

Tax Performance Analysis of the Regional and District Offices of the **BIR: CY 2000-2009***



I. INTRODUCTION

The Bureau of Internal Revenue (BIR) is the country's leading tax collecting agency contributing over 75% of total national government (NG) tax revenue. It plays an important role in the government's commitment to attain sustainable progress by raising the revenues needed to pursue development programs and projects. Its over-all performance depends on the aggregate collection of its implementing offices namely the Large Taxpayers Service located at the National Office, Makati and Cebu; and 19 regional offices situated in different places in the country. Operating under the National Office and regional offices are various revenue district offices (RDOs) that provide frontline taxpayer assistance and services; and administer the assessment and collection of all internal revenue taxes, fees and charges from taxpayers under their jurisdiction. Since the Bureau relies on these offices in meeting its over-all revenue target, their respective collections should therefore be closely monitored. An important area of close monitoring of the collections pertains to those of the different revenue regions (RRs) which contribute significantly to the NG coffers.

This paper compares and analyzes the tax performance of the RRs and the RDOs under their jurisdiction, and identifies the top collectors and the poor performers from 2000 to 2009. The study findings may be used as inputs in introducing administrative and related reforms at the regional and district level in order to improve collections.

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II. DISTRIBUTION OF RDOs IN THE REVENUE REGIONS

There are 119 RDOs operating in the country today, four of which serve as a one-stop shop for the so-called “large taxpayers” and are under the National Office while 115 RDOs cater to the needs of “non-large taxpayers” and are distributed among the 19 RRs. The list of the RDOs is presented in **Annex A** and its distribution by RR is summarized in **Table 1**.

Table 1. DISTRIBUTION OF RDOs BY REVENUE REGION

Revenue Region		No. of RDOs
Total		<u>119</u>
National Office		4
Revenue Regions		115
1	Calasiao, Pangasinan	6
2	Cordillera Administrative Region	6
3	Tuguegarao, Cagayan	4
4	San Fernando, Pampanga	7
5	Caloocan City	4
6	Manila	9
7	Quezon City	9
8	Makati City	8
9	San Pablo City	10
10	Legazpi City	7
11	Iloilo City	5
12	Bacolod City	4
13	Cebu City	5
14	Tacloban City	6
15	Zamboanga City	6
16	Cagayan de Oro City	6
17	Butuan City	4
18	Cotabato City	5
19	Davao City	4

Most RRs have **four** to **six** RDOs under their jurisdiction except RR4-San Fernando, Pampanga and RR10-Legazpi City with **seven** RDOs; RR8-Makati City with **eight** RDOs; RR6- Manila and RR7-Quezon City with **nine** RDOs; and RR9-San Pablo City with **10** RDOs. Some big RDOs are further subdivided by attaching letter suffixes to the RDO number, e.g., RDO 17-Tarlac, Tarlac into RDO 17-Tarlac, Tarlac; RDO 17A-Tarlac City, Tarlac; and RDO 17B-Paniqui, Tarlac, etc.

It should be noted that the 19 revenue regional classifications of the BIR do not exactly match with the 17 administrative regional classifications of the government. For instance, the National Capital Region (NCR) is subdivided into four RRs namely RR5-Caloocan City, RR6-Manila, RR7-Quezon City and RR8-Makati City. In the case of RR5-Caloocan City, it covers the province of Bulacan of Region III- Central Luzon under its jurisdiction in addition to Valenzuela, Navotas, Malabon, and Caloocan City (CAMANAVA area) while in the case of RR6-Manila, it covers Romblon, Puerto Princesa and Occidental Mindoro of Region IV-B (MIMAROPA) in addition to the different districts of Manila. Moreover, RR7-Quezon City includes Cainta and Taytay, Rizal which are part of Region IV-A (CALABARZON). Also, Region VI-Western Visayas is subdivided into two RRs namely RR11-Iloilo City covering Aklan, Antique, Iloilo, Roxas City and Iloilo City; and RR12-Bacolod City covering Negros Occidental, Bacolod City and Dumaguete City. Lastly, RR15-Zamboanga covers Basilan, Sulu and Tawi- Tawi of Autonomous Region of Muslim Mindanao (ARMM) in addition to Region IX-Zamboanga Peninsula while RR16- Cagayan de Oro City covers Lanao del Sur of the ARMM in addition to Region X- Northern Mindanao. On the other hand, the other RRs match with the administrative regions as follows: RR1- Calasiao, Pangasinan covers Region I- Ilocos Region; RR3-Tuguegarao, Cagayan covers Region II- Cagayan Valley; RR10-Legazpi City covers Region V-Bicol Region, etc. (Please refer to **Annex B** for the matching of the revenue regions with the administrative regions).

III. TAX PERFORMANCE OF THE REVENUE REGIONS: 2000-2009

A. National Office vs. Regional Offices

Total internal revenue tax collections continuously grew from **₱ 360.8 billion** in 2000 to **₱780.1 billion** in 2008. It, however, declined by 3% to **₱ 756.2 billion** in 2009. Of the total amount, about **55%**, on the average, was contributed by the four RDOs under the National Office namely the Large Taxpayers Service (LTS), Excise Taxpayers Service (ETS), Large Taxpayers District Office (LTDO)-Makati and LTDO-Cebu of which the LTS and ETS turned in the bulk of the collection. These RDOs serve 1,369 identified “large taxpayers” in the country as of 2009. On the other hand, the remaining **45%** of the total collection was contributed by the RRs which shall be the focus of this paper. (**Table 2**).

B. Comparative Collections of the Revenue Regions: 2000-2009

Aggregate collection of the RRs was generally on an uptrend from **₱163.9 billion** in 2000 to **₱ 367.4 billion** in 2008 except for a slight decline in 2001 and 2007. In 2009, the collection went down to **₱ 316.4 billion** from a very high record in 2008. Below is the list of the RRs with their corresponding level of collections. (**Table 3**)

The following are the findings on the tax collections of the RRs:

