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TAX COMPLIANCE GUIDE FOR FREELANCERS AND BUSINESS OWNER
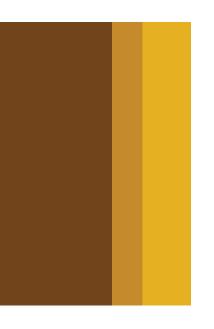
MODULE 3

LESSON 2:

STEP-BY-STEP GUIDE TO USING EBIRFORMS

Module 3. Mastering Tax Filing with eBIRForms and EFPS

Lesson 2. Step-by-Step Guide to Using eBIRForms

1. What is eBIRForms?

The eBIRForms system is a free software provided by the Bureau of Internal Revenue (BIR) that allows taxpayers to fill out, submit, and file tax forms electronically. It is especially useful for freelancers, sole proprietors, and small businesses who are not required to use the EFPS system.

Using eBIRForms means you no longer have to manually fill out forms and physically submit them to the BIR office. You can do everything from the comfort of your home or office!

2. Step-by-Step Guide to Downloading and Installing eBIRForms

Step 1: Download the eBIRForms Software

Visit the official BIR website (www.bir.gov.ph).

Navigate to the eServices section and look for eBIRForms.

Download the latest version of the eBIRForms Offline Package. The file will usually be in a ZIP format.

Step 2: Extract and Install the Software

After downloading, extract the ZIP file to a folder on your computer.

Locate the setup.exe file and double-click to start the installation process.

Follow the installation prompts until the software is fully installed on your computer.

Tip: Make sure you have a stable internet connection during the installation. Although you can fill out the forms offline, you'll need internet access to submit the forms.

Step-by-Step Guide to Using eBIRForms

3. Filling Out Tax Forms Using eBIRForms

Now that you have the software installed, let's walk through how to fill out a tax form using eBIRForms. For this example, let's assume you're filing BIR Form 1701Q (Quarterly Income Tax Return for Self-Employed Individuals).

Step 1: Open the eBIRForms Software

Launch the eBIRForms software from your desktop or program menu.
You'll be prompted to fill in your basic information, such as your Taxpayer Identification Number (TIN), RDO Code, and Name. Make sure these details are accurate, as they will appear on all your tax forms.

Step 2: Select the Form You Need

In the main menu, choose BIR Form 1701Q from the list of available forms.
The form will open in the software, and you can begin filling in your details.

3. Filling Out Tax Forms Using eBIRForms

Step 3: Input Your Income and Deductions

Gross Income: Enter the total amount you earned for the quarter from your freelance work or business.

Deductions: Input any applicable deductions, such as business expenses or the Optional Standard Deduction (OSD).

The software will automatically calculate your net taxable income and the amount of tax you owe based on the information you've entered.

Example:

If you earned ₱200,000 in the first quarter and have ₱50,000 in allowable deductions, the software will calculate the taxable income and display the tax due.

3. Filling Out Tax Forms Using eBIRForms

Step 4: Validate the Form

Once you've filled out the form, click the Validate button at the bottom of the form. This will check for any missing information or errors. If there are any issues, the software will prompt you to correct them.

4. Submitting Your Tax Return via eBIRForms

Once your form is filled out and validated, the next step is submission.

Step 1: Connect to the Internet

Ensure you are connected to the internet, as you'll need it to submit the form to the BIR.

Step 2: Submit the Form

Click the Submit/Final Copy button at the bottom of the form.
You'll be prompted to confirm your submission, and once confirmed, the system will send your form to the BIR electronically.

4. Submitting Your Tax Return via eBIRForms

Step 3: Receive Confirmation

After submitting, you will receive a confirmation message from the BIR via email. This Confirmation Receipt is crucial as it serves as proof that you've filed your taxes.

Tip: Always double-check that you've received the email confirmation. If you don't receive it within a few hours, it's best to contact the BIR to ensure there were no issues with your submission.

Step-by-Step Guide to Using eBIRForms

5. Common Mistakes to Avoid

While eBIRForms simplifies the filing process, there are still some common mistakes that freelancers and new users might make:

a. Not Updating the Software

Always ensure you're using the latest version of eBIRForms, as tax laws and form formats may change. Outdated software could lead to incorrect filings.

b. Entering Incorrect Information

Double-check all the information you enter, especially your TIN, RDO Code, and income amounts. Incorrect details could lead to submission errors or penalties.

Step-by-Step Guide to Using eBIRForms

5. Common Mistakes to Avoid

c. Forgetting to Print or Save the Confirmation Receipt

Once you've submitted your tax return, save or print a copy of the confirmation email as proof of submission.

Key Takeaways

1 **eBIRForms** allows freelancers and small business owners to fill out and submit tax returns electronically, reducing manual errors and saving time.

2 After downloading and installing the software, you can prepare your tax returns offline and submit them online when ready.

3 Always validate your forms before submission and ensure you receive an email confirmation from the BIR.

Step-by-Step Guide to Using eBIRForms

Learning Activity

Download and install the eBIRForms software if you haven't already.

Prepare a mock tax return using the system, even if it's just for practice.

Submit a test form (like a blank form) to familiarize yourself with the submission process and ensure you receive a confirmation receipt.

What's Next?

In the next lesson, we'll cover how to Make Tax Payments Using EFPS, where you'll learn how to register for EFPS, link your accounts, and make online tax payments with ease. Stay tuned for Lesson 3 of Module 3!