

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

23 MAY 15 P 6 :03

**SENATE
S. No. 2197**

RECEIVED BY: _____



Introduced by Senator Win Gatchalian

**AN ACT
AMENDING REPUBLIC ACT NO. 11213, OTHERWISE KNOWN AS THE "TAX
AMNESTY ACT", AS AMENDED BY REPUBLIC ACT NO. 11569, AND FURTHER
EXTENDING THE PERIOD OF AVAILMENT OF THE ESTATE TAX AMNESTY**

EXPLANATORY NOTE

Republic Act No. 11213 or the "Tax Amnesty Act" was enacted on February 14, 2019 which provided taxpayers with a one-time opportunity to settle their tax obligations, including estate tax, through an estate tax amnesty program that will give reasonable tax relief to estates with deficient estate taxes. During the deliberations of the legislative measures that led to the "Tax Amnesty Act," it was estimated that the estate tax amnesty program would generate PHP 6.28 billion.¹

Unfortunately, several months after the law's enactment, the COVID-19 pandemic infected the whole world, disrupting our lives and affecting the ways of doing business with lockdowns and restrictions being enforced all over the country. In fact, based on the data provided by the Bureau of Internal Revenue (BIR) as of May 2021 or a month before the deadline of the estate tax amnesty availment on June 14, 2021, only PHP 2.5 billion was generated from almost 43,700 filers/availleurs.

Because the revenues generated were way below the target and that the number of availleurs was very low, Congress was prompted to legislate Republic Act No. 11569 on June 30, 2021. This law extended for two (2) years the period of availment for estate tax amnesty taking into account the two-year period of lockdowns due to COVID-19. Thus, taxpayers have up to June 14, 2023, to avail of the estate tax amnesty for deaths occurring on or before December 31, 2017, as provided for under Republic Act No. 11213.

¹ Sponsorship Speech of Senator Pia S. Cayetano on SB No. 2208, May 18, 2021 Journal of the Senate

This measure seeks to expand the coverage by including the estate of decedents who died on or before December 31, 2021, with or without assessments duly issued therefor, and whose estate taxes have remained unpaid or have accrued as of December 31, 2021. This will help many taxpayers whose decedents have died prior to and most especially during the COVID-19 pandemic.

Another important provision in Republic Act No. 11569 is the removal of the requirement provided under Republic Act No. 11213 regarding the submission of judicial or extrajudicial proof of settlement, to make it easier for taxpayers to avail of the estate tax amnesty. In fact, Revenue Regulation No. 17-2021 specifically stated that "Proof of settlement of the estate, whether judicial or extrajudicial, need not accompany the ETAR if it is not yet available at the time of its filing, but no electronic Certificate Authorizing Registration (eCAR) shall be issued unless such proof is presented and submitted to the concerned RDO."

However, there are reports from taxpayers that in reality, the BIR still imposes stringent requirements, particularly the submission of extrajudicial proof of settlement, that are beyond the provisions of the law that causes confusion and reluctance to file on the part of the taxpayers. To provide safeguard to the taxpayers, this measure seeks to specifically mandate the Bureau of Internal Revenue not to require the availers to submit proof of settlement, whether judicial or extrajudicial, in availing the estate tax amnesty.

Another salient feature of this measure is that it allows a one-time declaration and settlement of the estate tax by the present holder, heirs, executors, or administrator of the property/properties subject of multiple unsettled estates or those estates which are still in the name of another decedent or donor. This exact provision was vetoed by President Duterte reasoning that the tax on estates is imposed not because of the property itself but on the privilege of transferring the property to the heirs in conformity with the rules on succession as provided under the Civil Code of the Philippines. Thus, the President posits the view that there is a need to apply the estate tax amnesty at every stage of the transfer of the property.