1. Three RRs in Metro Manila namely, RR8-Makati City, RR7-Quezon City and RR6-Manila dominated the other RRs contributing, on the average, nearly **two-thirds** of the aggregate collection of the RRs from 2000-2009. This is basically due to the concentration of major economic activities in Metro Manila. Being the country's central business district, it is in Metro Manila where both local and international businesses establish their head offices; and where high-rise office buildings, commercial establishments, schools and universities, hotels, hospitals and shopping malls are located. It is also the government center where government institutions and government-owned and controlled corporations are housed. All of these phenomena contribute to a wider taxpayer base, resulting to higher tax collections.
2. The top 3 RRs, however, do not maintain the same rank but instead alternately hit the first, second and third ranks within the period under review. For instance, while RR8-Makati City ranked first in 2000, it went second place in 2001-2005; after which it returned to its number one status starting 2006 up to 2009. Conversely, RR6-Manila which ranked second in 2000 climbed to first place from 2001 -2005; went back to second place in 2006 to 2008; and fell to third place in 2009. On the other hand, RR7-Quezon City which ranked third from 2000-2008 became second in 2009.
3. The next two highest contributors were RR9-San Pablo City and RR5-Caloocan City, representing, on the average, about **9%** and **3%** of the total regional collection, respectively. As noted, RR9-San Pablo City covers Region IV-A (CALABARZON) and selected provinces in Region IV-B (MIMAROPA) which are located south of Metro Manila while RR5-Caloocan City, in addition to Valenzuela, Navotas, Malabon and Caloocan covers under its jurisdiction the province of Bulacan of Region III- Central Luzon which is located north of Metro Manila. It therefore shows that the bulk of the tax collection of the RRs came mainly from Metro Manila and nearby provinces. (**Table 4**)

**Table 4. TOP 5 REVENUE REGIONS BASED ON TOTAL COLLECTION:
2000-2009**

Revenue Regions	Average % Contribution	Average Rank
8 Makati City	25.32%	1
7 Quezon City	20.73%	2
6 Manila	20.43%	3
9 San Pablo City	9.43%	4
5 Caloocan City	3.23%	5

4. Four out of 19 RRs displayed continuous increase in collection from 2000-2009. These are RR3-Tuguegaro, Cagayan; RR4-San Fernando, Pampanga; RR15-Zamboanga City; and RR19-Davao City. It is unfortunate that all other RRs including the top 4 RRs experienced decline in collection in at least one year during the 10-year period.
5. RR17-Butuan City consistently contributed the least tax collection to the NG coffers from 2000-2009. The other small tax collectors were RR15-Zamboanga City; RR 3- Tuguegarao, Cagayan and RR18-Koronadal City, which chipped in **less than one-half of one percent** each of total regional collection annually. It is to be noted that except for RR 3- Tuguegarao, Cagayan, these RRs are all located in Mindanao and cover the poorest provinces of the country.
6. By major type of tax, RR8-Makati City, RR7-Quezon City and RR6-Manila consistently topped the regions in terms of income tax, value-added tax and percentage tax collection from 2000 to 2009. In the case of the excise tax, however, RR14-Tacloban City, RR17-Butuan City and RR12-Bacolod City were the top 3 collectors during the period. (Table 5)

**Table 5. TOP 5 REVENUE REGIONS BASED ON COLLECTION
BY MAJOR TYPE OF TAX: 2000-2009**

Income Tax Collection

Revenue Region	Average % Share	Rank
6 Manila	26.30%	1
8 Makati City	23.95%	2
7 Quezon City	17.89%	3
9 San Pablo City	10.10%	4
4 San Fernando, Pampanga	3.13%	5

VAT Collection

Revenue Region	Average % Share	Rank
8 Makati	26.00%	1
7 Quezon City	25.05%	2
6 Manila	11.15%	3
9 San Pablo City	7.34%	4
5 Caloocan City	5.28%	5

Excise Tax Collection

Revenue Region	Average % Share	Rank
14 Tacloban City	20.98%	1
17 Butuan City	18.12%	2
12 Bacolod City	14.48%	3
8 Makati City	11.71%	4
13 Cebu City	8.66%	5

Percentage Tax Collection

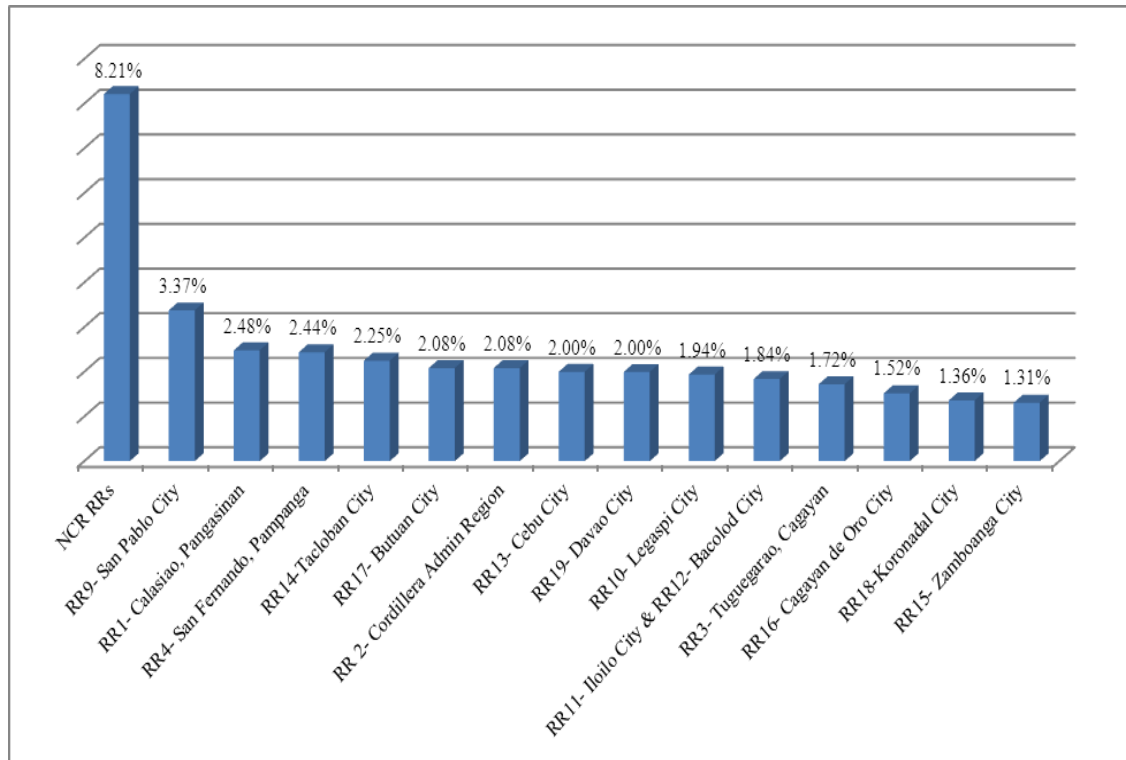
Revenue Region	Average % Share	Rank
8 Makati City	28.73%	1
7 Quezon City	28.44%	2
6 Manila	18.01%	3
13 Cebu City	4.32%	4
9 San Pablo City	3.35%	5

7. RR9-San Pablo City was the fourth highest collector for income tax and VAT; and fifth for percentage tax. It is to be noted that RR9-San Pablo City is the largest RR outside Metro Manila having 10 RDOs under its jurisdiction covering Region IV-A (CALABARZON) and selected provinces of Region IV-B (MIMAROPA).
8. RR13-Cebu City, being the center of commerce, trade and industry in the Visayas, also belongs to the top 5 RRs particularly in terms of percentage tax collection. In the case of excise tax collection, this RR together with RR-Tacloban City and RR12-Bacolod City in the Visayas and RR17- Butuan City in Mindanao were included in the top 5 RRs.

