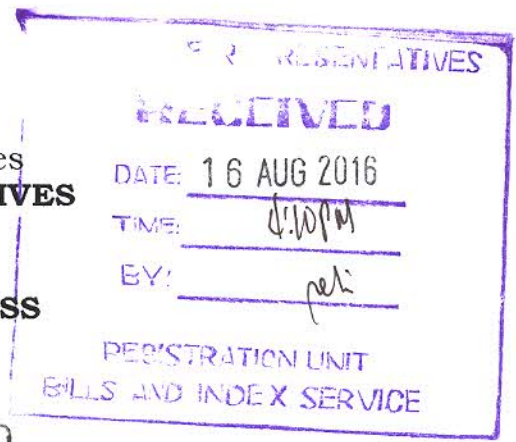


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3010



Introduced by **HONORABLE ROMERO "MIRO" S. QUIMBO**

EXPLANATORY NOTE

As it stands, only a small percentage of the tax collection of the Bureau of Internal Revenue pertain to estate taxes. In 2013, only 28,634 are registered estate taxpayers.¹ Moreover, data from the Philippine Statistics Authority show that there is a total of 531,280 deaths in the same year.² After deducting the registered estate taxpayers from the total deaths in 2013, data show that ninety-four percent (94%) did not file the required estate tax return. Even if the estate is exempt from taxes, the filing of a return is still required under the National Internal Revenue Code (NIRC).

Several concerns have also been raised regarding the filing of the estate tax return. For one, the failure to file the return within six (6) months from the death of the decedent, extendible by the Commissioner for a period of thirty (30) days subjects the taxpayer to penalties and interests under the NIRC. In addition, compliance with the filing and payment of taxes is rendered more difficult by the arduous procedure that the taxpayer has to go through.

This results to a situation wherein the heirs of the deceased resort to non-compliance of the law's requirements, hindering them from using these properties. Thus, the decedent's properties become idle and unproductive, providing a disincentive to the heirs, as well as to the economy, given the potential income that can be derived from these stagnant properties.

This issue becomes more incongruous considering that in 2013, only 2.69% of the total collection of the BIR comprise of collection of taxes on

¹Aguilar, Anthony Alden Sy. "Mapping the Future." Management Association of the Philippines website, August 10, 2015. <<http://map.org.ph/profile/membership-nomination-guidelines-membership-nomination-forms/2-latest/484-four-bills-and-a-tax-amending-the-estate-tax-system>, accessed August 16, 2016>

²"Deaths in the Philippines, 2013." Philippine Statistics Authority website, April 6, 2016. <<http://psa.gov.ph/content/deaths-philippines-2013>, accessed August 16, 2016>.

property, including estate taxes.³ This creates a double whammy: the government is not able to derive revenue from these properties; and the heirs are not able to productively use said properties.

To unlock this impasse, this bill proposes the grant of tax amnesty for all unpaid estate taxes at the time of this bill's passage, as well as those which shall be due three (3) years from the time of its enactment. This bill proposes a revised schedule of tax due for each estate to encourage the declaration of tax returns and payment for non-compliant estates.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



ROMERO "MIRO" S. QUIMBO
Representative
Second District Marikina City

³ Aguilar, id.

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HOUSE BILL NO. ___3010

Introduced by **HONORABLE ROMERO "MIRO" S. QUIMBO**

AN ACT GRANTING AMNESTY IN ESTATE TAX

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Title. – This Act shall be known as the “Estate Tax Amnesty Law.”

Section 2. Coverage and Duration of Tax Amnesty. – The tax amnesty granted herein shall cover all unpaid estate taxes as of the time this Act shall have taken effect, and those that shall be due within three (3) years henceforth.

Section 3. Grant of Tax Amnesty. – Within the period of the estate tax amnesty as provided in the preceding section, estate tax shall be levied, assessed, collected and paid upon the transfer of the net estate, as determined in accordance with Section 85 and 86 of Republic Act No. 8424, as amended, of every decedent, whether resident or non-resident of the Philippines, based on the value of such net estate, as computed in accordance with the following schedule:

“If the net estate is:

Over	But Not Over	The Tax Shall Be	Plus	Of the Excess Over
	3,000,000.00	0		
3,000,000.00	6,000,000.00	20,000	5%	3,000,000.00
6,000,000.00	12,000,000.00	200,000	8%	6,000,000.00
12,000,000.00		650,000	11%	12,000,000.00

Section 4. Applicability of Republic Act No. 9480 – Section 6, on the grant of immunities and privileges, Section 8, on exceptions, Section 9, on divulgence of tax

1 amnesty return, and Section 10, on penalties of Republic Act No. 9480, shall apply
2 to the herein grant of estate tax amnesty, in so far, as they are relevant.

3

4 **Section 5.** Implementing Rules and Regulations. – The Secretary of Finance shall
5 promulgate the necessary rules and regulations for the effective implementation of
6 the provisions of this Act.

7

8 **Section 6.** Repealing Clause. – All laws, orders, issuances, circulars, rules and
9 regulations or parts thereof, which are inconsistent with the provisions of this Act
10 are hereby repealed or modified accordingly.

11

12 **Section 7.** Separability Clause. – If any provision of this Act is declared
13 unconstitutional or invalid, other parts or provisions hereof not affected thereby
14 shall continue to be in full force and effect.

15

16 **Section 8.** Effectivity. – This Act shall take effect fifteen (15) days following its
17 publication in at least two (2) newspapers of general circulation.

18

19 Approved,