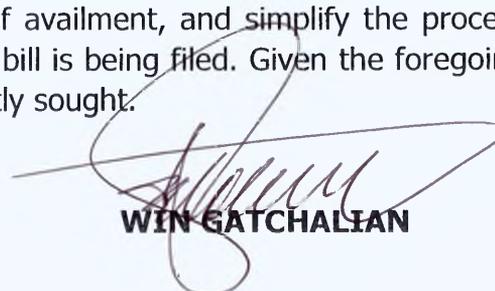
With this scenario, this measure included a one-time declaration and settlement of the estate tax to facilitate the ease of availing of the estate tax amnesty and to encourage more taxpayers to avail of the same thereby resulting in reasonable revenue to the government. In fact, citizens are finding it too cumbersome to settle the previously unsettled estate taxes that they simply resorted to a simple transfer of possession of the property without the benefit of a proper registration and settlement of tax, by means of executing a simple document as proof of conveyance, without the benefit of actually transferring the title of the property in the name of the present holder. Said situation holds true particularly in the case of the many so-called "landed poor" families, who are not liquid enough to raise the funds to settle the estate tax of their decedent members.

The difficulties associated with having to wrangle with various government agencies to secure the necessary documentation and the prohibitive cost of having to prove eligibility at every stage of the succession process also serve as deterrents in the settlement of the estate tax. These are some of the reasons it has taken some generations to settle estate tax liabilities and it is perhaps the consideration why Congress devised the ingenious proposal for a one time declaration and settlement of estate taxes on properties subject of multiple unsettled estates. Thus, this measure seeks to address these concerns of the taxpayers.

Finally, this measure further extends for two (2) years or up to June 14, 2025 the period of availment of the estate tax amnesty to ensure that those availers who have experienced difficulty in submitting the requirements most especially those that are beyond what was provided in the law can, at long last, avail of the estate tax amnesty.

As of March 2023, PHP 7.41 billion² is already collected from 133,860³ availers of the estate tax amnesty since 2019 which already surpassed the original target of PHP 6.28 billion. But this figure will surely increase considering the amendments proposed under this measure that will definitely benefit our taxpayers and at the same time will provide additional revenues for the government.

Due to clamor to extend the period of availment, and simplify the process and requirements of the estate tax amnesty, this bill is being filed. Given the foregoing, the immediate passage of this measure is earnestly sought.



WIN GATCHALIAN

² Bureau of Internal Revenue submission dated April 25, 2023

³ *Ibid.*

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AN ACT
AMENDING REPUBLIC ACT NO. 11213, OTHERWISE KNOWN AS THE "TAX AMNESTY ACT", AS AMENDED BY REPUBLIC ACT NO. 11569, AND FURTHER EXTENDING THE PERIOD OF AVAILMENT OF ESTATE TAX AMNESTY

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

1 SECTION 1. Section 4 of Republic Act No. 11213, as amended by Republic Act
2 No. 11569, is hereby further amended to read as follows:

3 "SEC. 4. *Coverage.* – There is hereby authorized and granted a tax
4 amnesty, hereinafter called Estate Tax Amnesty, which shall cover the
5 estate of decedents who died on or before [December 31, 2017]
6 **DECEMBER 31, 2021**, with or without assessments duly issued
7 therefor, whose estate taxes have remained unpaid or have accrued as
8 of [December 31, 2017] **DECEMBER 31, 2021**: *Provided, however,*
9 That the Estate Tax Amnesty hereby authorized and granted shall not
10 cover instances enumerated under Section 9 hereof."

11 SEC. 2. Section 6 of Republic Act No. 11213, as amended by Republic Act No.
12 11569, is hereby further amended to read as follows:

13 "SEC. 6. *Availment of the Estate Tax Amnesty, When and Where*
14 *to File and Pay.* - The executor or administrator of the estate, or if there

