



COOPERATIVE DEVELOPMENT AUTHORITY

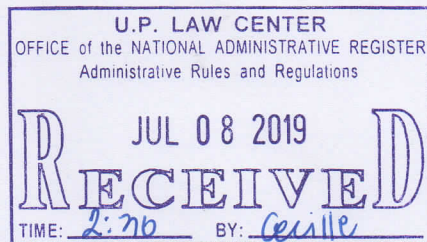
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MEMORANDUM CIRCULAR NO. 2019 - 06 Series of 2019

TO : ALL CONCERNED



SUBJECT : PROCEDURES IN THE SUBMISSION OF ANNUAL TAX INCENTIVE REPORT PURSUANT TO THE JOINT ADMINISTRATIVE ORDER No. 1, SERIES OF 2019

Section 3 of Republic Act (RA) No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion Law (TRAIN Law), requires the Cooperative Development Authority (CDA) to submit to the Bureau of Internal Revenue (BIR) a tax incentive report availed by cooperatives registered and enjoying incentives under RA No. 9520, which information shall be included in the database created under RA No. 10708, otherwise known as the Tax Incentives Management and Transparency Act (TIMTA).

It is the policy of the State to promote fiscal accountability and transparency in the grant and management of tax incentives by developing means to promptly measure the government's fiscal exposure on these grants and to enable the government to monitor, review and analyze the economic impact thereof, and thereby optimized the social benefits of such incentives.

SECTION 1. PURPOSE

This Guidelines shall prescribe the procedures in the submission of Annual Tax Incentives Report by the cooperatives to the Authority pursuant to DOF-CDA-BIR Joint Administrative Order No. 1-2019.

SECTION 2. COVERAGE

All types and categories of cooperatives registered with the CDA and were issued Certificate of Tax Exemption (CTE).

Office of the Chairman : (02) 721-5325
(02) 721-5324

Office of the Executive Director : (02) 725-6450
Officer of the Day : (02) 725-3764



Management System
ISO 9001:2015



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SECTION 3. PROCEDURE

The cooperative shall, in the preparation and submission of the Annual Tax Incentive Report, observe the following procedures:

1. Fill up the Annual Income Tax Incentive Report in the form prescribed under Annex "A" of DOF-CDA-BIR Joint Administrative Order No. 1-2019;
2. Print the report and have it signed by the Chairperson and/or General Manager;
3. Submit the hard copy of the required Tax Incentive Report to the CDA Extension Office having jurisdiction to the principal office of the cooperative;

Cooperative Banks, Insurance Cooperatives, Electric Cooperatives and Tertiary Cooperatives which are national in scope shall submit to the CDA Central Office.

Likewise, soft copy of the report shall be sent to the respective email address of the CDA Central Office/Extension Offices.

Central Office/Extension Offices	Email Address
Central Office	capris@cda.gov.ph
MIMAROPA Extension Office	mimaropa@cda.gov.ph
CAR Extension Office	car@cda.gov.ph
CARAGA Extension Office	caraga@cda.gov.ph
NCR – Manila Extension Office	ncr@cda.gov.ph
Region I- Dagupan Extension Office	r1@cda.gov.ph
Region II - Tuguegarao Extension Office	r2@cda.gov.ph
Region III – Pampanga Extension Office	r3@cda.gov.ph
Region IV – Calamba Extension Office	r4@cda.gov.ph
Region V – Naga Extension Office	r5@cda.gov.ph
Region VI – Iloilo Extension Office	r6@cda.gov.ph
Region VII – Cebu Extension Office	r7@cda.gov.ph
Region VIII – Tacloban Extension Office	r8@cda.gov.ph
Region IX - Pagadian Extension Office	r9@cda.gov.ph
Region X – Cagayan de Oro Extension Office	r10@cda.gov.ph
Region XI – Davao Extension Office	r11@cda.gov.ph
Region XII – Kidapawan Extension Office	r12@cda.gov.ph
ARMM	armm@cda.gov.ph

SECTION 4. DATE OF SUBMISSION

The cooperative shall submit the filled-up Annual Income Tax Incentive Report (Annex "A") within the period prescribed below:

Accounting Period	Year Ending On	Deadline of Cooperative Submission
Calendar Year	December 31	April 30 of the succeeding year
Fiscal Year	January – November	15 days from the deadline of filing of Annual Income Tax Return

SECTION 5. CONSOLIDATION AND SUBMISSION

The Extension Offices shall consolidate and submit the report within thirty (30) calendar days from the deadline of the cooperatives' submission to the CDA Central Office.

