



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
KAGAWARAN NG KAPALIGIRAN AT LIKAS YAMAN



MEMORANDUM

TO : **The Regional Executive Directors**  
DENR Regions 1-13, NCR, CAR

ATTENTION : **The Regional Accountants**

FROM : **The Undersecretary**  
Finance, Information Systems and Climate Change

SUBJECT : **CY 2021 TAX ASSESSMENT**

DATE : **MAR 27 2024**

This refers to the attached copy of Electronic Letter of Authority (eLA) No. 201900049371 (AUDM29-038-2023-010607) dated 24 May 2023 issued by the Regional Director Mahinardo G. Mailig of the Bureau of Internal Revenue (BIR) Revenue District Office (RDO) No. 038 regarding the tax examination of the DENR for the taxable year ending December 31, 2021.

The BIR examines the Operating Expenses in the Consolidated Statement of Financial Performance under All Funds and as reported in the CY 2021 Consolidated Annual Audit Report (CAAR) of the Commission on Audit (COA).

The assigned Revenue Officers (ROs) have already examined and evaluated the documents, proof of remittances and other schedules previously submitted by your office.

As the audit progresses, these ROs find the need for additional schedules in order to ascertain the total internal revenue tax liabilities of the DENR for CY 2021 and to determine whether taxes were correctly withheld and remitted within the prescribed period. Below are the lists of additional schedules as determined by the BIR (*copies attached*):

1. Reconciliation of Revenue and Expense per CAAR vs. Taxes Withheld (*Schedule 1*)
2. Schedule of Expanded Withholding Tax (*Schedule 2*)
3. Schedule of Value Added Tax (VAT) and Other Percentage Tax (OPT) Withheld (*Schedule 3*)
4. Summary of Income Tax Withheld on Compensation (*Schedule 4*)
5. Schedule of Final Withholding Tax (*Schedule 5*)
6. Summary of Payments (*Schedule 6*)

These schedules must be submitted to the BIR through the Central Office - Accounting Division not later than 03 April 2024.

The Accounting Division has created and shared a spreadsheet to all regions to ensure uniformity in the presentation and expedite its preparation. It can be accessed through the following link: <https://bit.ly/CY2021TaxAssessment>

Should you need further assistance, please contact Ms. Nenita L. de Leon/Ms. Ellaine Richelle F. Chavez of the Accounting Division at telephone. no. 8928-0254 or through their email at [nldeleon@denr.gov.ph](mailto:nldeleon@denr.gov.ph)/[erfchavez@denr.gov.ph](mailto:erfchavez@denr.gov.ph).

For immediate compliance.

  
ATTY. ANALIZA REBUELTA - TEH

MEMO NO. - 2024 - 301

BIR Form No.

**1966**

July 2010



REPUBLIC OF THE PHILIPPINES  
 DEPARTMENT OF FINANCE  
 BUREAU OF INTERNAL REVENUE  
 Revenue Region No. 7A - QUEZON CITY  
 Revenue District Office No. 038 - NORTH QUEZON CITY

eLA201900049371

AUDM29-038-2023-010607

**LETTER OF AUTHORITY**

MAY 24, 2023

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES  
 VISAYAS AVE VASRA 1128 QUEZON CITY - 00002 NCR,  
 SECOND DISTRICT PHILIPPINES  
 TIN 000-535-643-00000

**Sir/Madam/Gentlemen:**

The bearer(s) hereof, RO Charlene Mamanta, Irennuell Verzosa, Marian Alonzo / GS Anna Marie Claveria of Revenue District Office No. 038 - NORTH QUEZON CITY is/are authorized to examine your books of accounts and other accounting records for ALL INTERNAL REVENUE TAXES for the period from 01/01/2021 to 12/31/2021 pursuant to SEC. 6 (A) AND SEC. 10 (C) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED. The Revenue Officer(s) identified herein are provided with the necessary identification card(s) which shall be presented to you upon request.

It is requested that all required documents, books, and records be provided to the Revenue Officer(s) to expedite the tax examination.

You will be duly informed of the results of the tax examination upon approval of the report submitted by the said Revenue Officer(s).

