

Onion import ban extended until July

THE Department of Agriculture (DA) said it will extend the suspension of onion imports until July, following an increase in domestic production.

"I-e-extend *natin 'yung ban sa* onion imports, *puno ang mga* cold storage *sa* onion producing areas, (We will extend the ban on onion imports, cold storage facilities in onion producing areas are full)," Agriculture Secretary Francisco P. Tiu Laurel, Jr. told reporters on Monday.

He added that the DA sees no need for more imports as onion prices have remained stable.

According to DA price monitors, the average retail price of domestically grown red onions was between P70 to P160 per kilogram, while white onions sold for between P60 and P130 per kilo as of May 17.

The national average retail price of red onions in early May was P123.75 per kilo, against the P125.76 per kilo in late April.

"If there is a spike in price, and that means there is probably a lack of supply or there is an unscrupulous trader, then we will activate our imports whenever, but only when necessary," Mr. Laurel said.

In January, the agency ordered a temporary halt to onion imports to halt the decline in farmgate prices.

The DA has said that shipment delays resulted in the arrival of 99 metric tons (MT) of onions ordered in December between Jan. 1 and 15.

He had said that once the supply of onions softens, the DA will approve imports, particularly if El Niño affects onion production.

During the first quarter, onion production was 201.25 thousand MT, according to the Philippine Statistics Authority. This was 36.8% higher from a year earlier.

The DA attributed the production growth to a 40% increase in the land planted to onions. — **Adrian H. Halili**



PHILIPPINE STATISTICS AUTHORITY

More local price councils set for reactivation — DTI

THE Department of Trade and Industry (DTI) is working on the reactivation of more local price coordinating councils (LPCCs) to ensure effective oversight of the market during disruptive climate events such as La Niña.

"We are intensifying our efforts to ensure even more effective oversight, particularly as we brace for the impacts of La Niña," Trade Secretary Alfredo E. Pascual said in a statement on Monday.

"In addition, we are working closely with the Department of the Interior and Local Government (DILG) to reactivate the LPCCs, which are crucial partners in our price monitoring initiatives," he added.

According to the DILG, 1,335 or 78% of the 1,716 local government units have reactivated their LPCCs.

LPCCs are tasked with coordinating and rationalizing programs to stabilize prices and supply, recommend suggested retail prices or ceiling prices for certain basic necessities, and conduct in-depth analyses of price fluctuations in their respective areas.

Meanwhile, Mr. Pascual said that the Department of National Defense has committed to supporting agencies involved in price monitoring of basic necessities

and prime commodities at the recent Presidential task force meeting on El Niño response.

"This collaboration underscores the government's unified approach to safeguarding the public against exploitative practices," he said.

"We remind the public that in areas declared under a state of calamity due to La Niña, automatic price control comes into effect," he added.

Under Republic Act 7581, or the Price Act, prices of basic necessities are automatically frozen at their prevailing levels for up to 60 days in areas declared under a state of calamity.

"The DTI is steadfast in enforcing these regulations, and any individuals caught engaging in illegal price manipulation will be prosecuted to the fullest extent of the law," Mr. Pascual said.

PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), the government weather service, said there is a 60% change in La Niña occurring between June and August as El Niño weakens.

In 2024, the DA said it is preparing for a "more destructive" La Niña, which it expects to affect crops late in the year. — **Justine Irish D. Tabile**

ARTA set to issue streamlining rules by June 10

THE Anti-Red Tape Authority (ARTA) said it is confident it will complete the guidelines to implement Executive Order 59 (EO 59), which simplifies the approval process for flagship programs, by the June deadline.

"By June 10... we should be able to finalize the implementing guidelines for approval by the heads of agencies concerned and for submission to the President," ARTA Secretary Ernesto V. Perez said at a briefing on Monday.

President Ferdinand R. Marcos, Jr. issued EO 59 "to fast track the permitting process. And not only streamlining the process, but even to use the digital platforms," Mr. Perez said.



The President has ordered the National Economic and Development Authority's Board Committee on Infrastructure, ARTA, and the interior and local government department to oversee the implementation.

"We hope to follow (the business permit one-stop shop model) in terms of big-ticket infrastructure projects," he added.

EO 59 also ordered a review of agencies' citizens' charters "to remove redundant and

burdensome procedures and requirements" and ensure the accessibility of the revised procedures.