C. Comparative Tax Base and Tax Effort of the Revenue Regions: 2000-2009

Data on the regions' number of business establishments, population, gross regional domestic product (GRDP) and tax effort which is the ratio of collected revenue to the taxable base (represented by GRDP) reveal the following:

1. The NCR-Metro Manila, Region IV-A (CALABARZON) and Region IV-B (MIMAROPA), Region III- Central Luzon, Region VII- Central Visayas, and Region VI-Western Visayas were the topnotchers in GRDP, number of establishments and population. These areas are covered by RR5-Caloocan, RR6-Manila, RR7-Quezon City, RR8-Makati, RR9-San Pablo City, RR 4- San Fernando, Pampanga, RR13-Cebu City, RR11-Iloilo and RR12-Bacolod City. Thus, the RRs in highly developed and populated regions such as Metro Manila, Metro Cebu and neighboring regions had the highest taxable base. (**Table 6**)
2. On the other hand, the regions with limited taxable base include ARMM; Region XIII-Caraga; Region II-Cagayan Valley; CAR; and Region VIII-Eastern Visayas. The RRs covering these areas include RR 15- Zamboanga City; RR17-Butuan City; RR3-Tuguegarao; Cagayan; RR2-CAR; and RR14-Tacloban City. It is noted that all provinces in ARMM and Region XIII-Caraga; four out of five provinces in CAR and five out of six provinces in Region VIII- Eastern Visayas are identified as poor provinces. Also, these regions are among the least populated regions and with the least number of business establishments.
3. In terms of tax effort, which is calculated by dividing the adjusted collection of the revenue regions by the regions' GRDP, the NCR RRs namely RR5-Caloocan, RR6-Manila, RR7-Quezon City and RR8-Makati posted the highest combined tax effort of **8.21%**; followed by RR9-San Pablo City, **3.37%**; RR1- Calasiao, Pangasinan, **2.48%**; RR4-San Fernando, Pampanga, **2.44%**; and RR14- Tacloban City, **2.25%**. (**Figure 1**)

Figure 1. AVERAGE TAX EFFORT OF THE REVENUE REGIONS: 2000-2009¹

4. On the other hand, RR15- Zamboanga City, RR 18- Koronadal City and RR16- Cagayan de Oro City had the lowest tax effort of **1.31%**, **1.36%** and **1.52%**, respectively. It is to be noted that Region IX- Zamboanga Peninsula (or RR15- Zamboanga City); and Region XII-Socskargen (or RR18- Koronadal City) placed eleventh and eighth in GRDP; and eleventh and tenth in number of business establishments, respectively.
5. RR17-Butuan City (Region XIII-Caraga), while contributing the least amount of collection in peso terms to the government, ranked sixth among the RRs with a high tax effort of **2.08%**. Thus, despite being second to ARMM with the least tax base, it was able to efficiently collect taxes from its concerned taxpayers. Its tax effort is even higher than RR 13- Cebu City (on VII- Central Visayas) and RR19- Davao City (Region XI-Davao Region) with a tax effort of **2.0%** each; RR 10- Legazpi City (Region V-Bicol Region) with a tax effort of **1.94%**; RR11-Iloilo City and RR12-Bacolod City (Region VI-Western Visayas) with a combined tax effort of 1.84% and others despite having higher taxable bases.

¹ Adjustment in the collections of the Revenue Regions was made. RDOs collections were included in the total collections of the RRs belonging to the same administrative region. For instance, in deriving the NCR tax effort, the collections of RDOs covering the NCR are included while collections of RDOs covering areas outside NCR (e.g., RDOs 25, 35, 36, 37, and 46) were excluded.

D. Collection vis-à-vis Goal of the Revenue Regions: 2000-2009

Comparative analysis of the collections of the RRs vis-à-vis their respective revenue targets or goals (**Table 7**) disclosed the following:

1. No single RR was able to continuously meet its target annually from 2000-2009. The RRs experienced shortfall in collection in at least four years within the 10-year period. In particular, RR 6- Manila, RR 13- Cebu City, RR 14- Tacloban City and RR 17- Butuan City failed to meet their target in four years while RR 4- San Fernando, Pampanga missed its targets in eight years. All others collected below their respective targets in as many as five to seven times in 10 years.
2. The best years for the RRs in terms of meeting their targets were 2001 and 2005 when all RRs exceeded their targets except for only two RRs, i.e., RR 7- Quezon City and RR 14- Tacloban City in 2001; and three RRs, i.e, RR 3- Tuguegarao, Cagayan, RR 8- Makati City and RR 15- Zamboanga City in 2005.
3. The worst years for the RRs were 2002 and 2008 when all of them were off their respective targets except RR 6- Manila in 2002 and 2008; and RR 14- Tacloban City in 2002.
4. The highest shortfall was experienced by RR 13- Cebu City and RR 2-CAR when they fell short of their target by **23%** in 2002 and 2009, respectively; and RR 7- Quezon City when it missed its target by **22%** in 2000.
5. The highest surplus of actual collection over the target was experienced by RR 2- CAR in 2005 when its collection was **58%** over its target, followed by RR 14- Tacloban City in 2000 and 2004 when it exceeded its target by about **30%**.

E. Number of Tax Returns Filed in the Revenue Regions: 2005-2009

The number of tax returns filed in the RRs continuously increased from **12.8 million** in 2005 to **16.0 million** in 2009. The ranking of the RRs in terms of the number of tax returns filed is shown in **Table 8**.

The findings on the number of tax returns filed are as follows:

1. The top 5 RRs in terms of tax returns filed were RR7-Quezon City, RR8-Makati, RR9- San Pablo City, RR6-Manila and RR5-Caloocan City in that order. At the bottom end with the least number of tax returns filed were RR17- Butuan City, RR18- Koronadal City, RR15-Zamboanga City, RR2-CAR and RR3-Tuguegarao, Cagayan also in that order.
2. Total collection is seen to be correlated with the total number of tax returns filed in the RRs. The top 4 RRs in terms of collection were also the top 4 in terms of the number of tax returns filed although not in the same order or ranking. On the other hand, the RRs with the least amount of tax collection also had the least number of tax returns filed. **(Table 9)**

Table 9. TOP AND BOTTOM 5 RRs BASED ON TOTAL COLLECTION AND NUMBER OF TAX RETURNS FILED: 2005-2009

A. TOP 5 RRs

Based on Total Collection		Based on Total Number of Tax Returns	
Revenue Region	Rank	Revenue Region	Rank
RR8- Makati City	1	RR7-Quezon City	1
RR7-Quezon City	2	RR8-Makati City	2
RR6-Manila	3	RR9-San Pablo City	3
RR9-San Pablo City	4	RR6-Manila	4
RR4-San Fernando, Pampanga	5	RR5-Caloocan	5

