



HOUSE OF REPRESENTATIVES

H. No. 2933

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AN ACT GRANTING A ONE-TIME TAX AMNESTY ON ALL UNPAID NATIONAL INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2003 AND PRIOR YEARS AND FOR OTHER PURPOSES

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

1 SECTION 1. *Coverage.* – There is hereby authorized and granted a
2 tax amnesty which shall cover all national internal revenue taxes for the
3 taxable year 2003 and prior years, with or without assessments duly issued
4 therefor, that have remained unpaid as of December 31, 2003: *Provided,*
5 *however,* That the amnesty hereby authorized and granted shall not cover
6 persons enumerated under Section 10 hereof.

7 SEC. 2. *Availment of the Amnesty.* – Any person, natural or
8 juridical, who wishes to avail of the tax amnesty authorized and granted
9 under this Act shall file with the Bureau of Internal Revenue (BIR) a Tax
10 Amnesty Return accompanied by a Statement of Assets, Liabilities and
11 Networth (SALN) as of December 31, 2003, in such form as shall be
12 prescribed by the Secretary of Finance, upon the recommendation of the
13 Commissioner of Internal Revenue, and pay the applicable amnesty tax
14 within four (4) months following the effectivity of this Act.

15 SEC. 3. *What to Declare in the SALN.* – The SALN shall contain a
16 declaration of the assets, liabilities and networth as of December 31, 2003,
17 as follows:

18 (a) Assets within or without the Philippines, whether real or
19 personal, tangible or intangible, whether or not used in trade or business:
20 *Provided,* That property other than money shall be valued at the cost at
21 which the property was acquired: *Provided, further,* That foreign currency
22 assets and/or securities shall be valued at the rate of exchange prevailing as
23 of the date of the SALN;

24 (b) All existing liabilities which are legitimate and enforceable,
25 secured or unsecured, whether or not incurred in trade or business; and

26 (c) The networth of the taxpayer, which shall be the difference
27 between the total assets and total liabilities.

1 SEC. 4. *Presumption of Correctness of SALN.* – The SALN as of
2 December 31, 2003 shall be considered as true and correct except where
3 the amount of declared networth is understated to the extent of twenty-five
4 percent (25%) or more as may be established in proceedings initiated by,
5 or at the instance of, parties other than the Bureau of Internal Revenue
6 (BIR) within three years following the date of the filing of the amnesty
7 return and SALN.

8 SEC. 5. *Tax Amnesty on Taxpayers with no Internal Revenue Tax*
9 *Assessments.* – (a) Any person, whether natural or juridical, without
10 pending or outstanding assessments for any national internal revenue taxes
11 as of December 31, 2003, may avail of the tax amnesty herein granted by
12 filing an amnesty return as prescribed under Section 2 hereof, and upon
13 payment of an amnesty tax based on his or its networth as of December 31,
14 2003, as declared in the SALN as of said period, in accordance with the
15 following schedule of amnesty tax rate and the required minimum amnesty
16 tax:

17 (1) Individuals (whether resident or non-resident citizens, including
18 resident aliens);

19 (A) Employees, whether on		
20 a permanent or contractual		
21 basis	-----	3% or P20,000.00
22		whichever is higher

23 (B) Self-employed and/or		
24 Professionals	-----	3% or P50,000.00
25		whichever is higher

26 (2) Trusts and Estates	-----	3% or P100,000.00
27		whichever is higher

1 (3) Corporations, including tax-exempt organizations enumerated
 2 under Section 30 of the National Internal Revenue Code of 1997, as
 3 amended, but are otherwise taxable on their income from any properties or
 4 activities conducted for profit:

5 (A) Taxpayers with subscribed

6 capital of above P50 Million ----- 3% or P500,000.00
 7 whichever is higher

8 (B) Taxpayers with subscribed

9 capital of above P20 Million
 10 up to P50 Million ----- 3% or P250,000.00
 11 whichever is higher

12 (C) Taxpayers with subscribed

13 capital of above P5 Million
 14 up to P20 Million ----- 3% or P100,000.00
 15 whichever is higher

16 (D) Taxpayers with subscribed

17 capital of P5 Million
 18 and below ----- 3% or P25,000.00
 19 whichever is higher

20 (4) Other juridical entities,

21 including but not limited to
 22 cooperatives and foundations,
 23 that have become taxable
 24 as of December 31, 2003 ----- 3% or P20,000.00

25 whichever is higher

26 (b) Taxpayers who filed their balance sheets/SALN, together with
 27 their income tax returns for 2003, and who desire to avail of the tax
 28 amnesty under this Act shall amend such previously-filed statements by

1 including still undeclared assets and/or liabilities and pay an amnesty tax
2 equal to three percent (3%) based on the resulting increase in networth:
3 *Provided, further,* That such taxpayers shall likewise be categorized in
4 accordance with, and subjected to the minimum amounts of amnesty tax
5 prescribed under the provisions of subparagraph (a) hereof.

