



HOUSE OF REPRESENTATIVES

H. No. 4814

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BY REPRESENTATIVES DEFENSOR, QUIMBO, CUA, ARCILLAS, ARENAS,  
BOLILIA, CALDERON, CASTELO, DE VERA, MANALO,  
NOEL, ROMUALDO, SY-ALVARADO, ZUBIRI, PRIMICIAS-AGABAS,  
MARCOLETA, DEL MAR, CUEVA, LEE, ALVAREZ (P.) AND  
FARIÑAS, PER COMMITTEE REPORT NO. 56.

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AN ACT GRANTING AMNESTY IN THE PAYMENT OF ESTATE TAX

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

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

3           SEC. 2. *Declaration of Policies.* – It is the policy of the State to  
4   maximize the collection of taxes, to support economic and social development.  
5   In this regard, the State shall endeavor to identify sources of income and  
6   devise strategies to free up capital such as real property and make the same  
7   susceptible to transaction, thereby, giving rise to further subjects of taxation.

8           SEC. 3. *Objectives.* – This Act seeks to attain the following  
9   objectives:

10          (a) To increase tax collection levels by granting amnesty in the  
11   payment of outstanding estate taxes; and

12          (b) To promote the settlement of estates and, in turn, free up properties  
13   of unsettled estates, with the end view of generating financial transactions and  
14   stimulating economic activity.

1           SEC. 4. *Coverage of Tax Amnesty.* – The tax amnesty granted herein  
2 shall cover estate taxes for taxable year 2016 and prior years, with or  
3 without assessments duly issued therefor, that have remained unpaid as of  
4 December 31, 2016: *Provided, however,* That the amnesty hereby authorized  
5 and granted shall not cover persons or cases enumerated under Section 7  
6 hereof.

7           SEC. 5. *Availment of the Amnesty.* – Any person who wishes to avail  
8 of the estate tax amnesty under this Act shall file with the Bureau of Internal  
9 Revenue (BIR) an Estate Tax Amnesty Return, in such form as may be  
10 prescribed in the implementing rules and regulations (IRR) of this Act, and  
11 pay the six percent (6%) of the decedent's net estate within two (2) years from  
12 the issuance of the IRR of this Act.

13           SEC. 6. *Immunities and Privileges.* – Those who avail of the tax  
14 amnesty under the preceding section, and after compliance with all the  
15 conditions set herein, shall be entitled to the following immunities and  
16 privileges:

17           (a) The taxpayer shall be immune from the payment of estate taxes,  
18 civil, criminal or administrative penalties under the National Internal Revenue  
19 Code of 1997, as amended, arising from the failure to pay any and all estate  
20 taxes for taxable year 2016 and prior years;

21           (b) The taxpayer's Estate Tax Amnesty Returns for 2016 and prior  
22 years shall not be admissible as evidence in all proceedings that pertain to  
23 taxable year 2016 and prior years related to estate settlement cases before any  
24 judicial, quasi-judicial or administrative bodies in which the defendant or  
25 respondent, and except for the purpose of ascertaining the gross estate for  
26 2016 and prior years, the same shall not be examined, inquired or looked into  
27 by any person or government office. However, the taxpayer may use this as a  
28 defense, whenever appropriate, in cases brought against him; and

1 (c) The books of accounts and other records of the taxpayer for the  
2 years covered by the estate tax amnesty availed of shall not be examined:  
3 *Provided*, That the Commissioner of Internal Revenue may authorize in  
4 writing the examination of the said books of accounts and other records to  
5 verify the validity or correctness of a claim for any tax refund, tax incentives,  
6 and exemptions under existing laws.

7 All these immunities and privileges shall not apply where the person  
8 failed to file an Estate Tax Amnesty Return, or where the gross amount of the  
9 estate for 2016 and prior years is proven to be understated to the extent of  
10 thirty percent (30%), or more.

11 *SEC. 7. Exceptions.* – The estate tax amnesty provided in Section 5  
12 hereof shall not be extended to the following persons with pending cases as of  
13 the effectivity of this Act:

14 (a) Those with pending cases falling under the jurisdiction of the  
15 Presidential Commission on Good Government (PCGG);

16 (b) Those cases involving unexplained or unlawfully acquired wealth  
17 or under the Anti-Graft and Corrupt Practices Act;

18 (c) Those cases filed in court involving violation of the Anti-Money  
19 Laundering Law;

20 (d) Those criminal cases for tax evasion and other criminal offenses  
21 under Chapter II of Title X of the National Internal Revenue Code of 1997, as  
22 amended, and the felonies of frauds, illegal exactions and transactions, and  
23 malversation of public funds and property under Chapters III and IV of  
24 Title VII of the Revised Penal Code; and

25 (e) Tax cases subject of final and executory judgment by the courts.

26 *SEC. 8. Unlawful Disclosure of Estate Tax Amnesty Return.* – It shall  
27 be unlawful for any person having knowledge of the Estate Tax Amnesty  
28 Return to disclose any information relative to such declaration and statement.  
29 Any violation hereof shall subject the offender to the penalties under Section 9

1 of this Act: *Provided*, That the Commissioner of Internal Revenue may  
2 disclose the content of the Estate Tax Amnesty Return upon the request of  
3 Congress pursuant to and in accordance with Section 20(A) or Section 290  
4 of the National Internal Revenue Code of 1997, as amended.

5 SEC. 9. *Penalties.* –

6 (a) Any person who, having filed a statement or Estate Tax Amnesty  
7 Return under this Act, willfully understates the gross estate to the extent of  
8 thirty percent (30%) or more shall, upon conviction, be subject to the penalties  
9 of perjury under the Revised Penal Code.

10 (b) The willful failure to declare any property in the statement and/or  
11 in the Estate Tax Amnesty Return shall be deemed *prima facie* evidence of  
12 fraud and shall constitute a ground upon which attachment of such property  
13 may be issued in favor of the BIR to answer for the satisfaction of any  
14 judgment that may be acquired against the declarant.

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

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

22 (c) Any person who unlawfully discloses the existence of an Estate  
23 Tax Amnesty Return, or the contents thereof, shall be penalized by a fine of  
24 not less than one hundred fifty thousand pesos (P150,000.00) and  
25 imprisonment of not less than six (6) years but not more than ten (10) years.

26 If the offender is an officer or employee of the BIR or any government  
27 entity, the offender shall likewise suffer the additional penalties of perpetual  
28 disqualification from holding public office, from exercising the right to vote  
29 and to be voted for any public elective office.

1           SEC. 10. *Implementing Rules and Regulations.* – Within thirty (30)  
2 days after the effectivity of this Act, the Secretary of Finance shall, upon the  
3 recommendation of the Commissioner of Internal Revenue, promulgate the  
4 necessary rules and regulations for its effective implementation.

5           SEC. 11. *Separability Clause.* – If any provision of this Act is  
6 subsequently declared invalid or unconstitutional, the other provisions hereof  
7 which are not affected thereby shall remain in full force and effect.

8           SEC. 12. *Repealing Clause.* – All laws, acts, presidential decrees,  
9 executive orders, issuances, presidential proclamations, rules and regulations  
10 or parts thereof which are contrary to or inconsistent with any provision of this  
11 Act are hereby repealed, amended or modified accordingly.

12           SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after  
13 its complete publication in the *Official Gazette* or in any two (2) newspapers  
14 of general circulation, whichever comes earlier.

Approved,

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