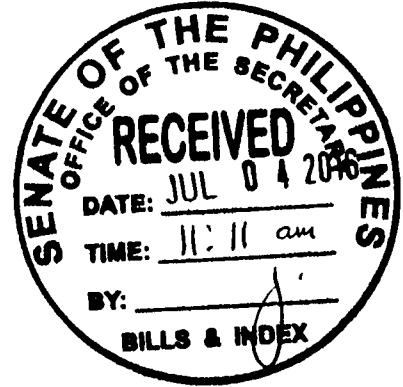


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



SENATE  
S.B. No. 294

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**Introduced by Senator Aquilino “Koko” Pimentel III**

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**AN ACT  
AMENDING SECTION 84 OF CHAPTER I, TITLE III OF THE  
NATIONAL INTERNAL REVENUE CODE OF 1997 AS  
AMENDED, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

It is almost instinctive if not innate to the individual person to provide for the sustenance of his or her loved ones in the event of his or her death. During the lifetime of an individual, he/she either finds work, starts a business or both to earn income, which, in the process, gets taxed. After paying income tax, these earnings from such employment, business, or both, are invested in assets, whether tangible, intangible or both, and again, they are somehow subjected to another round of tax, like capital gains tax or stock transaction tax, and the like.

Thus, estate tax which is being imposed on the estate of a deceased person before the heirs of the latter can receive their share in the inheritance, is another round of tax on tax, thus, adding another burden to the grieving family. Countries in the Asian region that are not imposing inheritance tax are Cambodia, China, Indonesia, Macau, Malaysia and Singapore, among others.

However, being aware of the other vital role of taxation as an equitable tool for wealth distribution, its total repeal may not be prudent at this time when moves for the reform of the Philippine income tax law are also underway. Thus, this tax may still be collected from the estate with a net value of Fifty Million Pesos (P50,000,000) and above.

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

  
**AQUILINO "KOKO" PIMENTEL III**



		P200,000
Over P500,000 but not over P2,000,000	.....	P15,000 +8% of the excess over P500,000
Over P2,000,000 but not over P5,000,000	.....	P135,000 +11% of the excess over P2,000,000
Over P5,000,000 but not over P10,000,000	.....	P465,000 +15% of the excess over P5,000,000
Over P10,000,000	.....	P51,215,000+ 20% of the excess over P10,000,000]

1                   **IF THE NET ESTATE IS AT LEAST FIFTY**  
2                   **MILLION PESOS (P50,000,000).”**

3   **SECTION 13. *Separability Clause*** - Should any portion or provision  
4 of this Act be declared unconstitutional or invalid, the declaration shall  
5 not have the effect of nullifying other portions or provisions not  
6 affected thereby.

7   **SECTION 14. *Repealing Clause*** - All laws, executive or administrative  
8 orders, rules or regulations, or any parts thereof which are inconsistent  
9 with any of the provisions of this Act, are hereby repealed or modified  
10 accordingly.

11   **SECTION 15. *Effectivity*** - This Act shall take effect fifteen (15) days  
12 after its publication in at least two (2) newspapers of general circulation.

*Approved,*