

**FREQUENTLY ASKED QUESTIONS FOR MICRO AND SMALL TAXPAYERS ON FILING THE 2025 ANNUAL INCOME TAX RETURN**

**Q1 Is the BIR mandating the use of BIR Form No. 1701-MS for Micro and Small taxpayers?**

**A1** No. The BIR is not mandating the exclusive use of BIR Form No. 1701-MS for Micro and Small taxpayers. The form is made available to allow Micro and Small taxpayers to file using a simplified AITR in compliance with the Ease of Paying Taxes Act (Republic Act No. 11976).

**Q2 I am a Micro or Small Taxpayer, will I be penalized for filing early using BIR Form No. 1701 or 1701A electronically?**

**A2** No. There will be no penalty for Micro and Small Taxpayers who file their AITR early using BIR Form No. 1701 or 1701A through the prescribed electronic platforms.

**Q3 Are Micro and Small taxpayers still required to file BIR Form No. 1701-MS if they already filed their AITR earlier using BIR Forms No. 1701 or 1701A?**

**A3** No. Micro and Small taxpayers are not required to re-file BIR Form 1701-MS manually if they have already filed their AITR electronically using BIR Forms No. 1701 or 1701A, and paid the corresponding tax due, if any. The BIR Form No. 1701-MS is an alternative option made available for simplified filing of AITR.

**Q4 Which BIR Form No. is required to be used by Micro and Small Taxpayers in the filing of their AITR?**

**A4** Micro and Small Taxpayers have the option to file any of the following AITR:  
 1. BIR Form No. 1701; or  
 2. BIR Form No. 1701A; or  
 3. BIR Form No. 1701-MS.

**Q5 When should BIR Forms No. 1701, 1701A or 1701-MS be used?**

**A5** The applicable form depends on the type of income earned and the tax regime applicable to the taxpayer, such as graduated income tax rates or the 8% income tax rate. The applicable BIR Forms are as follows:

Form	When to Use
1. BIR Form No. 1701	For individual taxpayers engaged in trade or business or practice of professions including mixed income earners (with compensation income from employment), estate or trusts, with one or multiple income tax rates.
2. BIR Form No. 1701A	For individual taxpayers earning income purely from business or profession under graduated income tax rates availing Optional Standard Deductions or 8% income tax rate
3. BIR Form No. 1701-MS	For Micro and Small Taxpayers engaged in trade or business or practice of professions including mixed income earners (with compensation income from employment), who prefer a simplified two-page tax return and are subject to a single income tax rate (either graduated, 8% income tax rate, special/preferential rate, or exempt) for business income.

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**Q6 What are the prescribed manners of filing BIR Form Nos. 1701, 1701A, and 1701-MS?**

**A6** BIR Forms No. 1701 and 1701A must be filed electronically through Offline eBIRForms Package, Electronic Filing and Payment System (eFPS) or authorized Tax Software Providers (TSPs).

BIR Form No. 1701-MS, which is not yet available in the eFPS and eBIRForms, may be filed manually by Micro and Small individual business taxpayers who opt to use this simplified return.

**Q7 Where can Micro and Small taxpayers obtain BIR Form No. 1701-MS?**

**A7** Individual business taxpayers classified as Micro and Small who opt to use and file the return manually may obtain BIR Form No. 1701-MS through any of the following:

1. Download and accomplish the fillable BIR Form No. 1701-MS from the BIR website, with link:

[https://bir-cdn.bir.gov.ph/BIR/pdf/1701-MS%20August%202024%20Fillable\\_01.pdf](https://bir-cdn.bir.gov.ph/BIR/pdf/1701-MS%20August%202024%20Fillable_01.pdf)

and print three (3) copies in legal or folio size bond paper; or

Request three (3) copies of BIR Form No. 1701-MS at any Revenue District Office.

**Q8 Is a taxpayer still required to file an AITR even if the return has no tax payable or is a "No Payment" return?**

**A8** The BIR Form No. 1701-MS can be filed manually:

- If with Tax Payable – to any Authorized Agent Bank; or
- If without Tax payable – to any Revenue District Office

**Q9 Do I still need to file if I have "No Payment" Tax Return?**

**A9** Yes. "No Payment" Tax Returns are required to be filed electronically via Offline eBIRForms Package or eFPS or authorized eTSPs, whichever is applicable. However, Micro and Small Taxpayers who elect to file manually using BIR Form No. 1701-MS shall be allowed to file the return manually at any Revenue District Office on or before the prescribed deadline, without the imposition of penalty.

**Q10 Can Micro and Small taxpayers file BIR Form No. 1701-MS even if such BIR form is not indicated in their BIR Certificate of Registration (COR)?**

**A10** Yes. Micro and Small Taxpayers whose BIR COR does not include the form 1701-MS have the option to file manually using the said return.

**Q11 If the taxpayer's BIR COR shows only BIR form No. 1701 or 1701A, is it necessary to update such COR to include BIR Form No. 1701-MS?**

**A11** No. Micro and Small Taxpayers whose BIR COR does not include the form 1701-MS are not required to update their BIR COR to reflect the said form or for the purpose of using the same. However, taxpayers who still wish to have BIR Form No. 1701-MS reflected in their COR may opt to update their registration information with the Revenue District Office where they are registered.

