

# Tax Administration Fishbowl Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

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- 1. When does an assessment become a Disputed Assessment?**
  - A. Immediately upon issuance**
  - B. After the taxpayer files a valid and timely protest against the FLD and/or FAN**
  - C. After the protest is denied**
  - D. When the tax becomes due**
  
- 2. When is a tax lien valid against third parties such as purchasers or mortgagees?**
  - A. Upon assessment**
  - B. Upon filing the lien with the Register of Deeds**
  - C. Only after a court judgment**
  - D. Only if the taxpayer consents**
  
- 3. Can the CIR obtain taxpayer information from other government agencies?**
  - A. No**
  - B. Yes, third party information on a regular basis, including BSP and GOCCs**
  - C. Only with court order**
  - D. Only for criminal cases**
  
- 4. Under the Best Evidence Obtainable rule, assessments are prima facie presumed to be correct; where does the burden of proof lie?**
  - A. With the tax authority to show accuracy.**
  - B. With the court to determine the facts.**
  - C. With the taxpayer to demonstrate error in the assessment.**
  - D. With the reviewer to validate supporting documents.**
  
- 5. When a substantially amended return is filed, from which filing may the three-year prescriptive period be reckoned?**
  - A. From the original return**
  - B. From the amended return**
  - C. From the date of discovery**
  - D. From the amended return only if it is substantially different and amounts to a new return; otherwise from original**

- 6. What is the rule regarding irrevocability of the carry-over option for excess tax credits?**
- A. The carry-over option is revocable at any time.**
  - B. The irrevocability rule applies only to the carry-over option and not to the option to refund or issuance of tax credit certificate.**
  - C. The carry-over option can be revoked if the taxpayer changes status.**
  - D. The carry-over option is not allowed.**
- 7. Surveillance findings may serve as basis for assessment but remain subject to what due process concept?**
- A. Final and conclusive**
  - B. Due process**
  - C. Immediate enforcement**
  - D. No value**
- 8. Legislative rules require what before adoption?**
- A. Public hearing**
  - B. No hearing**
  - C. Judicial approval**
  - D. Presidential approval**
- 9. If civil action instituted before criminal action, which proceeds first?**
- A. Civil action proceeds first**
  - B. Criminal action proceeds first**
  - C. They proceed in parallel**
  - D. Parallel with civil**
- 10. If the CIR denies the protest, which statement is true?**
- A. You may appeal the decision directly to the CTA**
  - B. You may file a request for reconsideration with the CIR**
  - C. You may do either appeal to CTA or file reconsideration with CIR, but not both**
  - D. You may do both A and B**

## Answers

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1. B
2. B
3. B
4. C
5. D
6. B
7. B
8. A
9. B
10. C

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## **Explanations**

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## 1. When does an assessment become a Disputed Assessment?

- A. Immediately upon issuance
- B. After the taxpayer files a valid and timely protest against the FLD and/or FAN**
- C. After the protest is denied
- D. When the tax becomes due

The key idea is that a dispute is formally recognized only when the taxpayer files a valid and timely protest against the assessment notice (the FLD or FAN). That protest signals that the taxpayer disagrees with the amount or terms and initiates the agency's formal review. Once a valid protest is filed, the assessment becomes a Disputed Assessment for purposes of handling and resolution, even as the agency continues its review or moves toward a hearing. If no protest is filed, the notice remains an assessment that may be due and payable, but it isn't treated as disputed. The timing of when the tax becomes due is about payment, not whether the dispute exists, and a protest isn't created by denying it—it's created at the moment a valid protest is filed.

## 2. When is a tax lien valid against third parties such as purchasers or mortgagees?

- A. Upon assessment
- B. Upon filing the lien with the Register of Deeds**
- C. Only after a court judgment
- D. Only if the taxpayer consents

A tax lien becomes enforceable against third parties only when it is filed in the land records, such as with the Register of Deeds. The lien itself starts from the assessment and creates a claim against the taxpayer's property, but filing with the Register of Deeds provides public notice to the world—buyers, lenders, and others—about that claim. This notice is what makes the lien binding on third parties, because they are expected to know about liens recorded in the official records. Without this filing, a purchaser or mortgagee might take title or money without awareness of the tax debt, but once the lien is filed, the government's claim is recognized against those third parties as well. It does not require a court judgment or the taxpayer's consent to become effective against those outside parties.

**3. Can the CIR obtain taxpayer information from other government agencies?**

**A. No**

**B. Yes, third party information on a regular basis, including BSP and GOCCs**

**C. Only with court order**

**D. Only for criminal cases**

The key idea here is that tax authorities have the authority to gather information from other government bodies to administer taxes. The CIR can regularly obtain third-party data from government agencies, including the Bangko Sentral ng Pilipinas (BSP) and GOCCs, to verify what taxpayers have reported and to check withholding, income, and tax liabilities. This information sharing helps ensure accurate assessments and effective compliance monitoring, which is a normal part of civil tax administration and doesn't hinge on criminal cases. Choosing that such information is not accessible would hinder the ability to verify filings, while requiring a court order for routine data sharing would unduly delay and complicate administration. Limiting the sharing to criminal cases would also ignore the broad civil tasks of auditing, investigating discrepancies, and enforcing tax laws.

