



Introduced by Senator Aquilino "Koko" Pimentel III

**RESOLUTION CALLING FOR AN INVESTIGATION, IN AID
OF LEGISLATION, ON THE BUREAU OF INTERNAL
REVENUE'S FAILURE TO COLLECT THE ESTATE TAX
DUE ON THE ESTATE OF THE LATE FERDINAND E.
MARCOS**

WHEREAS, the Bureau of Internal Revenue ("BIR") has the power and duty pertaining to the assessment and collection of all national internal revenue taxes, fees, charges, and the enforcement of all forfeitures, penalties, and fines connected therewith including the execution of judgments in all cases decided in its favor by the Court of Tax Appeals and the ordinary courts;¹

WHEREAS on 05 June 1997, the Supreme Court, in *Ferdinand R. Marcos II vs. Court of Appeals*² (hereinafter, "*Marcos II vs. Court of Appeals*") promulgated its decision affirming *in toto* the decision of the Court of Appeals which held that the deficiency income tax assessments and estate tax assessments were already final and unappealable, and thus, the subsequent summary levy upon the estate and real properties of the late Ferdinand E. Marcos by the government is an available remedy;

¹ §2 of the National Internal Revenue Code, as amended.

² G.R. No. 120880, 05 June 1997.

WHEREAS, the records of *Marcos II vs. Court of Appeals* provides the tax liabilities of the estate of Ferdinand E. Marcos, as assessed by the BIR, is as follows, *viz*:

"On July 26, 1991, the BIR issued the following: (1) Deficiency estate tax assessment no. FAC-2-89-91-002464 (against the estate of the late president Ferdinand Marcos in the amount of P23,293,607,638.00 Pesos); (2) Deficiency income tax assessment no. FAC-1-85-91-002452 and Deficiency income tax assessment no. FAC-1-86-91-002451 (against the Spouses Ferdinand and Imelda Marcos in the amounts of P149,551.70 and P184,009,737.40 representing deficiency income tax for the years 1985 and 1986); (3) Deficiency income tax assessment nos. FAC-1-82-91-002460 to FAC-1-85-91-002463 (against petitioner Ferdinand 'Bongbong' Marcos II in the amounts of P258.70 pesos; P9,386.40 Pesos; P4,388.30 Pesos; and P6,376.60 Pesos representing his deficiency income taxes for the years 1982 to 1985)."

WHEREAS, *Marcos II vs. Court of Appeals* has long become final and executory and thus, by the legal principle of *res judicata*, can no longer be questioned and hence should be fully implemented and executed;

WHEREAS, the estate tax liability which was worth around P27 billion in 1997 has already ballooned to more or less P203.819 billion in 2021, interests, surcharges, and penalties included;³

WHEREAS, in a letter dated 14 March 2022 addressed to Mr. Ernesto M. Ramel, Jr., Chairman of *Aksyon Demokratiko* party, BIR Commissioner Caesar R. Dulay confirmed that on 02 December 2021, the BIR already sent a written demand to the heirs of Ferdinand E.

³ See: "*Isko's party seeks renewed demand for Marcoses to settle estate tax dues*" dated 7 March 2022, available at <https://www.cnnphilippines.com/news/2022/3/7/Isko-Aksyon-Demokratiko-Marcos-estate-taxes.html>.

Marcos to pay the aforesaid estate tax liabilities already so long due and demandable;⁴

WHEREAS, in a letter dated 11 March 2022 also addressed to Mr. Ramel, the Presidential Commission on Good Government ("PCGG"), through its Chairman John Agbayani and Commissioners Raymond Dilag and Rhoderick Parayno also confirmed that as early as 1993, the BIR already executed its final assessment of tax liability on the properties of Ferdinand E. Marcos when it levied and sold eleven (11) real properties in Tacloban, and that as early as 1997, the judgment on the tax case, the very same assessment, had become final and executory per the Supreme Court's decision in *Marcos II vs. Court of Appeals*;⁵

WHEREAS, the Filipino people are presently suffering from the effects of recession due to the COVID-19 pandemic as well as the ongoing effects of the Russian-Ukraine war which have led to gargantuan fuel price increases almost overnight and, in turn, to great increases in the prices of basic commodities, transportation, and services;

WHEREAS, according to Finance Secretary Carlos Dominguez III, the basic *ayuda* of P200 per month given to the poorest of the poor is not enough but that there would be problems of funding this if increased to P500;⁶

WHEREAS, with the current wages now extremely inadequate particularly for the minimum wage earners because of rising oil prices, the Department of Labor and Employment ("DOLE") is proposing a

⁴ See: "*BIR confirms written demand sent to Marcoses' to collect P200-B tax debt*" dated 16 March 2022, available at <https://mb.com.ph/2022/03/16/bir-confirms-written-demand-sent-to-marcoses-to-collect-p200-b-tax-debt>.

⁵ See: "*PCGG: Judgment on Marcos family's estate tax case final and executory*" dated 15 March 2022, available at <https://newsinfo.inquirer.net/1568831/pcgg-judgment-on-marcos-familys-estate-tax-case-final-and-executory>.

⁶ See: "*Duterte increases ayuda for poor households from P200 to P500*" dated 22 March 2022, available at <https://www.philstar.com/headlines/2022/03/22/2169132/duterte-increases-ayuda-poor-households-p200-p500>.

wage subsidy in the amount of ₱24 billion pesos for the benefit of around one million minimum wage workers;⁷

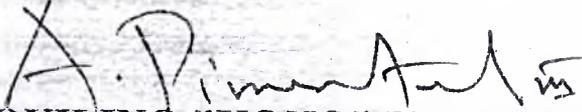
WHEREAS, there is no clear funding source for these proposed subsidies and it is immediately obvious that the government would be hard-pressed to source the much needed funds in order to support these social alleviation measures;

WHEREAS, the payment of the estate tax liability amounting to more or less ₱203.819 billion on the part of the heirs of Ferdinand E. Marcos in favor of the government, as it has all the right to do so, would be more than enough to fund these proposed subsidies;

WHEREAS, there is an urgent and pressing need for the Senate to look into the reasons and BIR Officials, past and present, who are responsible why the government, after almost twenty-five (25) years, has failed to collect on these amounts which have already been adjudged with finality to be due and demandable against the heirs of Ferdinand E. Marcos;

NOW THEREFORE, be it **RESOLVED** by the Senate of the Philippines, as it is hereby **RESOLVED**, to direct the proper Senate committee to conduct an investigation, in aid of legislation, on the failure of the BIR to collect on the estate tax monies due on the estate of Ferdinand E. Marcos since 1997 and identify the BIR officials, past and present, responsible therefor.

Adopted,


AQUILINO "KOKO" PIMENTEL III

⁷ See: "DOLE proposes 3-month wage subsidy amid rising fuel prices" dated 16 March 2022, available at <https://newsinfo.inquirer.net/1569021/dole-proposes-3-month-wage-subsidy-amid-rising-fuel-prices>.