



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

COMMITTEE REPORT NO. 2088

Submitted by the Committees on Agrarian Reform and Ways and Means on
25 APR 2012

Re: House Bill No. **6093**

Recommending its approval in substitution of House Bill No. 3854

Sponsors: Representatives Pryde Henry A. Teves, Isidro T. Ungab, Rufus B. Rodriguez
and Maximo B. Rodriguez, Jr.

Mr. Speaker:

The Committees on Agrarian Reform and Ways and Means to which was referred House Bill No. 3854 introduced by Representatives Rufus B. Rodriguez and Maximo B. Rodriguez, Jr., entitled:

“AN ACT EXEMPTING FROM THE PAYMENT OF ESTATE TAXES, AGRICULTURAL LANDS TAKEN UNDER PRESIDENTIAL DECREE NO. 27, DECREERING THE EMANCIPATION OF TENANTS FROM THE OWNERSHIP OF THE LAND THEY TILL AND PROVIDING THE BONDAGE OF THE SOIL, TRANSFERRING TO THEM THE INSTRUMENTS AND MECHANISM THEREFOR, EXECUTIVE ORDER NO. 228, DECLARING FULL LAND OWNERSHIP TO QUALIFIED FARMER BENEFICIARIES COVERED BY PRESIDENTIAL DECREE NO. 27; DETERMINING THE VALUE OF REMAINING UNVALUED RICE AND CORN LANDS SUBJECT TO PD NO. 27, AND PROVIDING FOR THE MANNER OF PAYMENT BY THE FARMER BENEFICIARY AND MODE OF COMPENSATION TO THE LANDOWNER; EXECUTIVE ORDER NO. 229, PROVIDING THE MECHANISMS FOR THE IMPLEMENTATION OF THE COMPREHENSIVE AGRARIAN REFORM PROGRAM, REPUBLIC ACT NO. 6657, COMPREHENSIVE AGRARIAN REFORM LAW OF 1988, AS AMENDED; REPUBLIC ACT NO. 9700, AN ACT STRENGTHENING THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP), EXTENDING THE

ACQUISITION AND DISTRIBUTION OF ALL AGRICULTURAL LANDS, INSTITUTING THE NECESSARY REFORMS, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS THE COMPREHENSIVE AGRARIAN REFORM LAW OF 1988, AS AMENDED AND APPROPRIATING FUNDS THEREFOR"

have considered the same and have the honor to recommend to the House that the attached House Bill No. 3093 entitled:

"AN ACT EXEMPTING FROM ESTATE TAX THE UNPAID BALANCE OF JUST COMPENSATION DUE THE DECEDENT OWNER OR HIS/HER LEGAL HEIRS OR SUCCESSORS IN INTEREST OF AGRICULTURAL LAND ACQUIRED BY THE GOVERNMENT UNDER P.D. No. 27, E.O. No. 228, E.O. No. 229, R.A. No. 6657 and R.A. No. 9700 (Comprehensive Agrarian Reform Program) , AMENDING FOR THE PURPOSE SECTION 87 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED."

be approved in substitution to House Bill No. 3854 with Representatives Pryde Henry A. Teves, Crescente Paez, Reena Concepcion G. Obillo and Agapito H. Guanlao as co-authors thereof.

Respectfully submitted:


ISIDRO T. UNGAB
Chairperson
Committee on Ways and Means


PRYDE HENRY A. TEVES
Chairperson
Committee on Agrarian Reform

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
House of Representatives
Batasan Hills, Quezon City

15TH CONGRESS
2ND Regular Session

HOUSE BILL NO. 3093

Introduced by: Representatives Pryde Henry A. Teves, Isidro T. Ungab, Rufus B. Rodriguez, Maximo B. Rodriguez Jr., Cresente M. Paez, Reena Concepcion G. Obillo and Agapito H. Guanlao.

AN ACT EXEMPTING FROM ESTATE TAX THE UNPAID BALANCE OF JUST COMPENSATION DUE THE DECEDENT OWNER OR HIS/HER LEGAL HEIRS OR SUCCESSORS IN INTEREST OF AGRICULTURAL LAND ACQUIRED BY THE GOVERNMENT UNDER P.D. No. 27, E.O. No. 228, E.O. No. 229, R.A. No. 6657 and R.A. No. 9700 (Comprehensive Agrarian Reform Program), AMENDING FOR THE PURPOSE SECTION 87 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

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

SECTION 1. Section 87 of the National Internal Revenue Code of 1997, as amended is hereby further amended to read as follows:

"Section 87. Exemption of Certain Acquisitions and Transmissions. - The following shall not be taxed:

(A) XXX

(B) XXX

(C) XXX

(D) XXX

(E) THE UNPAID BALANCE OF JUST COMPENSATION DUE THE DECEDENT OWNER OR HIS/HER LEGAL HEIRS OR SUCCESSORS IN INTEREST OF AGRICULTURAL LAND ACQUIRED BY THE GOVERNMENT BY VIRTUE OF P.D. No. 27, E.O. No. 228, E.O. No. 229, R.A. No. 6657 AND R.A. No. 9700 (COMPREHENSIVE AGRARIAN REFORM PROGRAM)".

SEC 2. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FACT SHEET

House Bill No. **3093**
(In Substitution of HB 3854)

AN ACT EXEMPTING FROM ESTATE TAX THE UNPAID BALANCE OF JUST COMPENSATION DUE THE DECEDENT OWNER OR HIS/HER LEGAL HEIRS OR SUCCESSORS IN INTEREST OF AGRICULTURAL LAND ACQUIRED BY THE GOVERNMENT UNDER P.D. No. 27, E.O. No. 228, E.O. No. 229, R.A. No. 6657 AND R.A. No. 9700 (Comprehensive Agrarian Reform Program), AMENDING FOR THE PURPOSE SECTION 87 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

Introduced by: Representatives Pryde Henry A. Teves, Isidro T. Ungab, Rufus B. Rodriguez, Maximo B. Rodriguez Jr., Cresente M. Paez, Reena Concepcion G. Obillo and Agapito H. Gumlao

Committee Referral: COMMITTEE ON AGRARIAN REFORM *and*
COMMITTEE ON WAYS AND MEANS

Committee Chairpersons: HONORABLE PRYDE HENRY A. TEVES *and*
HONORABLE ISIDRO T. UNGAB

OBJECTIVES:

- To address the concerns of the landowner's sector whose payments of just compensation have always been delayed due to documentation requirements and land valuation.

KEY PROVISION:

- Mandates that all agricultural lands taken from private persons under P.D. 27, E.O. 228, E.O. 229, R.A. 6657 and R.A. 9700 shall be exempt from the payment of estate taxes should the original landowner die prior to the full payment by the government of just compensation

RELATED LAWS:

- P.D. 27, Decreeing the emancipation of tenants from the bondage of the soil;
- E.O. 228, Declaring full land ownership to qualified farmer beneficiaries covered by P.D. 27;
- E.O. 229, Providing the mechanisms for the implementation of the Comprehensive Agrarian Reform Program;
- R.A. 6657, Comprehensive Agrarian Reform Program; and
- R.A. 9700, CARPER Law