B. BOTTOM 5 RRs

Based on Total Collection		Based on Total Number of Tax Returns	
Revenue Region	Rank	Revenue Region	Rank
RR2- CAR	15	RR2-CAR	15
RR18-Koronadal City	16	RR3- Tuguegarao, Cagayan	16
RR3-Tuguegarao, Cagayan	17	RR15- Zamboanga City	17
RR15- Zamboanga City	18	RR18- Koronadal City	18
RR17- Butuan City	19	RR17- Butuan City	19

3. In case of income tax collection vis-à-vis number of income tax returns filed, it is noted that while RR7-Quezon City received more income tax returns than RR8-Makati, the latter had higher collection. This means that the per capita income tax payment, on the average, is higher in RR8-Makati than in RR7-Quezon City. The same observation holds true for VAT collection vis-à-vis VAT returns filed in the two RRs. These findings imply that, on the average, individual and corporate taxpayers in RR8-Makati pay higher income taxes and VAT than their counterparts in RR7-Quezon City. (Table 10)

Table 10. TOP 5 REVENUE REGIONS BASED ON COLLECTION AND NUMBER OF TAX RETURNS FILED BY MAJOR TYPE OF TAX: 2005-2009

A. INCOME TAX

Based on Income Tax Collection		Based on Income Tax Returns Filed	
Revenue Region	Rank	Revenue Region	Rank
RR8- Makati City	1	RR7-Quezon City	1
RR6-Manila	2	RR8-Makati City	2
RR7-Quezon City	3	RR6-Manila	3
RR9-San Pablo City	4	RR9-San Pablo City	4
RR4-San Fernando, Pampanga	5	RR5-Caloocan City	5

B. VALUE ADDED TAX

Based on VAT Collection		Based on VAT Returns Filed	
Revenue Region	Rank	Revenue Region	Rank
RR8- Makati City	1	RR7-Quezon City	1
RR7-Quezon City	2	RR8-Makati City	2
RR6-Manila	3	RR5-Caloocan City	3
RR9-San Pablo City	4	RR6-Manila	4
RR5-Caloocan City	5	RR9-San Pablo City	5

C. EXCISE TAX

Based on Excise Tax Collection		Based on Excise Tax Returns Filed	
Revenue Region	Rank	Revenue Region	Rank
RR14- Tacloban City	1	RR4-San Fernando, Pampanga	1
RR 17- Butuan City	2	RR12- Bacolod City	2
RR 12- Bacolod City	3	RR11-Iloilo City	3
RR 8- Makati City	4	RR14- Tacloban City	4
RR 13- Cebu City	5	RR1-Calasiao, Pangasinan	5

D. PERCENTAGE TAX

Based on Percentage Tax Collection		Based on Percentage Tax Returns Filed	
Revenue Region	Rank	Revenue Region	Rank
RR8- Makati City	1	RR9-San Pablo City	1
RR7-Quezon City	2	RR1-Calasiao, Pangasinan	2
RR6-Manila	3	RR7-Quezon City	3
RR13-Cebu City	4	RR4-San Fernando, Pampanga	4
RR9-San Pablo City	5	RR19-Davao City	5

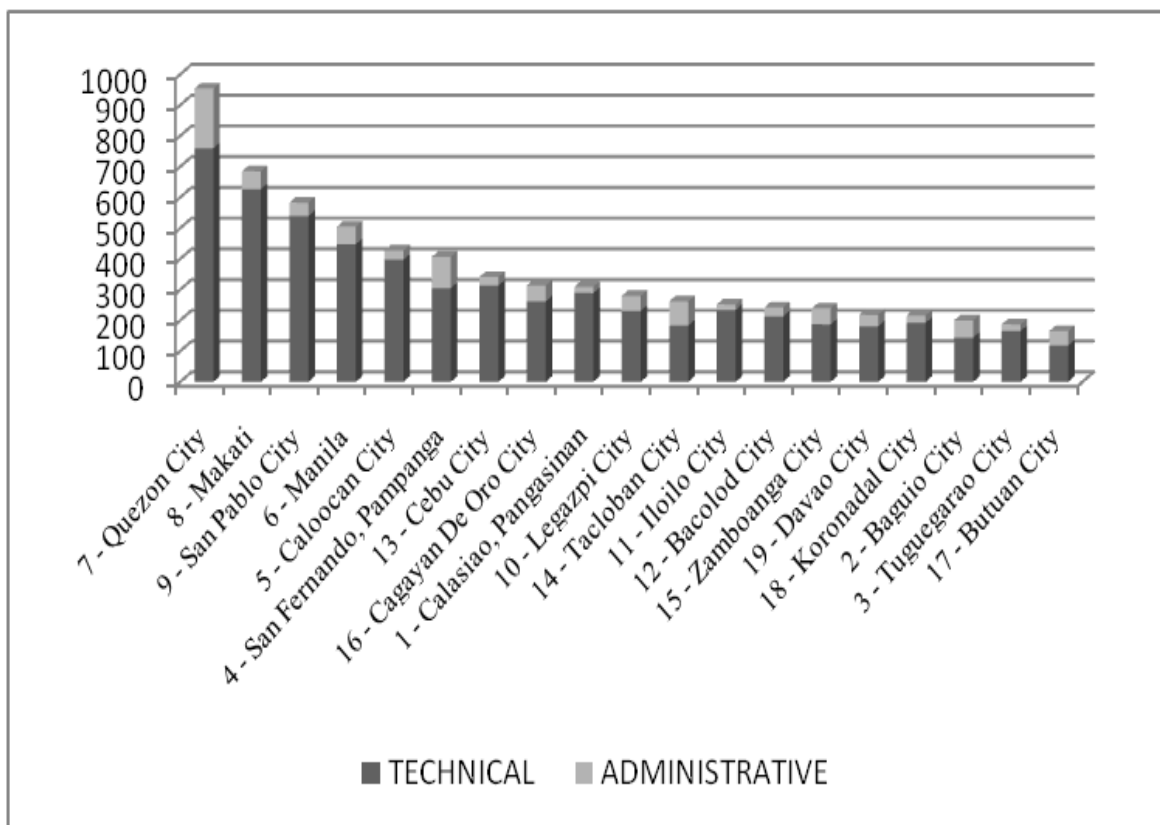
1. In the case of excise tax returns filed, RR 4- San Fernando, Pampanga took the lead followed by RR 12- Bacolod City and RR 11- Iloilo City. However, neither RR4-San Fernando, Pampanga nor RR11- Iloilo City was included in the top 5 in terms of collection. On the other hand, RR 14- Tacloban City topped in collection but ranked fourth in terms of number of tax returns filed.
2. For percentage tax collection vis-à-vis number of percentage tax returns filed, it is noted that RR9-San Pablo City had the highest number of percentage tax returns although it ranked fifth in terms of percentage tax collection. Meanwhile RR8-Makati, RR7-Quezon City, RR6-Manila and RR13-Cebu City collected more percentage taxes although with fewer percentage tax returns filed. This only implies that while there are a number of individual and corporate taxpayers subject to percentage tax in RR9-San Pablo City, they are on the average, contributing less in terms of per capita tax payments than their similarly-situated taxpayers in the RRs in Metro Manila and Metro Cebu.