The CDA Central Office shall consolidate the report of the Extension Offices and submit the same to the BIR within fifteen (15) days from the deadline of submission of the Extension Offices.

SECTION 6. PENALTY FOR NON-COMPLIANCE

Submission of the compliance requirements under Rule II, Section 5 of the Joint Administrative Order shall be a continuing requirement for the effectivity of the Certificate of Tax Exemption (CTE) of a registered cooperative.

Failure of any registered cooperative issued with a Certificate of Tax Exemption (CTE) and availed of tax incentives to comply with the submission of the compliance requirements as required under Section 4 of this Guidelines shall be imposed of the following penalties:

First Offense	Certificate of Tax Exemption (CTE) shall be deemed revoked and registered cooperative shall be prohibited to avail of tax exemption for a period of 1 year from the date of revocation.
Second Offense	Certificate of Tax Exemption (CTE) shall be deemed revoked and registered cooperative shall be prohibited to avail of tax exemption for a period of 3 years from the date of revocation.

Third Offense	Certificate of Tax Exemption (CTE) shall be deemed revoked and registered cooperative shall be prohibited to avail of tax exemption for a period of 5 years from the date of revocation.
Fourth Offense	Certificate of Tax Exemption (CTE) shall be deemed revoked and registered cooperative shall be prohibited from re-application.

Registered cooperatives shall be liable for the payment of taxes immediately upon revocation of the Certificate of Tax Exemption (CTE), inclusive of surcharge, interest and compromise penalty. Upon payment of taxes, registered cooperatives can re-apply for the issuance of CTE which shall be effective only upon the lapse of the period of prohibition to avail of the tax exemption.

SECTION 7. TRANSITORY PROVISIONS

The cooperative shall submit to CDA the Annual Tax Incentives Report (Annex "A") covering taxable year 2018 on or before July 31, 2019.

SECTION 8. SEPARABILITY CLAUSE

If any provision of this Guidelines is held to be unconstitutional, the other parts hereof shall continue to be in full force and effect.

SECTION 9. EFFECTIVITY



This Memorandum Circular shall take effect fifteen (15) days after its publication in the Office of the National Administrative Register (ONAR).

Approved pursuant to BOA Resolution No. 259, S-2019 dated June 18, 2019.

For the Board of Administrators

July 5, 2019.

By:


ORLANDO R. RAVANERA
 Chairman 

COOPERATIVE DEVELOPMENT AUTHORITY
 ANNUAL TAX INCENTIVES REPORT - INCOME-BASED TAX INCENTIVES FOR CALENDAR/FISCAL YEAR _____
 NAME OF COOPERATIVE _____

Registered Address	CDA Certificate of Registration		Taxpayer Identification No.	Type of Cooperative	Category of Cooperative	Business Activities	GENERAL RESERVE FUND	Transactions (members only or both members and non - members)	
	No.	Date						MEMBERS ONLY	MEMBERS/ NON-MEMBERS
MANILA, NCR (MAIN OFFICE)	123456		000-000-000			ENGAGE IN LENDING	9,000,000	X	
			000-000-000				18,000,000		X

Certified By: _____

AMOUNT OF SALES/RECEIPTS			Tax Incentives Claimed (As declared by RC in the ITR)							
MEMBERS	NON-MEMBERS	TOTAL	Net Sale / Services / Interest Income/ Other Income	Cost of Sales/ Services	Gross Revenue	Expenses	Net Surplus for Allocation	Net Surplus for Distribution of ISCPR	Income Tax Paid	VAT Payment
			a	b	c=(a-b)	d	e=(c-d)	f	g	h
1,000,000			100	0	100	50	50			
1,000,000	1,000,000	2,000,000	500	100	400					

LEGEND:

- d Expenses
- **Expenses = Net Sale /Service (a) - Cost of Sales Services (b) - Gross Revenue (c)
- e Net Surplus for Allocation
- g Gross Revenue (c) - Expenses (d)
- h Actual Income Tax Due / Paid for the year for taxable cooperatives
- Actual VAT Paid for the Year for Vatable Cooperatives