Mr. Perez said ARTA is consulting with various government departments to finalize the draft.

"What we're doing is we're meeting with concerned government agencies regularly, at least once a week, if not twice a week, to be able to meet the deadline," he added.

"We are optimistic that we should be able to meet the deadline of June 10," he said.

The private sector advisory council has also offered to aid in the drafting of the implementing guidelines. — **Adrian H. Halili**

March building permit approvals fall by 15.5%

APPROVED building permits fell 15.5% in March, accelerating the 12.5% drop a year earlier, the Philippine Statistics Authority (PSA) said in a report.

Citing preliminary data, building projects covered by the permits numbered 13,320, and involved 2.84 million square meters of floor area.

Construction projects represented by the permits were valued at P34.07 billion, down 24.3% from a year earlier.

Permits for residential projects, accounting for 67.3% of the total, fell 18.1% to 8,964.

These projects were valued at P15.06 billion, against the P19.66 billion recorded a year earlier.

Meanwhile, single homes accounted for 86.4% of the residential category with approved permits declining 15.7% to 7,743.

Building permits for apartment buildings totaled 1,113 while applications for duplex or quadruplex homes totaled 95, dropping 29.4% and 20.8% respectively.



JOSUE ISAI RAMOS FIGUEROA-UNSPASH

Nonresidential projects were down 6.1% year on year with 3,105 permits, accounting for 23.3% of the total.

Nonresidential permits were valued at P16.37 billion, falling 24.5% from a year earlier.

Approved commercial construction applications made up

71.2% of all nonresidential projects, down 6.4% to 2,210.

Institutional building permits rose 3.2% to 510, while industrial permits dropped 20.2% to 221.

Approved agricultural projects totaled 89, down 17.6%, while other nonresidential projects totaled 75, up 13.6%.

Alteration and repair permits amounted to 832, down 18.3% from a year earlier and valued at P2.31 billion.

Additions, or construction that increases the height or area of an existing building, dropped 14.5% to 419 approved permits.

Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon) had the most approved construction projects, making up 24.4% of the total with 3,245 permits, followed by Central Visayas (1,540 permits), and Central Luzon (1,505 permits).

The PSA said that construction statistics are compiled from the copies of original application forms of approved building permits as well as from the demolition and fencing permits collected every month by the agency's field personnel from the offices of local building officials nationwide. — **Karis Kasarinlan Paolo D. Mendoza**

OPINION

Recovering overpaid taxes

"Taxes are the lifeblood of any government." Hence, taxpayers must remit the taxes due them and not be allowed to evade and escape giving their fair share to the government. To stay compliant, taxpayers have been guided by the Bureau of Internal Revenue's constant reminders, updates, clarifications, and other revenue issuances on new tax rules. The goal is to pay the right amount of taxes on time. But what happens when taxpayers overpay? Can taxpayers still recover overpaid taxes? Typically, when a taxpayer erroneously overpays taxes, the following options are available: file for a claim for refund or apply the excess payments to next year's taxes. These options are not that unknown to many. While there are no penalties for overpaying, the downside is going through the time-consuming and arduous process of claiming a refund. It is frustrating to taxpayers that refund cases take a long time to be resolved.

With the Ease of Paying Taxes (EoPT) Law now in place, a better refund process has been established to give taxpayers relief and ease the burden of waiting. In Revenue Regulations No. 5-2024, these changes in the processing of tax refund claims are clarified.

RR 5-2024 discussed the rules for refunding excess input VAT, unutilized excess income tax credit, erroneously or illegally received taxes, and penalties imposed without authority. The RR applies to tax credit or refund claims that are filed starting July 1, 2024 onwards.

REFUNDS OF EXCESS INPUT VAT

VAT refund claims are now classified into low-, medium-, and high-risk

LET'S TALK TAX MARICEL P. KATIGBAK

claims. Medium- and high-risk claims are subject to audits or other verification processes, while low-risk claims are not. For the purpose of initial classifications, claims filed by first-time claimants are automatically considered high-risk and remain as such for the succeeding three VAT refund claims.

The BIR has 90 days to process and decide the claim. This period starts from the filing of the claim or application for a VAT refund with complete documentary requirements up to the release of the payment thereof.

In the event of full or partial denial of the claim for VAT refund, the taxpayer affected may, within 30 days from receiving the decision denying the claim, appeal the decision with the Court of Tax Appeals (CTA).