F. Personnel Complement in the Revenue Regions: 2008 & 2009

Based on available statistics, the personnel complement in the RRs slightly increased from **6,754** in 2008 to **6,786** in 2009. **Table 11** and **Figure 2** present the distribution of personnel by RR.

1. RR7-Quezon City had the highest number of personnel among the RRs. Over-all, there were **954** personnel assigned in 9 RDOs as of 2009. This was followed by RR8-Makati with **685** personnel in 8 RDOs; RR9-San Pablo City with **583** personnel in 10 RDOs; RR6-Manila with **505** personnel in 9 RDOs; and RR5-Caloocan with **427** personnel in 4 RDOs.
2. On the other hand, RR17-Butuan City had the least number of personnel, i.e., **165** personnel as of 2009; followed by RR3-Tuguegarao, Cagayan with **187** personnel; RR2-CAR with 200 personnel; RR18-Koronadal City with **216** personnel and RR19-Davao City with **218** personnel.
3. Technical personnel (including technical support) outnumbered administrative personnel in all RRs. The ratio of technical (including technical support) is highest in RR1-Calasiao, Pangasinan (**94%**); followed by RR5-Caloocan and RR11-Iloilo City (**93%**); and RR9-San Pablo City and RR13-Cebu City (**92%**).

Figure 2. TECHNICAL VIS-À-VIS ADMINISTRATIVE PERSONNEL: 2008-2009



4. On the other hand, the ratio of administrative personnel is relatively high in the following RRs: RR14-Tacloban City (**30%**); RR17-Butuan City and RR2-CAR (**28%**); and RR4-San Fernando, Pampanga (**25%**). It therefore shows a disproportionate allocation of technical vis-à-vis administrative personnel in the RRs.
5. There is likewise a disproportionate allocation of technical personnel vis-avis number of tax returns being processed in the RRs. For instance, the ratio of technical personnel to number of tax returns ranges from **1: 2,600** to **1: 3,000** in the following RRs: RR8- Makati City, RR1- Calasiao, Pangasinan, RR19- Davao City, RR7- Quezon City and RR13- Cebu City.
6. On the other hand, the ratio of technical personnel to the number of tax returns ranges from **1: 1,100** to **1: 1,700** in the following RRs: RR15-Zamboanga City; RR18-Koronadal City; RR17- Butuan City, RR3- Tuguegarao, Cagayan and RR16-Cagayan de Oro City. Technical personnel assigned in these RRs have lighter work load than their fellow technical personnel in other RRs. (**Table 12**)

**Table 12. NUMBER OF TAX RETURNS PER TECHNICAL PERSONNEL
IN THE REVENUE REGIONS: CY 2009**

Revenue Regions	Number of Tax Returns Filed	Number of Technical Personnel	Tax Returns Per Technical Personnel
8 Makati City	2,117,059	627	3,091
1 Calasiao, Pangasinan	919,449	289	2,976
19 Davao City	577,544	181	2,649
7 Quezon City	2,512,431	760	2,634
13 Cebu City	896,973	313	2,630
9 San Pablo City	1,508,802	539	2,588
6 Manila	1,288,759	448	2,552
4 San Fernando, Pampanga	1,031,753	305	2,535
5 Caloocan City	1,045,893	397	2,449
12 Bacolod City	482,854	213	1,995
10 Legaspi City	546,853	231	1,953
11 Iloilo City	486,493	234	1,931
14 Tacloban City	486,716	183	1,858
2 Cordillera Admin. Region	368,129	144	1,841
16 Cagayan De Oro City	559,186	262	1,781
3 Tuguegarao, Cagayan	312,980	165	1,674
17 Butuan City	251,677	118	1,525
18 Koronadal City	297,367	192	1,377
15 Zamboanga City	279,073	187	1,168

IV. TAX PERFORMANCE OF THE RDOs IN THE REVENUE REGION: 2000-2009

1. Among 115 RDOs in the RRs, the top 10 contributors were RDO 33- Intramuros-Ermita-Malate which garnered over **20%** average share of the total RDO collections; RDO 50-South Makati and RDO 43-Pasig, over **6%** each; RDO 47-East Makati, over **5%**; RDO 39-South Quezon City, over **4%**; and RDO 53-Las Pinas-Muntinlupa, **3%** . The next 4 RDOs contributed over **2%** each. Over-all, the top 10 RDOs turned in about **56%** of total RDO collection during the period. **(Table 13)**
2. The top 10 RDOs are under the jurisdiction of the NCR RRS namely RR6-Manila, RR7-Quezon City and RR8-Makati except RDO 54- Trece Martirez City which is under RR9-San Pablo City.
3. RDO 33-Intramuros-Ermita-Malate was the leading RDO in terms of income tax collections with an average share of 24.67% of total income tax collection. Its higher income tax collections resulted from the inclusion of taxes on government securities which were collected by the Bureau of Treasury and credited to the RDO. However, even if these taxes were excluded, the RDO would still rank first with a share of 19.5% of total income tax collection. **(Table 14)**
4. RDO 54-Trece Martirez City and RDO 57- San Pedro, Laguna with average shares of 2.71% and 2.60%, respectively, are the only RDOs outside Metro Manila which are included in the Top 10 RDOs based on income tax collection. RDO 54-Trece Martirez City covers under its jurisdiction, among others, Tagaytay City, a vital tourist site; and Dasmariñas and General Trias which house several industrial estates with various factories in operation. On the other hand, RDO-San Pedro, Laguna covers under its jurisdiction, Cabuyao, Santa Rosa, Binang and San Pedro which also host a large number of big manufacturing companies.
5. In terms of VAT collections, RDO 43-Pasig, RDO 47-East Makati and RDO 33-Intramuros-Ermita-Malate topped the RDOs with average percentage shares of **7.66%**, **6.47%** and **5.73%** respectively. They are all located in the NCR including the next seven RDOs.
6. In respect of excise tax collections, RDO 47-East Makati is the only NCR RDO included in the Top 10. Notably, RDO 89-Ormoc City has the largest share of **over 20%**; followed by RDO 77-Bacolod City with **12%** share. It may likewise be observed that majority of the top 10 RDOs in excise tax collections are RDOs from RR 17-Butuan City namely: RDO 106-Tandag, Surigao Del Sur with **4.16%** share, RDO 103-Butuan City with **2.84%** share and RDO 104-Bayugan, Agusan Del Sur with **2.29%**.
7. RDO 33-Intramuros-Ermita-Malate and RDO 43-Pasig once again topped the percentage tax collections contributing 13% each of the total percentage tax collection. These RDOs including the next eight RDOs are all located in Metro Manila.

