

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



Senate  
Office of the Secretary

'13 SEP -3 P2:37

SENATE

S. No. 1489

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Introduced by Senator **FRANCIS G. ESCUDERO**

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**EXPLANATORY NOTE**

It submitted that there is a need to increase the estate tax exemption provided for by law, specifically Section 84 of Republic Act No. 8424, as amended, or the National Internal Revenue Code of 1997.

Factoring in, among others, CPI inflation, the purchasing power parity of the Philippine peso and exchange rate fluctuations, it becomes apparent that the estate tax exemption of Php200,000.00 is no longer of the same value today compared in 1997. Thirteen years has passed since the said figure was adopted as a taxation policy for estates.

Moreover, increasing the estate tax exemption to Php400,000.00 is a justified tax relief, especially to middle class Filipino families who are mostly wage earners, salaried employees or overseas Filipino workers.

In view of the foregoing, this bill is being advanced for study and deliberation, and approval.

**FRANCIS G. ESCUDERO**



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Introduced by Senator **FRANCIS G. ESCUDERO**

**AN ACT**

**INCREASING THE ESTATE TAX EXEMPTION, AMENDING FOR THE PURPOSE SECTION 84, CHAPTER I, ESTATE TAX, TITLE III OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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

1           **SECTION 1.** Section 84 of the National Internal Revenue Code of 1997, as  
2 amended, is hereby amended to read as follows:

3  
4  
5  
6  
7

*"SEC. 84 Rates of Estate Tax. - There shall be levied, assessed, collected and paid upon the transfer of the net estate as determined in accordance with Sections 85 and 86 of every decedent, whether resident or nonresident of the Philippines, a tax based on the value of such net estate, as computed in accordance with the following schedule:*

8

*If the net estate is:*

<i>Over</i>	<i>But Not Over</i>	<i>The Tax shall be</i>	<i>Plus</i>	<i>Of the Excess Over</i>
	P 400,000	Exempt		
P 400,000	750,000	0	5%	P 400,000
750,000	2,250,000	P 15,000	8%	750,000
2,250,000	5,250,000	135,000	11%	2,250,000
5,250,000	10,250,000	465,000	15%	5,250,000
10,250,000	And Over	1,215,000	20%	10,250,000

9           **SEC. 2.** The Bureau of Internal Revenue shall promulgate the  
10 necessary implementing rules and regulations within sixty (60) days from the  
11 effectivity of this Act.  
12

13           **SEC. 3.** All laws, presidential decrees, executive orders,  
14 proclamations and/or administrative regulations which are inconsistent with the  
15 provisions of this Act are hereby amended, modified, superseded or repealed  
16 accordingly.

1           **SEC. 4.**       *Effectivity Clause.* This Act shall take effect fifteen (15) days  
2 from its publication in the Official Gazette or at least three (3) newspapers of  
3 national circulation.

4           *Approved,*