



TAX COMPLIANCE GUIDE FOR FREELANCERS AND BUSINESS OWNER

MODULE 3

LESSON 1:


INTRODUCTION TO BIR'S EFILING SYSTEMS (EBIRFORMS AND EFPS)





Module 3. Mastering Tax Filing with eBIRForms and EFPS





Lesson 1. Introduction to BIR's
eFiling Systems (eBIRForms and
EFPS)



1. What is eBIRForms?

Let's start with **eBIRForms**, which is a **free software** provided by the BIR for taxpayers who prefer to submit their tax returns electronically. This system is suitable for freelancers, small businesses, and individual taxpayers who are not required to use the more comprehensive **EFPS**.

How eBIRForms Works:

Offline Preparation: You can fill out your tax returns using the **eBIRForms software** even when you're offline. Once you've completed the form, you submit it online through the system.

Who Should Use It?: Freelancers, sole proprietors, and small business owners who are not mandated to file through EFPS. Most freelancers who are just starting out or have simple tax obligations can use this system.



Benefits of eBIRForms for Freelancers:

- 1. User-Friendly:** The software is easy to download and use, even for beginners. It eliminates the need to manually calculate your taxes, as the forms auto-calculate based on the data you input.
- 2. Convenience:** You can prepare your tax returns offline, reducing the stress of being online the whole time. Once completed, you only need to be online for submission.
- 3. Faster Processing:** eBIRForms speeds up the filing process compared to traditional manual submissions at the BIR offices.
- 4. Accessible Anywhere:** You can access and file your taxes from anywhere, as long as you have a computer and internet connection for submission.

Example:

If you're a freelance graphic designer, you can use eBIRForms to file your 1701Q for quarterly income tax or 2551Q for percentage tax. You simply download the software, fill out the form, and submit it online.



2. What is EFPS (Electronic Filing and Payment System)?

The **Electronic Filing and Payment System (EFPS)** is an **online platform** mandated for certain taxpayers. While eBIRForms is a software you download and use offline, **EFPS is entirely web-based** and allows you to both file your tax returns and pay your taxes online.

How EFPS Works:

Web-Based Filing: You log into the **EFPS portal** directly from the BIR website, complete your tax forms online, and submit them through the platform. It also allows you to pay your taxes electronically through accredited banks or other payment channels.

Who Should Use It?: EFPS is required for certain types of taxpayers, including large taxpayers, government contractors, and corporations. However, freelancers with more complex tax filings or those earning higher income may choose to use EFPS for added convenience.

Introduction to BIR's eFiling Systems (eBIRForms and EFPS)



Benefits of EFPS for Freelancers:

- 1. Fully Online Process:** With EFPS, everything is handled online—from filing your tax returns to paying your taxes—making it ideal if you want a fully digital experience.
- 2. Immediate Confirmation:** Once you file your returns and pay your taxes, you'll receive immediate confirmation that your submission and payment have been processed.
- 3. 24/7 Access:** The EFPS platform is available 24/7, so you can file and pay your taxes at any time, from anywhere.
- 4. Integrated Payment System:** EFPS integrates with various banks, allowing you to complete the entire tax filing and payment process in one go.

Example:

If you're a freelance web developer earning more than ₱3,000,000 annually and have VAT obligations, you may prefer using EFPS to file your **VAT returns (BIR Form 2550Q)** and **pay your VAT dues online.**



LESSON 1

3. Key Differences Between eBIRForms and EFPS

FEATURE

eBIRForms

EFPS

The image displays three eBIRForms from the Bureau of Internal Revenue (BIR) of the Philippines:

- 1601-EQ: Quarterly Remittance Return of Creditable Income Taxes Withheld (Expanded)** - January 2018. This form includes fields for the quarter (1st, 2nd, 3rd, 4th), whether it's an amended return, and if any taxes were withheld.
- 1701: Annual Income Tax Return** - January 2018 (ENCS). This form is for individuals, estates, and trusts, requiring information on the taxpayer's name, address, and tax status.
- 2550Q: Quarterly Value-Added Tax Return (Cumulative For 3 Months)** - February 2007 (ENCS). This form details sales/receipts, input tax, and output tax for the quarter.