1 is no executor or administrator appointed, the legal heirs, transferees or
2 beneficiaries, who wish to avail of the Estate Tax Amnesty shall, within
3 [June 15, 2021] **JUNE 15, 2023** until [June 14, 2023] **JUNE 14,**
4 **2025**, file, **EITHER ELECTRONICALLY OR MANUALLY**, with [the]
5 **ANY AUTHORIZED AGENT BANK**, Revenue District Office [of the
6 Bureau of Internal Revenue, which has jurisdiction over the last
7 residence of the decedent,] **THROUGH REVENUE COLLECTION**
8 **OFFICER, OR AUTHORIZED TAX SOFTWARE PROVIDER**, a sworn
9 Estate Tax Amnesty Return, in such forms as may be prescribed in the
10 Implementing Rules and Regulations. The payment of the amnesty tax
11 shall be made, **EITHER ELECTRONICALLY OR MANUALLY**, at the
12 time the Return is filed **WITH ANY AUTHORIZED AGENT BANK,**
13 **REVENUE DISTRICT OFFICE THROUGH REVENUE COLLECTION**
14 **OFFICER, OR AUTHORIZED TAX SOFTWARE PROVIDER:**
15 *Provided*, That [for nonresident decedents, the Estate Tax Amnesty
16 Return shall be filed and the corresponding amnesty tax be paid at
17 Revenue District Office No. 39 or any other Revenue District Office
18 which shall be indicated in the Implementing Rules and Regulations:]
19 **IF THE ESTATE INVOLVED HAS PROPERTIES WHICH ARE STILL**
20 **IN THE NAME OF ANOTHER DECEDENT OR DONOR, THE**
21 **PRESENT HOLDER, HEIRS, EXECUTORS OR ADMINISTRATORS**
22 **THEREOF SHALL ONLY FILE ONE (1) ESTATE TAX AMNESTY**
23 **RETURN AND PAY THE CORRESPONDING ESTATE AMNESTY**
24 **TAX THEREON BASED ON THE TOTAL NET ESTATE AT THE TIME**
25 **OF DEATH OF THE LAST DECEDENT COVERING ALL ACCRUED**
26 **TAXES UNDER THE NATIONAL INTERNAL REVENUE CODE OF**
27 **1997, AS AMENDED, ARISING FROM THE TRANSFER OF SUCH**
28 **ESTATE FROM ALL PRIOR DECEDENTS OR DONORS THROUGH**
29 **WHICH THE PROPERTY OR PROPERTIES COMPRISING THE**
30 **ESTATE SHALL PASS:**

1 *Provided, further,* That the appropriate Revenue District Officer shall
2 issue and endorse an acceptance payment form, in such form as may be
3 prescribed in the Implementing Rules and Regulations of this Act for the
4 authorized agent bank, or in the absence thereof, the revenue collection
5 agent or [municipal treasurer] **AUTHORIZED TAX SOFTWARE**
6 **PROVIDER** concerned, to accept the tax amnesty payment: **PROVIDED,**
7 **FURTHERMORE, THAT FOR THE AVAILMENT OF THE ESTATE TAX**
8 **AMNESTY, THE REQUIREMENTS TO BE SUBMITTED TO THE**
9 **BUREAU OF INTERNAL REVENUE (BIR) BY THE FILERS OF THE**
10 **ESTATE TAX AMNESTY SHALL BE LIMITED TO THE FOLLOWING:**

11 **A. MANDATORY REQUIREMENTS**

- 12 1. **CERTIFIED TRUE COPY OF THE DEATH CERTIFICATE (DC);**
- 13 2. **TAXPAYER IDENTIFICATION NUMBER (TIN) OF DECEDENT**
14 **AND HEIR/S;**
- 15 3. **CERTIFICATION OF THE PUNONG BARANGAY FOR THE LAST**
16 **RESIDENCE OF THE DECEDENT AND CLAIMED FAMILY HOME, IF**
17 **ANY;**
- 18 4. **FOR "CLAIMS AGAINST THE ESTATE" ARISING FROM**
19 **CONTRACT OF LOAN, NOTARIZED PROMISSORY NOTE, IF**
20 **APPLICABLE;**
- 21 5. **PROOF OF THE CLAIMED "PROPERTY PREVIOUSLY TAXED", IF**
22 **ANY;**
- 23 6. **PROOF OF THE CLAIMED "TRANSFER FOR PUBLIC USE", IF**
24 **ANY; AND**
- 25 7. **AT LEAST ONE (1) GOVERNMENT ID OF THE**
26 **EXECUTOR/ADMINISTRATOR OF THE ESTATE, OR IF THERE IS NO**
27 **EXECUTOR OR ADMINISTRATOR APPOINTED, THE HEIRS,**
28 **TRANSFEREES, BENEFICIARIES OR AUTHORIZED**
29 **REPRESENTATIVE.**

