificate of Accreditation Number, Date of Issuance, and Date of Expiry.
 - For members of the Philippine Bar (individual practitioners, members of GPPs);
 - 1 Taxpayer Identification Number (TIN); and
 - 2 Attorney's Roll Number or Accreditation Number, if any
- Box Nos. 1, 2 and 3 refer to transaction period and not the date of filing this return.
- TIN = Taxpayer Identification Number
- The last 4 digits of the 13-digit TIN refers to the branch code.

ENCS