The image displays three EFPS (Electronic Filing System) forms:

- 2550-Q: Quarterly Value-Added Tax Return (Cumulative For 3 Months)** - February 2007 (ENCS). This form includes a QR code and fields for the taxpayer's name, TIN, and registered address.
- 0619-E: Monthly Remittance Form of Creditable Income Taxes Withheld (Expanded)** - January 2018. This form includes a QR code and fields for the month, due date, TIN, and withholding agent's name.
- 1702Q: Quarterly Income Tax Return For Corporations, Partnerships and Other Non-Individual Taxpayers** - January 2018 (ENCS). This form includes a QR code and fields for the quarter, amended return status, and tax code.

Introduction to BIR's eFiling Systems (eBIRForms and EFPS)



3. Key Differences Between eBIRForms and EFPS

PAYMENT OPTIONS

eBIR

EFPS



Provides the link for ePayment Channels of AABs that taxpayers can access for the electronic payment of their tax dues and liabilities, ePayment Channels accept tax payments through the use of either online, credit / debit / prepaid cards, and mobile payments.

Available ePayment Gateways:



ATM Card / BancNet / PesoNet
Instructional Video



Development Bank of the Philippines



Individual Account
Corporate Account
Thru UPAY via
InstaPay (Individual Non-
Unionbank Account holders)
UPAY Instructional Video



thru Landbank Link.biz Portal
Instructional Video

GCash



Instructional Video



User Instruction

The EFPS accepts the following modes of payment: Bank Transfer or Electronic Fund Transfer (EFT), Tax Debit Memo (TDM) and Tax Remittance Advice (TRA).



3. Key Differences Between eBIRForms and EFPS

eBIR

SUBMISSION

EFPS

SUBMISSION



3. Key Differences Between eBIRForms and EFPS

Which Should You Use?

eBIRForms is perfect for freelancers and sole proprietors with straightforward tax obligations, especially those who prefer offline preparation.

EFPS is ideal for freelancers with higher income or complex tax needs who want to file and pay taxes all in one seamless platform.



4. Benefits of Filing Taxes Electronically

Whether you're using **eBIRForms** or **EFPS**, filing your taxes electronically offers several benefits:

a. Time-Saving

With e-filing, you avoid the hassle of manual submissions and waiting in long lines at the BIR. This is especially helpful if you're a busy freelancer juggling multiple projects.

b. Reduced Errors

Both systems provide built-in validations that reduce the likelihood of mistakes. The auto-calculations and error checks help ensure that you submit accurate tax returns.



4. Benefits of Filing Taxes Electronically

c. Immediate Acknowledgment

When you file electronically, you receive an email acknowledgment or confirmation right away. This gives you peace of mind that your returns have been received and processed.

d. Convenience

Being able to file from anywhere with an internet connection is invaluable, especially for freelancers who may not be able to visit the BIR office during business hours.

Example:

Imagine you're a freelance content writer with several quarterly tax deadlines. Filing via eBIRForms allows you to prepare your returns offline, and once you're ready, you can submit them online without ever leaving your desk.



Key Takeaways

1

eBIRForms is a downloadable software that allows freelancers and small businesses to prepare and file taxes electronically, with offline capabilities.

2

EFPS is an online platform that integrates tax filing and payment, typically used by larger taxpayers or those with more complex filings.

3

Filing taxes electronically via either system reduces errors, saves time, and provides immediate confirmation of submission.



Learning Activity

To get familiar with these systems, visit the BIR website and:

1. **Download eBIRForms** or explore the **EFPS portal**.
2. If you haven't done so already, consider registering for the system that suits your needs based on your income and tax obligations.
3. **Prepare a mock tax return** to practice using either eBIRForms or EFPS and **explore the features.**



What's Next?

In the next lesson, we'll walk you through a **Step-by-Step Guide to Using eBIRForms**. You'll learn how to download, install, and submit returns via eBIRForms, ensuring that you file your taxes accurately and on time. Stay tuned for Lesson 2 of Module 3!



