



03 January 2024

OVPAF Memorandum Circular No. 1
Series of 2024

TO: All Individuals under a Job Order or Service Contract Agreement (Job Order Workers, Part-time Instructors and other Non-Regular Professionals still rendering services to VSU)

RE: Submission of Income Payee's Sworn Declaration of Gross Receipts/Sales

Pursuant to Revenue Memorandum Circular (RMC) No. 51-2018, please be reminded of the submission of your "Income Payee's Sworn Declaration of Gross Receipts/Sales" (Annex B-2) with the needed attachments to the Accounting Office c/o Ms. Menchu B. Sabando:

1. Annex B-2 (1 original copy and 5 photocopies)
2. BIR Form (1901/1902/1904/1905/COR - photocopy only)
3. Transmittal

Please make sure to check one of the boxes (either Option A – Graduated Income Tax Rates, or Option B – Eight Percent Income Tax Rate) in the Sworn Declaration as this will be the basis for your withholding tax deduction. Sworn Statements with unchecked box will not be accepted.

Kindly check the format attached for your guide and reference. Deadline of submission would be on **January 15, 2024**.

Please take note of some of the comparisons between the two options:

Individuals with P250,000.00 or below annual gross receipts:

Under Option A – Graduated Income Tax Rates:

- Not subject to income tax
- Subject to percentage tax (3% starting July 2023)
- Required to file 1701 Annual ITR
- Not required to file 1701Q (Quarterly)
- Required to file 2551Q/ 2550M/ 2550Q

Under Option B – Eight Percent Income Tax Rate

- Not subject to income tax
- Not subject to percentage tax
- Required to file 1701 ITR (Annually)

- Not required to file 1701Q (Quarterly)
- Not required to file 2551Q/ 2550M/ 2550Q

Individuals with annual gross receipts above P250,000.00 but not over P3,000,000.00:

Under Option A – Graduated Income Tax Rates:

- Subject to income tax (5% based on gross)
- Subject to percentage tax (3% starting July 2023)
- Required to file 1701 ITR (Annually)
- Required to file 1701Q (Quarterly)
- Required to file 2551Q/ 2550M/ 2550Q

Under Option B – Eight Percent Income Tax Rate

- Subject to income tax (8% in excess of P250,000.00)
- Not subject to percentage tax
- Required to file 1701 ITR (Annually)
- Required to file 1701Q (Quarterly)
- Not required to File 2551Q/ 2550M/ 2550Q

Important: Kindly note that failure to submit a sworn declaration is tantamount to having annual gross receipts above P3,000,000.00, hence subject to income tax of 10% and business tax of 5%.

The table below describes the details on the registration, filing and payment requirements for each type of taxpayers defined above (taken from BIR RMC 51-2018):

Individuals under a Job Order or Service Contract Agreement with the Departments and Agencies of the Government Instrumentalities, LGUs, State Colleges and Universities, including the GOCCs and GFI	Registration Fee (RF) /Annual RF	COR	Percentage / VAT	Bookkeeping	Invoicing	1701 ITR	1701Q	2551Q/2550M/ 2550Q	Expanded Withholding Tax		Business Tax	
									Gross Income < 3,000,000	Gross Income > 3,000,000	Percentage Tax	VAT
Professionals and Other Supplier of Services deriving gross receipts of P250,000 and below in any 12-month period from <i>lone payor</i>	✓	X	✓*	X	X	✓	X	✓	X	X	3%	X
Other Supplier of Services deriving gross receipts above P250,000 in any 12-month from <i>lone payor</i>	✓	✓	✓*	✓	✓*	✓	✓	✓*	2% or 10%**	10%	3%	5% or 12%
Professionals deriving gross receipts above P250,000 in any 12-month period from <i>lone payor</i>	✓	✓	✓*	✓	✓*	✓	✓	✓*	5% or 10%**	10%	3%	5% or 12%
Other Supplier of Services receiving income from <i>multiple payor</i> and/or other source of income	✓	✓	✓	✓	✓	✓	✓	✓	2% or 10%**	10%	3%	5%
Professionals receiving income from <i>multiple payor</i> and/or other source of income	✓	✓	✓	✓	✓	✓	✓	✓	5% or 10%**	10%	3%	5%

*May avail of the substituted filing on Percentage Tax/VAT return and substituted official receipts.

**10% creditable withholding tax rate shall be withheld, if the payee failed to submit sworn declaration; or if the payee is VAT-registered regardless of amount of gross receipts/sales.