Very truly yours,

  
 MAUNARDO G. MAILIG  
 REGIONAL DIRECTOR

**IMPORTANT**

- In case of failure to submit/present the books of accounts, records, and documents per attached checklist of requirements, a Subpoena Duces Tecum shall be issued to compel submission/presentation thereof.
- Please address any communication on this matter to the authorized officer(s) RENATO J. MINA, REVENUE DISTRICT OFFICER, RDO038 - NORTH QUEZON CITY with the address at 4TH FLR. BIR RDO-38, FISHER MALL, QUEZON AVE. COR. ROOSEVELT AVE. BRGY. STA. CRUZ, QUEZON CITY with telephone no 8 928-2367 / 8 927-6204 / 8 928-1551 / 8 928-2367. This is an electronically issued Letter of Authority. Please confirm the validity of this document with the authorized signatory above.

**RECEIVED BY:**

\_\_\_\_\_  
 TAXPAYER/AUTHORIZED REPRESENTATIVE  
 (Signature Over Printed Name)

\_\_\_\_\_  
 DATE

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

TIN: 000-535-643

Reconciliation AFS vs Withholding

TAXABLE YEAR 2021

TWA MAR 2019

	In thousands							
	PER AFS		CONTRACTORS / SERVICES (2%)	GOODS (1%)	RENTALS (5%)	COMMISSION (10%)	PROF. FEE (5%)	NOTES
Revenue								
Tax Revenue		20,286.00						
Service and business income		1,425,322.00						
Shares, grants and donation		27,538.00						
Gains		-						
		1,473,146.00						
Less: Operating Expenses								
Personnel services								
Salaries & Wages								
Regular	5,043,108,080.26							WC
Casual/Contractual	60,233,804.06		60,233,804.06					
Other compensation								
PERA	360,735,289.14							WC
Representation Allowance	44,010,056.16							WC
Transportation Allowance	29,511,794.38							WC
Clothing/Uniform allowance	92,375,000.00							WC
Subsistence Allowance	73,000.00							WC
Quarters Allowance	58,000.00							WC
Productivity Incentive Allowance	1,410,500.00							WC
Honoraria	2,807,108.82							WC
Hazard Pay	87,292,399.43							WC
Longevity Pay	1,584,000.00							WC
Overtime and Night Pay	7,843,629.62							WC
Year-end bonus	436,735,489.68							WC
Cash gift	76,545,188.30							WC
Mid-year bonus	250,639,908.93							WC
Other bonuses & Allowances	702,131,712.80							WC
Personnel Benefit Contributions								
Retirement & Life Insurance Premiums	600,826,389.87							WC
Pag-IBIG Contributions	19,364,232.73							WC
PhilHealth Contributions	70,127,054.65							WC
Employees Compensation Insurance Premium	18,868,234.65							WC
Other Personnel Benefits								
Retirement Gratuity	4,461,099.83							WC
Terminal Leave Benefits	301,507,214.25							WC
Other Personnel Benefits	211,768,587.15	8,424,199.00						WC
Maintenance and other operating expenses								
Travelling Expenses	576,372,529.15		576,372,529.15					
Travelling & Scholarship Expenses	241,401,146.03		241,401,146.03					
Supplies & Materials Expenses	831,585,287.85			831,585,287.85				
Utilities Expenses	221,691,675.27			221,691,675.27				
Communication Expenses	147,221,322.06			147,221,322.06				
Awards/Rewards Expenses	5,049,150.80							WF
Survey, Research, Exploration & Development Expense	48,146,761.08		48,146,761.08					
Demolition/ Relocation and Desilting/ Dredging Expen	490,954.00		490,954.00					

Confidential, Intelligence and Extraordinary Expenses	21,621,285.51		21,621,285.51		
Professional Services	1,976,948,322.29				1,976,948,322.29
General Services	1,280,757,976.50		1,280,757,976.50		
Repairs & Maintenance	326,394,558.23		326,394,558.23		
Taxes, Insurance Premiums & Other fees	290,041,576.13		290,041,576.13		
Other Maintenance & Operating Expenses	754,030,614.60	6,721,753.00	740,200,592.00	13,830,022.60	
Financial expenses	600.00	1.00			
Non-cash expenses					
Depreciation	820,568,900.44				
Amortization	10,931,364.66				
Impairment Loss	243,033,864.06	1,074,534.00	16,220,487.00		
<b>NET INCOME</b>					(14,747,341.00)
Increase in PPE (Note 7)					
Per AFS			3,954,574,180.02	831,585,287.85	13,830,022.60
Per 1601E		535,614,191.62	348,421,080.00	110,079,088.40	13,830,022.60
Difference			3,606,153,100.02	721,506,199.45	-
Less: Purchases from Jan - Jun					1,913,664,321.67
Discrepancy / (Unaccounted Source of Cash)		3,606,153,100.02	3,606,153,100.02	721,506,199.45	-
Tax Rate			2%	1%	5%
Basic Tax Due		102,898,278.08	72,123,062.00	7,215,861.99	95,683,216.08