**Table 14. TOP 10 RDOs BASED ON COLLECTIONS BY MAJOR TYPE OF TAX:
2000-2009****Income Tax**

Revenue District Office	Average % Contribution	Average Rank
33. Intramuros-Ermita-Malate	24.67%	1
50. South Makati	6.14%	2
43. Pasig	4.96%	3
47. East Makati	4.70%	4
39. South Quezon City	3.41%	5
53. Las Piñas-Muntinlupa	3.35%	6
40. Cubao	2.80%	7
54. Trece Martirez City	2.71%	8
57. San Pedro, Laguna	2.60%	9
49. North Makati	2.29%	10

Value Added Tax

Revenue District Office	Average % Contribution	Average Rank
43. Pasig	7.66%	1
47. East Makati	6.47%	2
33. Intramuros-Ermita-Malate	5.73%	3
50. South Makati	4.97%	4
39. South Quezon City	4.19%	5
41. Mandaluyong	3.83%	6
48. West Makati	3.29%	7
40. Cubao	3.12%	8
49. North Makati	2.86%	9
38. North Quezon City	2.82%	10

Excise Tax

Revenue District Office	Average % Contribution	Average Rank
89. Ormoc City	20.20%	1
77. Bacolod City	12.26%	2
105. Surigao City	8.83%	3
47. East Makati	8.24%	4
83. Talisay, Cebu	6.25%	5
106. Tandag, Surigao del Sur	4.16%	6
91. Dipolog City	3.82%	7
36. Puerto Princesa	3.28%	8
103. Butuan City	2.84%	9
104. Bayugan, Agusan del Sur	2.29%	10

Percentage Tax

Revenue District Office	Average % Contribution	Average Rank
33. Intramuros-Ermita-Malate	13.27%	1
43. Pasig	12.55%	2
50. South Makati	9.19%	3
39. South Quezon City	8.95%	4
47. East Makati	5.61%	5
51. Pasay City	4.33%	6
49. North Makati	3.75%	7
44. Taguig-Pateros	2.30%	8
41. Mandaluyong	2.33%	9
34. Paco-Pandacan-Sta. Ana	2.31%	10

8. Among the 115 RDOs, RDO 96-Tongao, Tawi-tawi; RDO 95-Jolo, Sulu and RDO 94-Isabela, Basilan had the least amount of collection ranging from ₱ 25 million to ₱ 70 million in 2009. These are places in Region IX- Zamboanga Peninsula and ARMM where security situation is observed to be deteriorating as to make tax compliance or payment difficult. The other small tax collectors were RDO12-

Lagawe, Ifugao under RR2- CAR; and RDO 22-Baler, Aurora under RR4-San Fernando, Pampanga which contributed ₱ 95 million and ₱ 140 million in 2009, respectively. (Annex C)

V. CONCLUSION AND RECOMMENDATIONS

Below are the most important findings of the study and the corresponding recommendations:

1. There may be a need to review the regional classification of the BIR considering the administrative regional classification of the government for purposes of uniformity and consistency. Furthermore, a similar regional classification may be a more logical basis for making comparative evaluations/studies of revenue and other fiscal performance.
2. The bulk of the collections from “non-large taxpayers” came mainly from Metro Manila and neighboring regions due to the concentration of major activities in these areas. There are regions, however, which were identified to have high taxable bases as represented by high GRDP and large number of business establishments but were found to have a very low tax effort (percentage of collected revenue to existing taxable base). The revenue region’s tax effort may therefore be used as one among the indicators in assessing regional tax performance. It may also be used as one of the factors in setting the revenue goals of the concerned RRs. On the part of the latter, there is a need to closely track or monitor their taxable bases especially as regards tax payments to ensure consistency in such payments or make necessary response or action once there is a downturn in said payments.
3. There is a need to focus on the discrepancies between number of tax returns filed and amount of tax payments made. While there may be no absolute correlation between the two variables, the review should be able to uncover the reason/s for the discrepancies and the formulation of the corresponding response/action thereon by the concerned RRs/RDOs.
4. Regional conferences/dialogues/forums should be conducted on a regular basis to serve as a means for exchanging tax administration experiences and best practices. At the same time, these meetings can serve as an opportunity for the exchange of information on taxpayers with several or multiple regional locations.
5. There is a disproportionate allocation of administrative personnel vis-à-vis technical personnel among the RRs. Some RRs have relatively more administrative personnel assigned despite fewer needs for administrative support. The importance of adequate administrative support to technical personnel in processing tax returns cannot be underscored. Without adequate administrative

support, processing of tax returns may be delayed as to cause irritants between the RRs and the taxpayers. A realignment of administrative personnel is in order.

6. Lastly, there is also a disproportionate allocation of technical personnel vis-a-vis number of tax returns being processed. It must be emphasized that the quality and integrity of processing tax return is dependent on the availability of technical personnel. Of course, the competence of the latter is also a must factor. Some RRs have more technical personnel assigned despite fewer number of tax filers to be served. It is likewise recommended that the number of technical personnel be related with the number of tax returns being processed in the RR. A realignment of technical personnel from RRs with fewer tax filers to RRs with more tax filers should be pursued.