Note: No creditable withholding of percentage tax, and the taxpayer is also not required to file quarterly percentage tax return if he opted to avail of the 8% income tax rate.

In addition, we would like to remind all individuals under a job order or service contract agreement to file their own individual income tax return (BIR 1701A) on or before April 15 of

each year covering income from the preceding taxable year and pay the corresponding tax due, if any. Filing of the return could be done online while payment should be coordinated directly to BIR or any authorized payment center and will not be handled by the Office of the Head of Accounting considering that the university has several JO/ contracts of service workers and the filing/payment is not part of the scope of the university since no employer-employee relationship.

Moreover, we would like to remind those personnel previously working under a job order or service contract agreement who were promoted to casual/regular position to close you JO Worker status at the BIR as soon as possible to avoid possible penalties.

For your information and compliance. Thank you.



EDGARDO E. TULIN
OIC VP for Administration and Finance

INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES
(For Self-Employed and/or Engaged in the Practice of Profession with Lone Income Payor)

I, _____, of legal age, single/ married to _____, permanently residing at _____ with Taxpayer Identification Number (TIN) _____, after having been duly sworn in accordance with law hereby depose and state:

- That I derived my PROFESSIONAL income only from VISAYAS STATE UNIVERSITY with Taxpayer Identification Number 001-394-498-000 and business address at VISCA, BAYBAY CITY, LEYTE 6521-A;
 - That for the current year 2024, my gross receipts will not exceed Two Hundred Fifty Thousand Pesos (₱250,000.00) and that I am registered as a non-VAT taxpayer; that whatever is the amount of income received, I will comply with the requirement to file my Income Tax Return on the prescribed due date. For this purpose, I opt to avail of either one of the following:
 - Graduated Income Tax Rates under Section 24(A)(2)(a) of the Tax Code, as amended, based on the taxable income. With this selection, I acknowledge that I am subject to 0% income tax, thus, not subject to creditable withholding tax; subject to percentage tax, if applicable, and will file the required percentage tax returns or subject to withholding percentage tax, in case of government money payments.
 - Eight Percent (8%) income tax rate under Section 24(A)(2)(b) of the Tax Code, as amended, based on gross receipts/sales and other non-operating income - with this selection, I understand that this is in lieu of the graduated income tax rates and the Percentage Tax under Section 116 of the Tax Code, as amended; thus, no withholding tax shall be made;
- That based on my selection above, if my gross sales/receipts and other non-operating income exceeds ₱250,000.00 but not over ₱3,000,000.00, my afore-stated lone income payor shall automatically withhold the prescribed rate of withholding tax:
 - In case of Graduated Income Tax Rates, I acknowledge that aside from income tax, I am subject to business tax (Percentage Tax, if applicable) and creditable withholding of income in excess of ₱250,000.00, and business tax withholding, if any, are applicable on the entire income payment; OR
 - In case of Eight Percent (8%) income tax rate, I acknowledge that I am only subject to income tax and thus, to the creditable withholding income tax in excess of ₱250,000.00;
- That I duly execute this **SWORN DECLARATION** in compliance with the requirement prescribed under Section 2.57.2 of Revenue Regulations No. 11-2018;
- That I declare, under the penalties of perjury, that this declaration has been made in good faith, and to the best of my knowledge and belief to be true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 20__ at _____, Philippines

 Signature over Printed Name of Individual Taxpayer

SUBSCRIBED AND SWORN to before me this ___ day of _____, 20__ in _____
 Applicant exhibited to me his/her _____ issued at _____ on _____
 (Government Issued ID and No.)

NOTARY PUBLIC

Doc. No.: _____
 Page No.: _____
 Book No.: _____
 Series of _____

Affix ₱30.00
 Documentary
 Stamp Tax

(To be filled-out by the withholding agent/lone payor)

Date Received: _____
 (MM-DD-YYYY-00001)

Received by:

MENCHU B. SABANDO

Signature over Printed Name of the Withholding Agent/Payor or Authorized Officer

ADMIN AIDE III

Designation/Position of Authorized Officer

VISAYAS STATE UNIVERSITY

Name of Withholding Agent/Lone Payor

-need to be filled out
-default

**INCOME PAYEE'S SWORN DECLARATION OF GROSS RECEIPTS/SALES
(For Self-Employed and/or Engaged in the Practice of Profession with Lone Income Payor)**