NOTES:

A	WE still due (uncategorized)	102,898,278.08
	Less: Uncategorized WE Payments (all except Central Office)	79,106,351.73
	WE still due	<u>23,791,926.35</u>

LIMITS

1. representation and entertainment per ITR	P	-
Less: Statutory limit per RR 10-2002		
Net Sales (Goods)/Gross receipts Sales (Services)		
Rate (0.5% - Goods, 1% services)		0.50%
non deductible representation expense (favorable)	P	-
2. donations and contributions per FS	P	-
Less: Statutory limit - Sec 34(H) of the Tax Code		
taxable net income before donations		
rate (10% - individual, 5% - corporation)		5%
non deductible donations (favorable)	P	-
3. interest expense claimed	P	-
Less: Statutory limit - Sec 34(B) of the Tax Code		
interest expense per FS/ITR		
ceiling on interest income subject to final tax		
non deductible interest expense	P	-

Sales per claimed 2307s	77,205,812.84
Less: Reported Sales	-
Unreported Sales	<u>77,205,812.84</u>

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

TIN: 000-535-643

Schedule of Expanded Withholding Tax

TAXABLE YEAR 2021

TWA-MAR 2019

ATC CODE	MGMT & TECH consultants (15%)		RENTALS (5%)		SERVICES (2%)		GOODS (1%)		PROF FEE(5%)		PROF FEE(10%)		TOTAL	
	WC 051		WC100/WI100		WC157		WC640		WI010		WI011		Income Payments	EWT
1st quarter	960,000.00	144,000.00	3,675,719.60	183,765.96	70,295,892.00	1,405,917.84	17,425,489.00	174,254.89	8,705,600.48	435,280.02	3,460,014.90	346,001.49	104,522,715.98	2,689,240.22
2nd quarter	5,515,141.47	827,271.22	1,798,212.40	89,910.62	72,795,984.00	1,455,919.68	38,398,671.00	383,966.71	7,640,624.00	382,031.20	4,665,752.40	466,575.24	130,814,385.27	3,605,694.67
3rd quarter	2,881,011.40	432,151.71	3,408,057.80	170,402.89	60,847,179.00	1,216,943.58	25,648,983.00	256,489.83	7,908,883.00	395,444.15	3,596,658.10	359,666.81	104,290,772.30	2,831,097.97
4th quarter	3,188,392.87	478,258.93	4,948,032.80	247,401.64	144,482,025.00	2,889,640.50	28,605,945.40	286,059.45	7,805,376.20	390,268.81	6,956,545.80	695,654.58	195,986,318.07	4,987,283.91
<b>Total</b>	<b>12,544,545.74</b>	<b>1,881,681.86</b>	<b>13,830,022.60</b>	<b>691,501.13</b>	<b>348,421,080.00</b>	<b>6,968,421.60</b>	<b>110,079,088.40</b>	<b>1,100,790.88</b>	<b>32,040,483.68</b>	<b>1,603,024.18</b>	<b>18,678,971.20</b>	<b>1,867,897.12</b>	<b>\$35,614,191.62</b>	<b>14,113,316.78</b>

2. Remittance

Per Return

14,113,316.78

Per BIR - ITS / 1604 E

14,127,345.35

Difference

(14,028.57)