Annex A
RRs AND RDOs OF THE BIR

REVENUE REGIONS	REVENUE REGIONS	REVENUE REGIONS
RR1- CALASIAO, PANGASINAN	RR7- QUEZON CITY	RR12-BACOLOD CITY
RDO 01 Laoag City	RDO 28 Novaliches	RDO 76 Victorias, Negros Occidental
RDO 02 Vigan, Ilocos Sur	RDO 38 North Quezon City	RDO 77 Bacolod City
RDO 03 San Fernando, La Union	RDO 39 South Quezon City	RDO 78 Binalbagan, Negros Occidental
RDO 04 Calasiao, Pangasinan	RDO 40 Cubao, Quezon City	RDO 79 Dumaguete City
RDO 05 Alaminos, Pangasinan	RDO 41 Mandaluyong	
RDO 06 Urdaneta, Pangasinan	RDO 42 San Juan	RR13- CEBU CITY
RR2-CAR	RDO 43 Pasig	RDO 80 Mandaue City
RDO 07 Bangued, Abra	43A East Pasig	RDO 81 Cebu City
RDO 08 Baguio City	43B West Pasig	RDO 82 Cebu City South
RDO 09 La Trinidad, Benguet	RDO 45 Marikina	RDO 83 Talisay, Cebu
RDO 10 Bontoc, Mt Province	RDO 46 Cainta-Taytay	RDO 84 Tagbilaran City
RDO 11 Tabuk, Kalinga Apayao		RR14-TACLOBAN CITY
RDO 12 Lagawe, Ifugao	RR8-MAKATI	RDO 85 Catarman, Northern Samar
RR3- TUGUEGARAO, CAGAYAN	RDO 44 Taguig-Pateros	RDO 86 Borongan, East Samar
RDO 13 Tuguegarao, Cagayan	RDO 47 East Makati	RDO 87 Catbalogan, Samar
RDO 14 Bayombong, Nueva Vizcaya	RDO 48 West Makati	RDO 88 Tacloban City
RDO 15 Ilagan, Isabela	RDO 49 North Makati	RDO 89 Ormoc City
RDO 16 Cabarroguis, Quirino	RDO 50 South Makati	RDO 90 Maasin, Southern Leyte
RR4-SAN FERNANDO, PAMPANGA	RDO 51 Pasay City	RR15- ZAMBOANGA CITY
RDO 17 Tarlac, Tarlac	RDO 52 Paranaque	RDO 91 Dipolog City
17A Tarlac, Tarlac City	RDO 53 LasPinas- Muntinlupa	RDO 92 Pagadian City
17B Paniqui, Tarlac	53A Las Pinas City	RDO 93 Zamboanga City
RDO 18 Olongapo City	53B Muntinlupa City	93A Zamboanga City
RDO 19 Subic Free Port Zone	RR9- SAN PABLO CITY	93B Zamboanga Sibugay
RDO 20 Balanga, Bataan	RDO 54 Trece Martirez City	RDO 94 Isabela, Basilan
RDO 21 San Fernando, Pampanga	54A Trece Martirez City, S.Cavite	RDO 95 Jolo, Sulu
21A North Pampanga	54B Rosario, North Cavite	RDO 96 Bongao, Tawi-tawi
21B South Pampanga	RDO 55 San Pablo City	RR 16- CAGAYAN DE ORO CITY
RDO 22 Baler, Quezon	RDO 56 Calamba, Laguna	RDO 97 Gingoog City
RDO 23 Cabanatuan City, Nueva Ecija	RDO 57 San Pedro, Laguna	RDO 98 Cagayan de Oro City
23A North Nueva Ecija	RDO 58 Batangas City	RDO 99 Malaybalay, Bukidnon
23B South Nueva Ecija	RDO 59 Lipa City	RDO 100 Ozamis City
RR5- CALOOCAN CITY	RDO 60 Lucena City	RDO 101 Iligan City
RDO 24 Valenzuela, MM	RDO 61 Gumaca, Quezon	RDO 102 Marawi City
RDO 25 Malolos, Bulacan	RDO 62 Boac, Marinduque	RR17-BUTUAN CITY
25A Plaridel, Bulacan	RDO 63 Calapan, Oriental Mindoro	RDO 103 Butuan City
25B Marilao, Bulacan		RDO 104 Bayugan, Agusan del Sur
RDO 26 Malabon-Navotas	RR10- LEGASPI CITY	RDO 105 Surigao City
RDO 27 Caloocan City	RDO 64 Daet, Camarines Norte	RDO 106 Tanadag, Surigao del Sur
RR6-MANILA	RDO 65 Naga City	RR18-KORONADAL CITY
RDO 29 San Nicolas-Tondo	RDO 66 Iriga City, Camarines Sur	RDO 107 Cotabato City
RDO 30 Binondo	RDO 67 Legaspi City	RDO 108 Kidapawan, North Cotabato
RDO 31 Sta Cruz	RDO 68 Sorsogon, Sorsogon	RDO 109 Tacurong, Sultan Kudarat
RDO 32 Quiapo -Sampaloc -San Miguel	RDO 69 Virac, Catanduanes	RDO 110 General Santos City
RDO 33 Intramuros- Ermita- Malate	RDO 70 Masbate, Masbate	RDO 111 Koronadal, South Cotabato
RDO 34 Paco-Pandacan- Sta Ana	RR11- ILOILO CITY	RR19- DAVAO CITY
RDO 35 Romblon	RDO 71 Kalibo, Aklan	RDO 112 Tagum, Davao del Norte
RDO 36 Puerto Princesa	RDO 72 Roxas City	RDO 113 Davao City
RDO 37 San Jose, Occ Mindoro	RDO 73 San Jose, Antique	113A West Davao City
	RDO 74 Iloilo City	113B East Davao City
	RDO 75 Barotac Nuevo, Iloilo	RDO 114 Mati, Davao Oriental
		RDO 115 Digos, Davao del Sur

Annex B

Matching of the BIR's Revenue Regions with Administrative Regions

ADMINISTRATIVE REGIONS	REVENUE REGIONS	REMARKS
NCR	RR5- CALOOCAN CITY	RR5- CALOOCAN CITY includes under its jurisdiction the province of Bulacan which is part of Region III- Central Luzon
Manila	RDO 24 Valenzuela, MM	
Makati	RDO 25 Malolos, Bulacan	
Quezon City	RDO 26 Malabon-Navotas	
Pasig	RDO 27 Caloocan City	RR6- MANILA includes under its jurisdiction Romblon, Palawan and Occidental Mindoro which are part of Region IV-B (MIMAROPA)
Caloocan	RR6-MANILA	
Malabon	RDO 29 San Nicolas-Tondo	
Valenzuela	RDO 30 Binondo	
Navotas	RDO 31 Sta Cruz	
Taguig	RDO 32 Quiapo -Sampaloc -San Miguel	
San Juan	RDO 33 Intramuros- Ermita- Malate	
Marikina	RDO 34 Paco-Pandacan- Sta Ana	
Pasay	RDO 35 Romblon	
Paranaque	RDO 36 Puerto Princesa	
Muntinlupa	RDO 37 San Jose, Occ Mindoro	RR7- QUEZON CITY includes Cainta and Taytay, Rizal which are part of Region IV-B (MIMAROPA)
Mandaluyong	RR7- QUEZON CITY	
Pateros	RDO 28 Novaliches	
	RDO 38 North Quezon City	
	RDO 39 South Quezon City	
	RDO 40 Cubao, Quezon City	
	RDO 41 Mandaluyong	
	RDO 42 San Juan	
	RDO 43 Pasig	
	RDO 45 Marikina	
	RDO 46 Cainta-Taytay	RR8-MAKATI
	RDO 44 Taguig-Pateros	
	RDO 47 East Makati	
	RDO 48 West Makati	
	RDO 49 North Makati	
	RDO 50 South Makati	
	RDO 51 Pasay City	
	RDO 52 Paranaque	
	RDO 53 LasPinas- Muntinlupa	
CAR	RR2-CAR	
Abra	RDO 07 Bangued, Abra	
Apayao	RDO 08 Baguio City	
Benguet	RDO 09 La Trinidad, Benguet	
Ifugao	RDO 10 Bontoc, Mt Province	
Kalinga	RDO 11 Tabuk, Kalinga Apayao	
Mt. Province	RDO 12 Lagawe, Ifugao	
I- ILOCOS REGION	RR1- CALASIAO, PANGASINAN	
Ilocos Norte	RDO 01 Laoag City	
Ilocos Sur	RDO 02 Vigan, Ilocos Sur	
La Union	RDO 03 San fernando, La Union	
Pangasinan	RDO 04 Calasiao, Pangasinan	
	RDO 05 Alaminos, Pangasinan	
	RDO 06 Urdaneta, Pangasinan	