However, in case the VAT refund is not acted upon by the Commissioner within the 90-day period, the taxpayer-claimant may appeal to the CTA within the 30-day period after the expiration of the 90 days required by law to process the claim; or forego the judicial remedy and await the final decision of the Commissioner on the application of the VAT refund claim.

Once the taxpayer opts for the judicial remedy, the administrative claim will no longer be processed.

REFUND OF UNUTILIZED EXCESS INCOME TAX CREDIT

The RR distinguishes between refund claims filed by taxpayers of going concern status and taxpayers undergoing dissolution or cessation of business.

REFUND CLAIMS BY TAXPAYERS OF 'GOING-CONCERN' STATUS

- A claim for a tax credit certificate or refund filed by taxpayers with "going-concern" status must be filed within two years from the date of filing the annual income tax return.

- The income upon which the taxes were withheld must be included as part of the gross income declared in the income tax return of the taxpayer claiming the refund.

- The fact of withholding must be established by a copy of the withholding tax certificate showing the amount of income payment and the amount of tax withheld.
- The taxpayer-claimant must be clearly identified as the payee on the withholding tax certificate.

The BIR has 180 days from the submission of complete documents in support of the refund to process the claim. In case the tax refund or credit is not acted upon by the Commissioner within the 180-day period, the taxpayer-claimant may opt to:

1. Appeal to the CTA within the 30-day period after the expiration of the 180 days required by law to process the claim; or
2. Forego the judicial remedy and await the final decision of the Commissioner on the application for a refund.

REFUND CLAIMS OF TAXPAYERS UNDERGOING DISSOLUTION OR CESSATION OF BUSINESS

Generally, excess income taxes paid during the year may be carried over and credited against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable years. Once the option to carry over has been made, such an option is considered irrevocable

for that taxable period, and no application for a cash refund or the issuance of a tax credit certificate (TCC) is allowed.

As an exception to the irrevocability rule, taxpayers who chose the option to carry over may claim a refund provided that they have permanently ceased operations. The BIR will decide on the application and refund the excess taxes within two years from the date of the dissolution or cessation of business. This is an exception to the 180-day processing of TCC/refund under Section 204 (C) of the Tax Code.

The two-year period to decide and refund the excess taxes commences with the submission of the "Application for Registration Information Update/Correction/Cancellation" (BIR Form No. 1905) together with the complete documentary requirements set by the BIR for the closure of business.

The judicial remedy, in case of dissolution, must be filed with the CTA within 30 days of partial or full denial by the BIR.

Any approved refund may only be released after the mandatory audit and full settlement of the tax liabilities relative to the cessation or dissolution of the business and any existing tax liabilities prior to the cessation or dissolution of the business.

REFUND OF ERRONEOUSLY COLLECTED TAXES AND PENALTIES

In cases of claims for tax credit or refund of erroneously collected taxes or penalties, the filing of the claim must be done within two years after the payment of the taxes or penalties. The erroneously or illegally collected taxes must be supported by a copy of the duly filed tax return with the corresponding payment remitted to the BIR.

The BIR now has 180-days to act and decide on the cases filed within two years after the erroneous collection of taxes. In the event of full or partial denial of the refund claims, the taxpayer may appeal to the CTA within 30 days from the receipt of the decision. In cases of inaction, the taxpayer has the option to appeal to the CTA within the 30-day period after the expiration of the 180-day period or forego the judicial remedy and await the final decision of the Commissioner on the application of the refund claim.

There are extra reasons to be mindful of our responsibilities as taxpayers. Knowing the refund process and understanding the timeliness of the procedures are advantageous, especially if you are expecting to apply for one. Indeed, it is beneficial to know and comprehend these processes to help us decide in cases of recovering taxes. It can be lengthy and costly; however, with the right approach and refund management, it can be processed faster, creating a frictionless experience between the authority and the taxpayers. With the implementation of the EoPT law, an improvement in our refund system will both empower taxpayers and the government.

Let's Talk Tax is a weekly newspaper column of P&A Grant Thornton that aims to keep the public informed of various developments in taxation. This article is not intended to be a substitute for competent professional advice.

MARICEL P. KATIGBAK is a senior manager from the Tax Advisory & Compliance division of P&A Grant Thornton, the Philippine member firm of Grant Thornton International Ltd. pgrantthornton@pt.gt.com

