

INVENTORY COUNT WORKSHEET

NAME OF TAXPAYER					TIN	
INVENTORY LOCATION						
INVENTORY TAG NO.	DESCRIPTION (ITEMS/STOCK NUMBER)	QUANTITY (IES)	UNIT(S) OF MEASUREMENT	TOTAL QUANTITY	UNIT COST	TOTAL COST
						P

We attest to the accuracy of the information contained herein.

 Revenue Officers

 Taxpayer's Representative(s)
 Name and Position

 Date of Stocktaking

ILLUSTRATIVE EXAMPLE OF ANALYSIS ON TAX IMPLICATIONS OF INVENTORY DISCREPANCIES

A. HYPOTHETICAL FIGURES

	Normal	CASE 1 Unrecorded Sales No Recorded Purchases	CASE 2 Unrecorded Sales With Recorded Purchases	CASE 3 Overstated Purchases Still in the Inventory	CASE 4 Overstated Purchases No Longer in the Inventory
Sales	P 1,000,000.00	P 800,000.00	P 800,000.00	P 1,000,000.00	P 1,000,000.00
Less: Cost of Sales					
Goods Inventory Beginning	P 150,000.00	P 150,000.00	P 150,000.00	P 150,000.00	P 150,000.00
Add: Purchases	600,000.00	500,000.00	600,000.00	800,000.00	800,000.00
Total Available	P 750,000.00	P 650,000.00	P 750,000.00	P 950,000.00	P 950,000.00
Goods Inventory End	250,000.00	250,000.00	250,000.00	450,000.00	250,000.00
Cost of Goods Sold	P 500,000.00	P 400,000.00	P 500,000.00	P 500,000.00	P 700,000.00
Gross Income	P 500,000.00	P 400,000.00	P 300,000.00	P 500,000.00	P 300,000.00
Less: Administrative & General Expenses	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Net Income	P 400,000.00	P 300,000.00	P 200,000.00	P 400,000.00	P 200,000.00
VAT - Output Tax	P 100,000.00	P 80,000.00	P 80,000.00	P 100,000.00	P 100,000.00
Input Tax	60,000.00	50,000.00	60,000.00	80,000.00	80,000.00
VAT Payment	P 40,000.00	P 30,000.00	P 20,000.00	P 20,000.00	P 20,000.00

B. POSSIBLE TAX IMPLICATIONS

- In case of unrecorded/understated sales **with no recorded purchases**
Income Tax - understatement of Net Income - underpayment of Income Tax
VAT - understatement of Output Tax - underpayment of VAT
- In case of unrecorded/understated sales **with recorded purchases**
Income Tax - understatement of Net Income - underpayment of Income Tax
VAT - understatement of Output Tax - underpayment of VAT
- In case of overstated local purchases and importations **which are still in the inventory**
Income Tax - no effect on Net Income and Income Tax
VAT - Input Tax is overstated - underpayment of VAT
- In case of overstated local purchases and importations **which are no longer in the inventory**
Income Tax - understatement of Net Income - underpayment of Income Tax
VAT - Input Tax is overstated - underpayment of VAT

MONTHLY REPORT OF PENDING CASES ON INVENTORY VERIFICATION

For the Month of _____

Name of Revenue Officer(s)	Total Pending Case Prior Month	New Cases During the Month	Closed/Reported Cases During the Month	Total Pending Case This Month
<i>TOTAL</i>				

I attest to the accuracy of the information contained herein.

Submitted by:

 Chief, LTAID/ Chief, LTDO/Revenue District Officer

**MONTHLY REPORT OF TERMINATED/ASSESSED CASES
ON INVENTORY VERIFICATION
FOR THE MONTH OF _____**

NAME & ADDRESS OF TAXPAYER	TIN	RDO NO.	MISSION ORDER		Date Reported by RDO	DEFICIENCY TAX (IF ANY)		
			NO.	DATE		Tax Type	ASSESSMENT	COLLECTION

Submitted by:

Head, Review & Evaluation Group (LTS)/
Chief, Assessment Division

Date:

Noted by:

ACIR, LTS/Regional Director

Date:

LIST OF MISSION ORDERS ISSUED FOR INVENTORY VERIFICATION
For the Month of _____

Mission Order			Name of Taxpayer/Subject of Stocktaking	Location Code *	Address/Location	Name of Revenue Officer(s) Assigned
Number	Date	Issued to (Office)				

Submitted by:

ACIR, LTS/ Regional Director

Office