ADMINISTRATIVE REGIONS	REVENUE REGIONS	REMARKS
II- CAGAYAN VALLEY Batanes Cagayan Isabela Nueva Vizcaya Quirino	RR3- TUGUEGARAO, CAGAYAN RDO 13 Tuguegarao, Cagayan RDO 14 Bayombong, Nueva Vizcaya RDO 15 Ilagan, Isabela RDO 16 Cabarroguis, Quirino	
III- CENTRAL LUZON Aurora Bataan Bulacan Nueva Ecija Pampanga Tarlac Zambales	RR4-SAN FERNANDO, PAMPANGA RDO 17 Tarlac, Tarlac RDO 18 Olongapo City RDO 19 Subic Free Port Zone RDO 20 Balanga, Bataan RDO 21 San Fernando, Pampanga RDO 22 Baler, Quezon RDO 23 Cabanatuan City, Nueva Ecija	Bulacan is under the jurisdiction of RR5-CALOOCAN CITY
IV-A- CALABARZON Batangas Cavite Laguna Quezon Rizal IV-B- MIMAROPA Marinduque Occidental Mindoro Oriental Mindoro Palawan Romblon	RR9- SAN PABLO CITY RDO 54 Trece Martirez City RDO 55 San Pablo City RDO 56 Calamba, Laguna RDO 57 San Pedro, Laguna RDO 58 Batangas City RDO 59 Lipa City RDO 60 Lucena City RDO 61 Gumaca, Quezon RDO 62 Boac, Marinduque RDO 63 Calapan, Oriental Mindoro	Cainta and Taytay, Rizal are under the jurisdiction of RR7-QUEZON CITY Romblon, Palawan and Occidental Mindoro are under the jurisdiction of RR6-MANILA
V- BICOL REGION Albay Camarines Norte Camarines Sur Catanduanes Masbate Sorsogon	RR10- LEGASPI CITY RDO 64 Daet, Camarines Norte RDO 65 Naga City RDO 66 Iriga City, Camarines Sur RDO 67 Legaspi City RDO 68 Sorsogon, Sorsogon RDO 69 Virac, Catanduanes RDO 70 Masbate, Masbate	
VI- WESTERN VISAYAS Aklan Antique Capiz Guimaras Iloilo Negros Occidental	RR11- ILOILO CITY RDO 71 Kalibo, Aklan RDO 72 Roxas City RDO 73 San Jose, Antique RDO 74 Iloilo City RDO 75 Barotac Nuevo, Iloilo RR12-BACOLOD CITY RDO 76 Victorias, Negros Occidental RDO 77 Bacolod City RDO 78 Binalbagan, Negros Occidental RDO 79 Dumaguete City	
VII- CENTRAL VISAYAS Bohol Cebu Negros Oriental Siquijor	RR13- CEBU CITY RDO 80 Mandaue City RDO 81 Cebu City RDO 82 Cebu City, South RDO 83 Talisay, Cebu RDO 84 Tagbilaran City	

ADMINISTRATIVE REGIONS	REVENUE REGIONS	REMARKS
VIII- EASTERN VISAYAS Biliran Eastern Samar Leyte Northern Samar Western Samar Southern Leyte	RR14-TACLOBAN CITY RDO 85 Catarman, Northern Samar RDO 86 Borongan, East Samar RDO 87 Catbalogan, Samar RDO 88 Tacloban City RDO 89 Ormoc City RDO 90 Maasin, Southern Leyte	
IX- ZAMBOANGA PENINSULA Zamboanga del Norte Zamboanga del Sur Zamboanga Sibugay	RR15- ZAMBOANGA CITY RDO 91 Dipolog City RDO 92 Pagadian City RDO 93 Zamboanga City RDO 94 Isabela, Basilan RDO 95 Jolo, Sulu RDO 96 Bongao, Tawi-tawi	RR15-ZAMBOANGA CITY includes under its jurisdiction Basilan Sulu and Tawi-tawi which are part of ARMM
X- NORTHERN MINDANAO Bukidnon Camiguin Lanao del Norte Misamis Occidental Misamis Oriental	RR 16- CAGAYAN DE ORO CITY RDO 97 Gingoog City RDO 98 Cagayan de Oro City RDO 99 Malaybalay, Bukidnon RDO 100 Ozamis City RDO 101 Iligan City RDO 102 Marawi City	RR16-CAGAYAN DE ORO CITY includes under its jurisdiction Lanao del Sur which is part of ARMM
XI- DAVAO REGION Compostela Valley Davao del Norte Davao del Sur Davao Oriental	RR19- DAVAO CITY RDO 112 Tagum, Davao del Norte RDO 113 Davao City RDO 114 Mati, Davao Oriental RDO 115 Digos, Davao del Sur	
XII- SOCCSKSARGEN North Cotabato Saranggani South Cotabato Sultan Kudarat	RR18-KORONADAL CITY RDO 107 Cotabato City RDO 108 Kidapawan, North Cotabato RDO 109 Tacurong, Sultan Kudarat RDO 110 General Santos City RDO 111 Koronadal, South Cotabato	
ARMM Basilan Lanao del Sur Maguindanao Sulu Tawi-tawi	RR15-ZAMBOANGA CITY RDO 94 Isabela, Basilan RDO 95 Jolo, Sulu RDO 96 Bongao, Tawi-tawi RR16-CAGAYAN DE ORO CITY RDO 102 Marawi City	Basilan, Sulu and Tawi-tawi are under the jurisdiction of RR15-ZAMBOANGA CITY Lanao del Sur is under the jurisdiction of RR16-CAGAYAN DE ORO CITY
XIII- CARAGA Agusan del Norte Agusan del Sur Dinagat Islands Surigao del Norte Surigao del Sur	RR17-BUTUAN CITY RDO 103 Butuan City RDO 104 Bayugan, Agusan del Sur RDO 105 Surigao City RDO 106 Tandag, Surigao del Sur	

