

Fifteenth Congress
First Regular Session

HOUSE BILL NO. ~~2931~~

Introduced by Rep. Godofredo V. Arquiza

EXPLANATORY NOTE

Estate Tax is a tax on the right of the deceased person to transmit his/her estate to his/her lawful heirs and beneficiaries at the time of death and on certain transfers, which are made by law as equivalent to testamentary disposition. It is not a tax on property. It is a tax imposed on the privilege of transmitting property upon the death of the owner. The Estate Tax is based on the laws in force at the time of death notwithstanding the postponement of the actual possession or enjoyment of the estate by the beneficiary.

The Bureau of Internal Revenue (BIR) the government's main revenue earner is obliged to ensure collections from estate taxes. A measure to boost collections of estate taxes would be to institute an exchange of information between the concerned government offices. An immediate access to information on death will enhance the monitoring and proper payment of the estate tax.

Data gathered from the National Statistics Office manifests that there were 403,191 number of deaths in 2004; 415,271 in 2005; and 389,081 in 2006. However, based on BIR records, only 29,198 estate tax returns were filed in 2007; 29,863 in 2008; and 26,811 in 2009. This statistics revealed a very low number of estate tax returns filed. Collections amounted to P649.9 million in 2007, P854.9 million in 2008 and P876.8 million in 2009.

The statistics clearly shows that there is a large potential to increase the number of estate tax returns filed, once these tax potentials are tapped. This bill will greatly help increase tax return filing that can generate more estate tax collection.


GODOFREDO V. ARQUIZA

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AN ACT REQUIRING THE LOCAL CIVIL REGISTRY TO PROVIDE THE BUREAU OF INTERNAL REVENUE CERTIFIED TRUE COPIES OF DEATH RECORDS, PROVIDING PENALTIES FOR THE VIOLATION THEREOF

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

Section 1. Title. - This Act shall be known as the "***Death Information Exchange Act of 2010***".

Section 2. Declaration of Policy. - It is the declared policy that estate tax shall be levied, assessed, collected and paid upon the transfer of the net estate whether resident or nonresident of the Philippines, a tax based on the value of such net estate. The value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated.

Pursuant to this declared policy, the Local Civil Registry shall comply with or commit to the exchange of required information to the Bureau of Internal Revenue through the provision of necessary Certified True Copies of death in order to help combat estate tax evasion and avoidance and to help address estate tax concerns that affect our national economy. The government shall likewise adopt measures and procedures to enhance cooperation of Government offices in the efficient collection and payment of taxes.

Section 3. Provision of Certified True Copy of Death to Bureau of Internal Revenue.- Provision of the Certified True Copies of Death shall be conducted in the following manner:

(a) The Local Civil Registry shall forward the Certified True Copies of Death within ten (10) days to the Bureau of Internal Revenue.

(b) If the Local Civil Registry is unable to obtain and provide Certified True Copies of death within thirty (30) days from the actual death, due to obstacles encountered in furnishing the copies, the Local Civil Registry shall immediately inform the Bureau of Internal Revenue of the same, explaining the nature of the obstacles encountered.

Section 4. Willful Refusal to Supply Information. - Any employee of the Local Civil Registry within the purview of this Act who, being required in writing by this Act, willfully, refuses to supply the required Certified True Copies of Death shall be subject to the following disciplinary actions

Any employee of the Local Civil Registry who, after the enactment of this act, has been found to have violated the provisions of Section one of this Act or has unreasonable delayed the giving of certified true copies of death to authorized employee of the Bureau of Internal Revenue shall be subject to the following disciplinary actions:

- (a) suspension from office for a period not exceeding ninety (90) days upon finding of guilt for the first time;
- (b) suspension from office for not less than ninety-one (91) days and not more than six (6) months upon finding of guilt for the second time; and
- (c) removal from office upon finding of guilt for the third time.

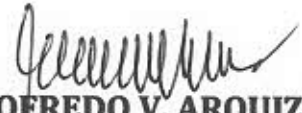
Section 5. Obligation to Maintain Confidentiality of Information Received. - Any information on the certified true copies of death received by the Bureau of Internal Revenue shall be treated by the Bureau of Internal Revenue as absolutely confidential in nature in the same manner as information obtained by the Local Civil Registry under its laws and shall be disclosed only to persons or authorities, including courts and administrative bodies, involves in the assessment and collection of estate taxes.

Section 6. Separability Clause. -If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

Section 7. Repealing Clause. - All laws, presidential decrees, executive orders, rules and regulations, other issuances or parts thereof which are inconsistent with or contrary to this Act are hereby repealed or modified accordingly.

Section 8. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,


GODOFREDO V. ARQUIZA