6 (c) Taxpayers with foreign currency assets and/or securities abroad
7 may avail of a tax amnesty, at the rate equivalent to two percent (2%) of the
8 peso amount at the prevailing exchange rate of the repatriated foreign
9 currency assets and/or securities: *Provided,* That the said foreign currency
10 assets and/or securities have been declared by the taxpayer in his or its
11 SALN as of December 31, 2003: *Provided, further,* That same have been
12 brought into the Philippines from December 31, 2003 up to the time of
13 filing of the tax amnesty: *Provided, furthermore,* That a duly notarized
14 sworn statement declaring the amount of repatriated foreign currency
15 assets and/or securities and a certification of inward remittance thereof
16 issued by the Bangko Sentral ng Pilipinas (BSP) shall be submitted by the
17 taxpayer: *Provided, finally,* That the amended networth of the taxpayer as
18 of December 31, 2003, net of such repatriated foreign currency assets
19 and/or securities, may be subjected to the amnesty tax under subsections
20 (a) or (b) hereof.

21 **SEC. 6. Tax Amnesty for Taxpayers with Pending Tax Assessments**
22 *Before the Bureau of Internal Revenue.* – A taxpayer, whether natural or
23 juridical, with assessments for national internal revenue taxes, whether
24 protested or pending with the BIR as of December 31, 2003 may avail of
25 the tax amnesty equivalent to ten percent (10%) of the basic tax assessed,
26 exclusive of interest, surcharges and penalties, which shall be in addition
27 to the amnesty tax imposed under Section 5 and/or Section 7 hereof.

1 SEC. 7. *Tax Amnesty for Taxpayers with Final Assessment Notices*
2 *and Tax Cases Pending before the Courts.* – A taxpayer, whether natural
3 or juridical, with a final assessment notice and pending cases before the
4 courts for the assessment or collection of national internal revenue taxes as
5 of December 31, 2003, except those mentioned under Section 10(e) hereof,
6 may avail of the tax amnesty equivalent to twenty-five percent (25%) of
7 the basic tax assessed, exclusive of interests, surcharges and penalties,
8 which shall be in addition to the amnesty tax imposed under Section 5
9 and/or Section 6 hereof.

10 SEC. 8. *When and Where to File and Pay.* – The filing of the
11 SALN, as well as the tax amnesty return, and the payment of the amnesty
12 tax shall be made within four months following the effectivity of this Act:
13 *Provided,* That tax amnesty returns covering unpaid national internal
14 revenue tax liabilities shall be filed, at the option of the taxpayer, at the
15 Office of the Commissioner of Internal Revenue or the Revenue District
16 Officer which has jurisdiction over the legal residence or principal place of
17 business of the taxpayer. The Commissioner of Internal Revenue or the
18 Revenue District Officer shall issue an acceptance of payment form
19 authorizing an authorized agent bank, or in the absence thereof, the
20 Collection Agent or Municipal Treasurer concerned to accept the amnesty
21 tax.

22 SEC. 9. *Immunities and Privileges.* – Upon full compliance with
23 the conditions of the tax amnesty:

24 (a) The taxpayer shall be immune from the payment of taxes, as
25 well as additions thereto, and the appurtenant civil, criminal or
26 administrative penalties arising from the failure to pay any and all national
27 internal revenue taxes under the National Internal Revenue Code of 1997,
28 as amended, for taxable year 2003 and prior years: *Provided,* That the

1 immunity herein granted shall attach only to the particular tax amnesty
2 availed of under Sections 5, 6 and 7 hereof: *Provided, further,* That such
3 immunity shall not extend to any or all of the cases mentioned under
4 Section 10 hereof.

5 (b) The taxpayer's tax amnesty return and SALN as of December
6 31, 2003 shall not be admissible as evidence in all proceedings that
7 pertains to taxable year 2003 and prior years insofar as such proceedings
8 relate to national internal revenue taxes before judicial, quasi-judicial or
9 administrative bodies in which he or it is a defendant or respondent.

10 (c) The taxpayer's tax amnesty return, SALN, books of accounts
11 and other records of the taxpayer for the years when tax amnesty was
12 availed shall not be examined: *Provided,* That the Commissioner of
13 Internal Revenue may authorize in writing the examination of the said
14 documents to verify the validity or correctness of a claim for grant of any
15 tax refund, tax credit (other than refund or credit of taxes withheld on
16 wages), tax incentives, and/or exemptions under existing laws.

17 All these immunities and privileges shall not apply where the person
18 failed to file a Statement of Assets, Liabilities and Networth or tax amnesty
19 return, or where the amount of networth as of December 31, 2003 is
20 proven, through third party information, to be understated to the extent of
21 twenty-five percent (25%) or more.

