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**SENATE
P. S. RES. No. 1286**

FI 

Introduced by SEN. WIN GATCHALIAN

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REQUIREMENTS FOR THE ISSUANCE OF A CERTIFICATE OF TAX EXEMPTION PARTICULARLY THE PRESENTATION OF TAX IDENTIFICATION NUMBER OF INDIVIDUAL MEMBERS OF COOPERATIVES REGISTERED UNDER THE PHILIPPINE COOPERATIVE CODE, AS AMENDED, CITING SECTION 236 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AS THE BASIS OF SUCH REQUIREMENT

1 WHEREAS, Articles 60 and 61 of Republic Act ("RA") No. 9520, otherwise known
2 as "Philippine Cooperative Code of 2008," provides for tax exemption to qualified
3 cooperatives;

4 WHEREAS, Article 144 of the Philippine Cooperative Code of 2008 provides that
5 registered cooperatives shall secure a certificate of tax exemption ("CTE") from the
6 Bureau of Internal Revenue ("BIR") to avail of the tax exemptions provided under
7 Articles 60 and 61 of the same law;

8 WHEREAS, for the issuance of the CTE to cooperatives, Revenue Memorandum
9 Order No. 76-2010 provides that all members of a cooperative are required to secure
10 a TIN to be submitted together with the regular filing of the cooperative's annual
11 income tax return;

12 WHEREAS, to clarify certain issues and concerns raised by the Cooperative
13 sector, the BIR issued Revenue Memorandum Circular ("RMC") No. 124-2020, which
14 allowed the submission of TINs of the members within six months from the issuance

1 of the CTE provided that the non-submission of which without justifiable reasons shall
2 be a ground for the revocation of the CTE;

3 WHEREAS, RMC No. 124-2020 also clarified that the basis of the TIN
4 requirement was Section 236 (I) (now par. H) of the National Internal Revenue Code,
5 as amended, states that “[a]ny person required under the authority of this Code to
6 make, render or file a return, statement or other document shall be supplied with or
7 assigned a Taxpayer Identification Number”;

8 WHEREAS, no similar requirement has been imposed to the members of other
9 tax-exempt corporations under Section 30 of the NIRC, as amended;

10 WHEREAS, in order to comply with the requirements set forth in RMC No. 124-
11 2020, cooperatives, with proper authorization from members, apply for the issuance
12 of TIN on behalf of its members;

13 WHEREAS, there have been reports from various cooperatives about Revenue
14 District Offices (“RDO”) not accepting TIN applications from cooperatives and some
15 RDOs which impose a limit on the number of TIN applications that a cooperative may
16 process per day to also facilitate TIN applications from other taxpayers;

17 WHEREAS, despite the existence of the Online Registration and Update System
18 (“ORUS”), there have been numerous reports of its unavailability and downtime hence
19 making it difficult for cooperatives to apply for TIN of their members online;

20 WHEREAS, most members of registered cooperatives are individuals from the
21 informal sector of the economy who do not have TIN;

22 WHEREAS, because of the failure to submit the TIN of all of their members,
23 BIR has assessed and imposed taxes on these cooperatives;

24 WHEREAS, it must be noted that the submission of the TIN of all the members
25 of a cooperative is not a requirement for tax exemption under Articles 60 and 61 of
26 the Philippine Cooperative Code of 2008, hence, the submission of the members’ TIN
27 being required by the BIR must be revisited;

28 RESOLVED BY THE SENATE, as it is hereby resolved by the Senate, to direct
29 the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the
30 requirements for the issuance of a certificate of tax exemption particularly the
31 presentation of tax identification number of individual members of cooperatives
32 registered under the Philippine Cooperative Code, as amended, citing Section 236 of

- 1 the National Internal Revenue Code, as amended, as the basis of such requirement.

Adopted,



WIN GATCHALIAN