erroneous filing (taxable year), payment made on 10/09/2012

## DEPARTMENT OF ENVIRONMENT &amp; NATURAL RESOURCES

TIN: 000-535-643

Schedule of VAT &amp; OPT Withheld

TAXABLE YEAR 2021

TWA MAR 2019

ATC CODE	EXEMPT FROM VAT (3%)		VAT ON GOODS (5%)		VAT ON SERVICES (5%)		TOTAL	WG
	WB080		WV010		WV020		Income Payments	
JANUARY	6,391,435.00	191,743.05	7,934,377.40	396,718.87	32,416,634.12	1,620,831.71	46,742,446.52	2,209,293.63
FEBRUARY	2,103,666.67	63,110.00	4,961,303.40	248,065.17	23,022,693.00	1,151,134.65	30,087,663.07	1,462,309.82
MARCH	1,866,381.67	55,991.45	2,996,348.20	149,817.41	12,567,706.80	628,395.34	17,430,436.67	834,194.20
APRIL	3,348,952.20	100,468.57	15,728,677.20	786,433.86	9,654,428.80	482,721.44	28,732,058.20	1,369,623.87
MAY	4,391,019.00	131,730.57	6,351,038.20	317,551.91	35,774,755.60	1,788,737.78	46,516,812.80	2,238,020.26
JUNE	5,310,035.00	159,301.05	13,921,335.60	696,066.78	28,192,331.40	1,409,616.57	47,423,702.00	2,264,984.40
JULY	4,756,337.00	142,690.11	2,881,436.20	144,071.81	18,055,205.20	902,760.26	25,692,978.40	1,189,522.18
AUGUST	6,884,448.00	206,533.44	10,083,978.00	504,198.90	32,029,651.20	1,601,482.56	48,998,077.20	2,312,214.90
SEPTEMBER	3,923,098.00	117,692.94	10,294,794.40	514,739.73	11,082,457.08	554,122.85	25,300,349.68	1,186,555.52
OCTOBER	5,986,264.00	179,587.92	7,350,442.80	367,522.14	42,435,006.00	2,121,750.30	55,771,712.80	2,668,860.36
NOVEMBER	6,894,010.00	206,820.30	5,355,040.40	267,752.02	36,441,130.00	1,822,056.50	48,690,180.40	2,296,628.82
DECEMBER	11,448,923.00	343,467.69	12,566,939.40	628,346.97	60,016,256.40	3,000,812.82	84,032,118.80	3,972,627.48
<b>Total</b>	<b>63,304,569.54</b>	<b>1,899,137.09</b>	<b>100,426,711.40</b>	<b>5,021,285.57</b>	<b>341,688,255.60</b>	<b>17,084,412.78</b>	<b>505,418,536.54</b>	<b>24,004,835.44</b>

\*USED 1% FOR WB080 FROM APR - DEC

CREATE LAW

## 2. Remittance

Per Return	24,004,835.44
Per BIR - ITS / 1604 E	22,945,973.75
<b>Difference</b>	<b>1,058,861.69</b>

## Expenses subjected to WG

Salaries - Casual/Contractual	60,233,804.06	
Travelling Expenses	576,372,529.15	
Travelling & Scholarship Expenses	241,401,146.03	
Supplies & Materials Expenses	831,585,287.85	
Utilities Expenses	221,691,675.27	
Communication Expenses	147,221,322.06	
Survey, Research, Exploration & Development Expenses	48,146,761.08	
Demolition/ Relocation and Desilting/ Dredging Expenses	490,954.00	
Confidential, Intelligence and Extraordinary Expenses	21,621,285.51	
Professional Services	1,976,948,322.29	
General Services	1,280,757,976.50	
Repairs & Maintenance	326,384,558.23	
Taxes, Insurance Premiums & Other fees	290,041,576.13	
Other Maintenance & Operating Expenses	754,030,614.60	6,776,937,812.76

Less: Expenses subjected to WG

Expenses not subjected to WG

Multiply by: Tax Rate

WG

Less: Uncategorized WG Payments (oil except Central Office)

WG still due

6,776,937,812.76
505,418,536.54
6,271,519,276.22
5%
313,575,963.81
113,479,548.48
<b>200,096,415.34</b>

DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

TIN: 000-535-643

Summary of Income Tax withheld on Compensation

TAXABLE YEAR 2021

Per 1401-C Month	Taxable	Non-Taxable	Total	Tax Withheld	Adjustment	Amount Paid
Jan	28,497,639.09	4,582,414.75	33,080,053.84	4,741,234.69		4,741,234.69
Feb	30,033,890.07	4,387,474.21	34,421,364.28	4,757,854.78		4,757,854.78
Mar	28,825,334.28	4,753,137.57	33,578,471.85	4,673,271.69		4,673,271.69
Apr	28,901,147.62	4,747,075.61	33,648,223.23	4,652,881.73		4,652,881.73
May	30,582,985.40	4,731,864.08	35,314,849.48	5,028,073.98		5,028,073.98
Jun	28,979,990.73	4,725,651.29	33,705,642.02	4,737,844.98		4,737,844.98
Jul	28,522,992.04	4,666,564.89	33,189,556.93	4,664,948.54		4,664,948.54
Aug	29,422,092.60	4,766,997.93	34,189,090.53	4,795,104.94		4,795,104.94
Sep	29,549,562.63	4,634,832.58	34,184,395.21	4,888,307.42		4,888,307.42
Oct	28,238,023.07	4,577,416.03	32,815,439.10	4,630,166.86		4,630,166.86
Nov	28,939,005.90	4,628,232.09	33,567,237.99	4,786,157.42		4,786,157.42
Dec	29,637,626.34	4,774,363.65	34,411,989.99	2,467,358.33		2,467,358.33
	<u>350,130,289.77</u>	<u>55,976,024.68</u>	<u>406,106,314.45</u>	<u>54,823,205.36</u>	-	<u>54,823,205.36</u>