22 SEC. 10. *Exceptions.* -- The tax amnesty provided in this Act shall
23 not extend to the following:

24 (a) Withholding agents with respect to their withholding tax
25 liabilities;

26 (b) Those with pending cases falling under the jurisdiction of the
27 Presidential Commission on Good Government;

1 (c) Those with pending cases before the Sandiganbayan involving
2 unexplained or unlawfully acquired wealth or under the Anti-Graft and
3 Corrupt Practices Act;

4 (d) Those with pending investigations for, or with pending cases
5 involving any violation of the Anti-Money Laundering Act, and/or any of
6 the unlawful activities as provided under said Act;

7 (e) Those with pending criminal cases for tax evasion and other
8 criminal offenses under Chapter II of Title X of the National Internal
9 Revenue Code of 1997, as amended, and the felonies of fraud, illegal
10 exactions and transaction, and malversation of public funds and property
11 under Chapters III and IV of Title VII of the Revised Penal Code; and

12 (f) Those with final and executory judgment by the courts.

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

16 SEC. 11. *Unlawful Divulgence of the Tax Amnesty Return and*
17 *SALN.* – Except as otherwise provided in Section 14 hereof, it shall be
18 unlawful for any person having knowledge of the tax amnesty declaration
19 and the SALN filed pursuant hereto, to disclose any information relative to
20 such declaration and statement, and any violation hereof shall subject the
21 offender to the penalties under Section (12) (c) of this Act.

22 SEC. 12. *Penalties.* – (a) Any person who, having filed a SALN or
23 tax amnesty return under this Act, willfully understates his or its networth
24 to the extent of twenty-five percent (25%) or more shall, upon conviction
25 be subject to the penalties of perjury under the Revised Penal Code.

26 (b) The willful failure to declare any property in the SALN and/or
27 in the tax amnesty return shall be deemed a *prima facie* evidence of fraud
28 and shall constitute a ground upon which attachment of such property may

1 be issued in favor of the BIR to answer for the satisfaction of any judgment
2 that may be acquired against the declarant.

3 In addition to the penalties provided in paragraphs (a) and (b)
4 above, immediate tax fraud investigation shall be conducted to collect all
5 taxes due, including increments, and to criminally prosecute those found to
6 have willfully evaded lawful taxes due.

7 In the case of associations, partnerships, or corporations, the penalty
8 shall be imposed on the partner, president, general manager, branch
9 manager, treasurer, officer-in-charge, and employees responsible for the
10 violation.

11 (c) The unlawful divulgence of the amnesty tax return and the
12 SALN shall be penalized by a fine in the amount of not less than Fifty
13 thousand pesos (P50,000.00) but not more than One hundred thousand
14 pesos (P100,000.00) and suffer imprisonment of not less than six years but
15 not more than ten (10) years.

16 If the offender is an officer or employee of the BIR or any
17 government entity, he shall likewise suffer an additional penalty of
18 perpetual disqualification to hold public office, to vote and to participate in
19 any public election.

20 SEC. 13. *Moratorium on the Grant of Tax Amnesty.* – In order to
21 encourage and improve tax compliance by taxpayers, it is hereby declared
22 the policy of this Congress that the grant of tax amnesty, in whatever
23 manner and form, shall not henceforth be allowed: *Provided, further,* That
24 this moratorium shall likewise apply to any administrative tax amnesty by
25 the Bureau of Internal Revenue.

26 SEC. 14. *Management Information System.* – The Department of
27 Finance, in coordination with the Bureau of Internal Revenue, Bureau of
28 Customs, Land Transportation Office, Land Registration Authority,

1 Securities and Exchange Commission and other concerned agencies of the
2 government, shall institute a Management Information System for a
3 broader tax base resulting from the implementation of this Act for
4 purposes of enhancing revenue administration, revenue collection and
5 policy formulation.

6 The Commissioner of Internal Revenue shall cause to be published
7 the total amount of tax amnesty collected, the total amount of networth
8 declared and the total number of tax amnesty returns filed, which shall be
9 segregated in accordance with the taxpayer classifications provided under
10 Sections 5, 6 and 7 hereof.

11 SEC. 15. *Disposition of Proceeds from the Tax Amnesty.* – An
12 amount equivalent to Two hundred million pesos (P200,000,000.00) of the
13 collection from the tax amnesty herein granted shall accrue to the
14 Department of Finance and shall be used exclusively for purposes of
15 instituting a Management Information System as mandated under Section
16 14 of this Act.

17 SEC. 16. *Implementing Rules and Regulations.* – The Secretary of
18 Finance shall, in coordination with the Commissioner of Internal Revenue,
19 promulgate and publish the necessary rules and regulations for the
20 effective implementation of this Act within thirty (30) days from the
21 effectivity of this Act.

22 SEC. 17. *Effectivity.* – This Act shall take effect fifteen (15) days
23 after its publication in the *Official Gazette* or in any two newspapers of
24 general circulation, whichever comes earlier.

Approved,