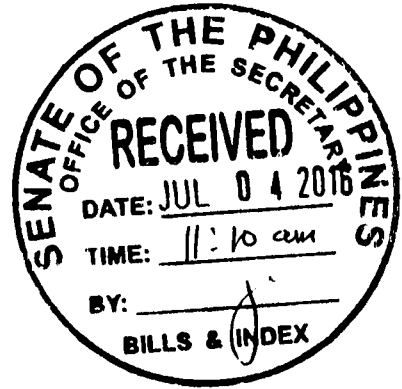


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S.B. No. 293

Introduced by Senator Aquilino “Koko” Pimentel III

**AN ACT
DECLARING A ONE-TIME AMNESTY ON ESTATE TAX,
INCLUSIVE OF FINES, INTEREST, AND SURCHARGE
PENALTIES, AND OTHER ADDITIONS THERETO, AND FOR
OTHER PURPOSES**

EXPLANATORY NOTE

Statistics from the Bureau of Internal Revenue (BIR) indicate that there has been a wide mismatch between the number of estate tax returns filed in the past years and the total number of reported deaths, to wit:

Year	Number of Deaths recorded¹	Estate Tax Returns Filed²
2011	498,486	35,972
2012	514,745	39,893
2013	531,280	40,325

The abovementioned numbers reveal that a substantial number of the Filipinos may not be familiar with this type of tax as shown by the dismal rate of tax compliance. Besides, death in the family is marked by a prolonged period of grief that any mention of estate tax obligation is not usually observed nor commonly practiced.

¹ Philippine Statistics Authority
Retrieved from: <https://psa.gov.ph/content/deaths-philippines>, on June 29, 2016.

²Bureau of Internal Revenue.
Retrieved from: http://www.bir.gov.ph/images/bir-files/annual_reports/

Thus, there is a need to provide our fellow *kababayans* with a one-time opportunity to settle their estate tax obligations through a tax amnesty program that will limit their liability to the unpaid basic estate tax and waive the accumulated penalties of fine, interest, surcharge and other additions thereto due to late filing of tax returns, late payment of tax dues or both³.

As a result of this unintentional ignorance, the tax liabilities that accrued at the time of death, may have accumulated huge penalties and surcharges already, deterring the heirs from coming forward and settling their long standing obligations to the government. In addition, the properties of the deceased may have been locked-in by the absence of tax clearances attributable to the non-filing of estate tax returns by the family members and other heirs of the deceased.

The grant of the said tax amnesty will be a reasonable tax relief especially to middle class Filipino families who are mostly wage earners, salaried employees or overseas Filipino workers. Thus, this measure seeks to encourage the settlement of estates to free up and release properties to commercial circulation, which in the long term will increase and complement the tax collection efforts of the government and stimulate investment in the real property industry.

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


AQUILINO "KOKO" PIMENTEL III

³Bureau of Internal Revenue.

Retrieved from: file:///C:/Users/user/Desktop/RMO%2010-2010%20Estate%20Tax.pdf, on June 22, 2016.

1 and other charges covered by the tax amnesty granted under Section 1
2 herein.

3 **Section 5. *Exceptions.***— The tax amnesty provided in this Act shall
4 not extend to the following:

5 (a) Those with pending cases falling under the jurisdiction
6 of the Presidential Commission on Good Government;

7 (b) Those with pending cases before the *Sandiganbayan*
8 involving any violation of the Anti-Money Laundering
9 Act, as amended;

10 (c) Those with pending criminal cases for tax evasion and
11 other criminal offenses under Chapter II of Title X of
12 the National Internal Revenue Code of 1997, as
13 amended; and

14 (d) Those with pending criminal cases for fraud and illegal
15 exactions and transactions, and malversation of public
16 funds and property under Chapters III and IV of Title
17 VII of the Revised Penal Code.

18 The above-enumerated cases refer to those pending before the
19 effectivity of this Act. Immunities and privileges granted under previous
20 tax amnesties shall be respected and recognized.

21 **Section 6. *Implementing Rules and Regulations.*** - The Secretary of
22 Finance shall, in coordination with the Commissioner of Internal
23 Revenue, promulgate and publish the IRR of this Act within sixty (60)
24 days from its effectivity.

25 **Section 7. *Separability Clause*** - Should any portion or provision
26 of this Act be declared unconstitutional or invalid, the declaration shall
27 not have the effect of nullifying other portions or provisions not
28 affected thereby.

29 **Section 8. *Repealing Clause***-All laws, executive or administrative
30 orders, rules or regulations, or any parts thereof which are inconsistent

1 with any of the provisions of this Act, are hereby repealed or modified
2 accordingly.

3 **Section 9.Effectivity** - This Act shall take effect fifteen (15) days
4 after its publication in at least two (2) newspapers of general circulation.

Approved,