1. Withholding

Per FS/Trial Balance

Salaries and Wages

Direct Labor

Non-cash expenses

Total

Per Alphalist

Disallowed Salaries Expense / (Unaccounted source of cash)

406,106,314.45

(406,106,314.45)

2. Remittance

Per Alphalist

Per 1401-C

Difference

54,823,205.36

Per Alphalist

	Non Taxable			TAXABLE		Total
	13th Month	SSS,PHIC	Salaries	Other	Salaries	
Sch 7.1						-
Sch 7.2						-
Sch 7.5						-
Total						-

Tax Remittance

	Tax Due	Tax Remitted
Sch 7.1		
Sch 7.3		
Sch 7.5		
		<u>54,823,205.36</u>
		- 54,823,205.36

**DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES**

TIN: 000-535-643

Schedule of Final Withholding Tax

TAXABLE YEAR 2021

TWA MAR 2019

ATC CODE	UNCLASSIFIED (00%)	PRIZES & OTHER WINNINGS (20%)		TOTAL	WG
	WMF20	WI260		Income Payments	
1st quarter	-	-	-	-	-
2nd quarter	-	450,000.00	90,000.00	450,000.00	90,000.00
3rd quarter	6,000.00	-	-	-	6,000.00
4th quarter	-	-	-	-	-
<b>Total</b>	<b>6,000.00</b>	<b>450,000.00</b>	<b>90,000.00</b>	<b>450,000.00</b>	<b>96,000.00</b>

2. Remittance

Per Return	96,000.00
Per BIR - ITS / 1604 E	96,000.00
<b>Difference</b>	<b>-</b>

Awards/Prizes per AFS	5,049,150.80
Tax Rate	20%
Tax Due	1,009,830.16
Less: Uncategorized WF Payments (all except CO)	4,597,646.33
Difference	(3,587,816.17)



**DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES**

TIN: 000-535-643

**SUMMARY OF PAYMENTS**

TAXABLE YEAR 2021

TAX TYPE	CO	1	2	4B	5	7	3	6
DS	-	-	-	-	-	13,650.00	-	-
WF	96,000.00	-	-	9,400.00	-	10.99	-	-
WC	54,823,205.36	-	14,782,189.44	14,991,834.37	18,694,186.49	14,300,271.49	19,666,369.84	15,730,432.21
WE	14,127,345.35	2,640.82	9,832,256.44	1,781,193.37	6,767,161.60	2,899,204.30	8,650,220.65	4,062,254.09
WG	22,945,973.75	4,581.93	16,255,236.89	6,735,784.23	11,886,301.03	6,404,651.17	14,564,064.12	5,613,974.91
<b>TOTAL</b>								
SUB	91,992,524.46	7,222.75	40,869,682.77	23,518,211.97	37,347,649.12	23,617,787.95	42,880,654.61	25,406,661.21

NO TAX TYPE N.OCC

		REGION					
6	8	12	13	4A	9	10	11
15,730,432.21	19,180,754.55	4,023,283.24	15,237,087.90	8,348,457.31	13,802,521.74	1,187,204.46	11,247,615.65
4,062,254.09	5,295,017.41	214,808.77	9,181,910.54	3,471,824.76	4,072,873.43	1,405,438.09	2,819,872.86
5,613,974.91	8,280,796.04	965,110.91	8,262,960.67	6,126,272.60	8,829,903.51	1,270,392.50	4,469,952.52
25,406,661.21	32,756,568.00	5,203,202.92	32,681,959.11	17,946,554.67	26,705,298.68	3,863,035.05	18,537,441.03
NO TAX TYPE N, OCC						NO SUBMISSION	



	11	BMB	CAR	NCR	TOTAL
					13,650.00
			4,588,235.34		4,693,646.33
204.46	11,247,615.85	1,043,250.90	16,003,126.85	6,743,487.66	249,805,279.46
438.09	2,819,872.86	1,961,447.45	14,384,777.80	2,303,449.35	93,233,697.08
392.50	4,469,952.52	1,342,573.88	4,588,235.34	7,878,756.23	136,425,522.23
					<u>484,171,795.09</u>
035.05	18,537,441.03	4,347,272.23	39,564,375.33	16,925,693.24	
SION		NO SUBMISSION			