**4. Under the Best Evidence Obtainable rule, assessments are prima facie presumed to be correct; where does the burden of proof lie?**

**A. With the tax authority to show accuracy.**

**B. With the court to determine the facts.**

**C. With the taxpayer to demonstrate error in the assessment.**

**D. With the reviewer to validate supporting documents.**

The main idea is that the assessment is treated as correct by default, so the burden of proving any error rests with the taxpayer. Under the Best Evidence Obtainable rule, the tax authority's figure stands as the starting point, and it's the taxpayer who must present evidence showing why the assessment is incorrect or overstated. This means arguments about miscalculation, incorrect facts, or misapplication of tax law are carried by the taxpayer, who must demonstrate that the assessed amount should be changed. The role of the court or reviewer is not to assume accuracy or independently prove it first; they respond to evidence showing why the assessment is in error.

5. When a substantially amended return is filed, from which filing may the three-year prescriptive period be reckoned?
- A. From the original return
  - B. From the amended return
  - C. From the date of discovery
  - D. From the amended return only if it is substantially different and amounts to a new return; otherwise from original**

The key idea is how prescription for tax assessment interacts with an amended return. If an amended return is truly substantially different and amounts to a new return, the three-year period restarts from the date the amended return is filed. If the amendment is not substantial and doesn't create a new return, the clock continues from the original return's filing date. This is why the correct rule is that the three-year period may be reckoned from the amended return only if the amendment is substantially different and amounts to a new return; otherwise it starts from the original filing date. A note: the date of discovery is not the trigger for the normal three-year limit in this context, and minor or clerical corrections typically do not restart the period.

6. What is the rule regarding irrevocability of the carry-over option for excess tax credits?
- A. The carry-over option is revocable at any time.
  - B. The irrevocability rule applies only to the carry-over option and not to the option to refund or issuance of tax credit certificate.**
  - C. The carry-over option can be revoked if the taxpayer changes status.
  - D. The carry-over option is not allowed.

The key idea is that when you have excess tax credits, you can handle them by carrying them forward to future years or by taking a refund or a tax credit certificate. The rule being tested states that the irrevocability applies only to the carry-over option, not to the option to refund or to receive a tax credit certificate. In other words, once you elect to carry forward excess credits, that choice cannot be changed, while the refund or issuance options are not bound by that same irrevocability. That makes the chosen answer correct because it directly matches the policy: the carry-over decision is irrevocable, but refunds or certificates are not restricted in the same way. The other statements contradict the irrevocability concept or misstate the availability of the carry-over option.

**7. Surveillance findings may serve as basis for assessment but remain subject to what due process concept?**

- A. Final and conclusive**
- B. Due process**
- C. Immediate enforcement**
- D. No value**

Surveillance findings can inform an assessment, but due process demands fair procedures before the government acts on that information. The taxpayer must be given notice of the proposed assessment and an opportunity to respond, present evidence, and have the decision reviewed by an impartial authority. This means the findings are considered but not automatically final or enforceable without proper procedure. So, these findings remain subject to due process safeguards to ensure fairness and accuracy in the assessment process.

**8. Legislative rules require what before adoption?**

- A. Public hearing**
- B. No hearing**
- C. Judicial approval**
- D. Presidential approval**

Public input is required before adopting legislative rules to ensure transparency and due process. A public hearing provides a formal forum where affected parties, experts, and stakeholders can present testimony, data, and concerns about the proposed rule. This input helps the agency assess impacts, consider potential changes, and build a complete record before finalizing the rule. Judicial or presidential approval aren't typically part of the rulemaking adoption process, which centers on open participation and careful consideration of public comment.

**9. If civil action instituted before criminal action, which proceeds first?**

- A. Civil action proceeds first**
- B. Criminal action proceeds first**
- C. They proceed in parallel**
- D. Parallel with civil**

When a civil action and a criminal action arise from the same act, the criminal case takes priority. This protects the accused's due-process rights and prevents the civil case from prejudicing the criminal proceedings or producing inconsistent results. So, even if the civil action is started first, it is typically stayed or paused while the criminal case goes forward. The civil action can proceed later, after the criminal case is resolved, unless it involves an independent basis for relief.

**10. If the CIR denies the protest, which statement is true?**

- A. You may appeal the decision directly to the CTA**
- B. You may file a request for reconsideration with the CIR**
- C. You may do either appeal to CTA or file reconsideration with CIR, but not both**
- D. You may do both A and B**

When the CIR denies a protest, you have two routes to challenge the decision: appeal to the Court of Tax Appeals or request reconsideration with the CIR. The key point is that you may choose either route, but you cannot pursue both for the same protest. This reflects that the two remedies are alternatives—one takes the dispute to a separate court, the other stays within the agency for a fresh review. If you prefer a judicial review with potentially new arguments, you'd go to the Court of Tax Appeals; if you want the agency to take another look internally, you'd file reconsideration with the CIR.

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## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://taxadminfishbowl.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

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