1 **B. FOR REAL PROPERTY/IES, IF ANY**

- 2 1. **CERTIFIED TRUE COPY/IES OF THE TRANSFER/ORIGINAL**
3 **CONDOMINIUM CERTIFICATE/S OF TITLE OF REAL PROPERTY/IES;**
4 2. **CERTIFIED TRUE COPY OF THE TAX DECLARATION OF REAL**
5 **PROPERTY/IES, IF UNTITLED, INCLUDING THE IMPROVEMENTS AT**
6 **THE TIME OF DEATH OR THE SUCCEEDING AVAILABLE TAX**
7 **DECLARATION ISSUED NEAREST TO THE TIME OF DEATH OF THE**
8 **DECEDENT, IF NONE IS AVAILABLE AT THE TIME OF DEATH; AND**
9 3. **WHERE DECLARED PROPERTY/IES HAS/HAVE NO**
10 **IMPROVEMENT, CERTIFICATE OF NO IMPROVEMENT ISSUED BY**
11 **THE ASSESSOR'S OFFICE AT THE TIME OF DEATH OF THE**
12 **DECEDENT.**

13 **C. FOR PERSONAL PROPERTY/IES, IF APPLICABLE**

- 14 1. **CERTIFICATE OF DEPOSIT/ INVESTMENT/ INDEBTEDNESS**
15 **OWNED BY THE DECEDENT ALONE, OR DECEDENT AND THE**
16 **SURVIVING SPOUSE, OR DECEDENT JOINTLY WITH OTHERS**
17 2. **CERTIFICATE OF REGISTRATION OF VEHICLE/S AND OTHER**
18 **PROOFS SHOWING THE CORRECT VALUE OF THE SAME;**
19 3. **CERTIFICATE OF STOCKS;**
20 4. **PROOF OF VALUATION OF SHARES OF STOCK AT THE TIME OF**
21 **DEATH; OR**
22 5. **PROOF OF VALUATION OF OTHER TYPES OF PERSONAL**
23 **PROPERTY.**

24 **D. OTHER REQUIREMENTS, IF APPLICABLE:**

- 25 **1. IF THE PERSON TRANSACTING/PROCESSING THE TRANSFER IS**
26 **THE AUTHORIZED REPRESENTATIVE, DULY NOTARIZED ORIGINAL**
27 **SPECIAL POWER OF ATTORNEY (SPA) AND/OR, IF ONE OF THE**
28 **HEIRS IS DESIGNATED AS EXECUTOR/ADMINISTRATOR, SWORN**
29 **STATEMENT;**
30 **2. IF DOCUMENT IS EXECUTED ABROAD, CERTIFICATION FROM**
31 **THE PHILIPPINE CONSULATE OR APOSTILLE; OR**

1 **3. IF ZONAL VALUE CANNOT BE READILY DETERMINED FROM THE**
2 **DOCUMENTS SUBMITTED, LOCATION PLAN/VICINITY MAP.**

3 ***PROVIDED, FURTHERMORE,* THAT THE APPLICATION FOR**
4 **PAYMENT OF ESTATE TAXES SHALL BE A DISTINCT AND SEPARATE**
5 **PROCESS FROM THE APPLICATION FOR TRANSFER OF**
6 **PROPERTIES: *PROVIDED, HOWEVER,* THAT THE PROOF OF**
7 **SETTLEMENT OF THE ESTATE, WHETHER JUDICIAL OR**
8 **EXTRAJUDICIAL, SHALL ONLY BE REQUIRED BY THE BIR FOR THE**
9 **ISSUANCE OF THE ELECTRONIC CERTIFICATE AUTHORIZING**
10 **REGISTRATION (ECAR) FOR THE TRANSFER OF PROPERTIES, AND**
11 **NOT FOR PURPOSES OF FILING AND PAYMENT OF THE ESTATE**
12 **TAXES: *PROVIDED, FINALLY,* THAT NO OTHER DOCUMENTS SHALL**
13 **BE REQUIRED OTHER THAN WHAT ARE PROVIDED UNDER THIS**
14 **ACT.**

15 xxx"

16 *SEC. 3. Implementing Rules and Regulations.* - Within sixty (60) days from
17 its effectivity, the Secretary of Finance, shall in coordination with the Commissioner
18 of Internal Revenue, issue the necessary rules and regulations for the effective
19 implementation of this Act. Failure to promulgate the rules and regulations shall not
20 prevent the implementation of this Act upon its effectivity.

21 *SEC. 4. Repealing Clause.* - All laws, orders, rules and regulations which are
22 inconsistent with the provisions of this Act are hereby repealed or amended
23 accordingly.

24 *SEC. 5. Effectivity.* - This Act shall take effect fifteen (15) days after its
25 publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,