I, _____, of legal age, single/ married to _____, permanently residing at _____, with Taxpayer Identification Number (TIN) _____, after having been duly sworn in accordance with law

hereby depose and state:

1. That I derived my PROFESSIONAL income only from VISAYAS STATE UNIVERSITY with Taxpayer Identification Number 001-394-498-000 and business address at VISCA, BAYBAY CITY, LEYTE 6521-A

2. That for the current year 2023, my gross receipts will not exceed Two Hundred Fifty Thousand Pesos (P250,000.00) and that I am registered as a non-VAT taxpayer; that whatever is the amount of income received, I will comply with the requirement to file my Income Tax Return on the prescribed due date. For this purpose, I opt to avail of either one of the following:

*1st box indicates that though you're not subject to income tax, still you are subject to percentage tax. If you check this, you have to file 2551Q/2550M/2550Q.

*2nd box indicates that you're not subject to BOTH income and percentage tax, thus no withholding tax shall be made.

*Please make sure to check one of the boxes. SWORN Declaration with unchecked box will NOT be accepted.

- Graduated Income Tax Rates under Section 24(A)(2)(a) of the Tax Code, as amended, based on the taxable income. With this selection, I acknowledge that I am subject to 0% income tax, thus, not subject to creditable withholding tax; subject to percentage tax, if applicable, and will file the required percentage tax returns or subject to withholding percentage tax, in case of government money payments.
- Eight Percent (8%) income tax rate under Section 24(A)(2)(b) of the Tax Code, as amended, based on gross receipts/sales and other non-operating income - with this selection, I understand that this is in lieu of the graduated income tax rates and the Percentage Tax under Section 116 of the Tax Code, as amended; thus, no withholding tax shall be made;

3. That based on my selection above, if my gross sales/receipts and other non-operating income exceeds P250,000.00 but not over P3,000,000.00, my afore-stated lone income payor shall automatically withhold the prescribed rate of withholding tax:

Note: For those exceeds 250K Gross Income, if you checked the second box, then automatically you chose letter b which will be the basis of your tax computation for the current year. Same goes if you checked the first box, you opted to letter a.

- a. In case of Graduated Income Tax Rates, I acknowledge that aside from income tax, I am subject to business tax (Percentage Tax, if applicable) and creditable withholding of income in excess of P250,000.00, and business tax withholding, if any, are applicable on the entire income payment; OR
- b. In case of Eight Percent (8%) income tax rate, I acknowledge that I am only subject to income tax and thus, to the creditable withholding income tax in excess of P250,000.00;

That I duly execute this SWORN DECLARATION in compliance with the requirement prescribed under Section 2.57.2 of Revenue Regulations No. 11-2018:

5. That I declare, under the penalties of perjury, that this declaration has been made in good faith, and to the best of my knowledge and belief to be true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__ at _____, Philippines

Signature over Printed Name of Individual Taxpayer

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20__ in _____ Applicant exhibited to me his/her _____ issued at _____ on _____

NOTARY PUBLIC

Doc. No.: _____
Page No.: _____
Book No.: _____
Series of _____

Affix P30.00 Documentary Stamp Tax

(To be filled-out by the withholding agent/lone payor)

Date Received: (MM-DD-YYYY-00001)

Received by:

ELIZABETH D. PASA

Signature over Printed Name of the Withholding Agent/Payor or Authorized Officer

ADMIN AIDE I

Designation/Position of Authorized Officer

VISAYAS STATE UNIVERSITY

Name of Withholding Agent/Lone Payor



OFFICE OF THE VICE PRESIDENT FOR ADMINISTRATION AND FINANCE

Date

NICK FREDDY R. BELLO
OIC-Head, Accounting Office
Visayas State University
Baybay City, Leyte

Thru: **MENCHU B. SABANDO**
JO, In-charge
Accounting Office

Dear Sir/Madam:

We respectfully submit herewith the following "Income Payee's Sworn Declaration of Gross Receipts/Sales" for the current year of 2024 Job Order workers / Part-time Instructors of our *(Department)*.

No.	TAX IDENTIFICATION NUMBER	NAME (LN, FN, MN)	REMARKS <i>(Indicate file attached if 1901/1902/1904/1905/COR)</i>
1	XXX-XXX-XXX-000	GODOY, IAN FELICES	1 original copy with COR/1901/1902/1904/1905 1 copy Accounting 1 copy own file

(Alphabetical Order)

Please acknowledge receipt hereof.

Very truly yours,

Name of Head (with signature)
(Department/Office)

