BDB Law

DU-BALADAD AND ASSOCIATES

ADVISORY

SERIES OF 2026

One-Time Abatement of Taxes and/or Penalties for Micro Taxpayers

BUREAU OF INTERNAL REVENUE
Revenue Regulations No. 04-2026
June 18, 2026

ONE-TIME ABATEMENT OF TAXES AND/OR PENALTIES FOR MICRO TAXPAYERS

Who May Avail

Micro taxpayers[1] may avail of this abatement to settle the following **as of December 31, 2025**:

- Delinquent Accounts[2];
- Assessments, whether preliminary or final, disputed or not[3];
- All open stop-filer cases[4]; and
- Those who have ceased business operations[5].

Period of Availment

Qualified taxpayers can avail of these benefits **until December 31, 2026**, unless extended by the Secretary of Finance upon recommendation of the Commissioner of Internal Revenue.

Coverage

The following cases of micro taxpayers with delinquent or assessed basic tax or penalties of not more than Eighty Thousand Pesos (P80,000.00)[6] may be applied for abatement:

- Delinquent Accounts;
- Cases with administrative protest pending with the Bureau of Internal Revenue (BIR) National Office;
- Tax cases being disputed before the Department of Justice and the Courts, including decided cases which are not yet final and executory;
- Tax Collection Cases filed with the Courts;
- Cases with pending request for Compromise Settlement which are under evaluation by the Technical Working Group (TWG)-National Evaluation Board (NEB), TWG-Regional Evaluation Board (REB), NEB and REB;
- Cases with pending request for abatement under RR No. 13-2001 for evaluation by the Commissioner of Internal Revenue or his authorized representative;
- Criminal violations, except those already filed in Court, such as those under the Run After Tax Evaders (RATE) Program of the Bureau, and other tax fraud cases, unless allowed to avail by the Commissioner or his duly authorized representative on meritorious grounds;
- "Accounts Payable or Due to BIR" accounts; and
- No basic tax due but the threshold amount involves penalties due.

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[1] Micro taxpayer refers to a taxpayer whose gross sales for the year is less than Three Million (<P3,000,000.00). In case of mixed income earner, only business income shall be included in the computation of gross sales.
[2] Refers to amount of tax due from taxpayer who failed to pay the same within the time prescribed for its payment, arising from either a self-assessed tax, or a deficiency assessment issued which has become final and executory.
[3] Refers to a tax assessment in the Preliminary Assessment Notice or Final Assessment Notice, or reiterated in the Final Decision on Disputed Assessment which has not yet become final and executory.
[4] Refers to a case wherein a registered taxpayer failed to file and/or submit the required tax return and other tax information within the prescribed due date.
[5] Refers to the point or circumstance when the business operations of the taxpayer have stopped.
[6] The P80,000.00 threshold shall refer to the total basic tax liabilities and/or penalties arising from violations of the NIRC of 1997, as amended, covering all of the above-mentioned cases for a taxable year.

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Procedures for Availment

Procedures for Availment	
Manner of Filing	☑ File an application for abatement on a per taxable basis. ☑ Specify the tax types and basic amount due, excluding interest, for each covered case. Failure to do so shall result to the denial of the application.
Place for Filing	☑ Revenue District Office (RDO) having jurisdiction over the taxpayer.
Mode of Payment	☑ Pay an amount of P5,000.00[7] using BIR Form No. 0605, either electronically or manually, within five (5) days from the filing of the application. ☑ Submit proof of payment within five (5) days from the date of payment.
Certificate of Availment	☑ Certificate of Availment shall be issued within five (5) days from receipt and verification of the proof of payment. ☑ This will serve as proof of the taxpayers's availment of abatement, compliance with the requirements, and the closure of the case.

Effectivity

This Regulation takes effect after fifteen (15) days upon its complete publication in the Official Gazette or BIR Official Website, whichever comes first, or on **July 3, 2026**.

Source:
Revenue Regulations No. 04-2026
June 18, 2026

[7] In case of withdrawal or denial of the application, the P5,000.00 abatement fee shall not be refundable but shall be applied as partial payments to the taxes or penalties sought to be abated.