

## **PHILRECA, Mindanao ECs hold consultation with BIR, DOE**

The Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) conducted a consultative meeting with the Bureau of Internal Revenue (BIR), Department of Energy (DOE), and the Independent Electricity Market Operators of the Philippines (IEMOP) on the implications of the Republic Act No. 11976, or the “Ease of Paying Taxes” (EOPT), on the energy industry, particularly the electric cooperatives (ECs).

On December 12, the ECs from Mindanao, represented by the Association of Mindanao Rural Electric Cooperatives Association, Inc. (AMRECO), raised their concerns on the financial and administrative costs of the current processes introduced in the EOPT Law, particularly Section 113.

Section 113, titled “Invoicing and Accounting Requirements for VAT-Registered Persons,” provides that a VAT-registered person must issue a VAT invoice for every sale, barter, exchange, or lease of goods or properties, and for every sale, barter or exchange of services.

BIR Assistant Commissioner for Large Taxpayers Service Atty. Jethro Sabariaga and Atty. Glendalyn Palacpac were present to answer the issues and concerns of ECs. They assured the BIR's commitment to review and assess the implementation of the law and extend the necessary assistance to ECs.

PhilRECA Party-List Rep. Presley De Jesus hosted the consultative meeting at the PHILRECA Headquarters in Quezon City.

Present at the consultative meeting were PHILRECA Executive Director and General Manager Janeene Depay-Colingan, and National Association of General Managers of Electric Cooperatives (NAGMEC) president Allan Laniba.

“This consultative meeting is an opportunity for ECs to discuss with the Bureau of Internal Revenue (BIR) at length the issues and concerns about the EOPT Law, and formulate solutions to help the ECs comply with our governing laws,” Colingan said.

AMRECO Board Director Engr. Darwin Daymiel Daymiel, AMRECO Technical Working Group member Melquisedic Bompat, and National League of Electric Cooperatives Finance Managers of the Philippines - Mindanao representative Rhenie Tagaloan were also in attendance.

Other representatives from DOE were Assistant Director Luningning Baltazar, and OIC-Chief Antonio Barcelona. The Independent Electricity Market Operators of the Philippines (IEMOP) was represented by VP for Finance Mary Anne Santiago, and VP for Legal Sheryll Dy.

PHILRECA also raised the other concerns of ECs to the BIR, particularly the refund claim on NGCP's 3% Franchise Tax as provided in ERC Resolution No. 10, series of 2023, and income taxation as prescribed under Presidential Decree No. 269 and Republic Act No. 10531.

The next consultative meeting will be held in the third week of January 2025.