

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH CONGRESS
First Regular Session

4816
HOUSE BILL NO. ____

Introduced by Honorable Michael L. Romero

EXPLANATORY NOTE

One of the top priorities of President Rodrigo Duterte's administration is to introduce reforms in the tax system. In his first State of the Nation Address (SONA), the president emphasized that his "administration will pursue tax reforms towards a simpler, more equitable and more efficient tax system that can foster investment and job creation."

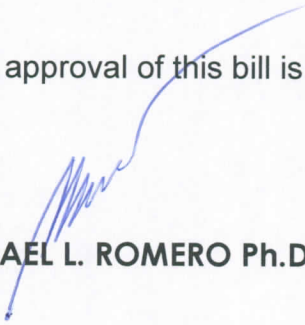
The proposed comprehensive tax reform packages are expected to result in a decrease in revenue collections in the short term, which may hamper the implementation of other reform agenda of the government. The reform should also bring the desired end of strengthening tax enforcement and ultimately collect more tax revenues to fund the operation of the government and spur economic growth.

To complement these initiatives, the grant of estate tax amnesty under certain terms and conditions, which shall cover all estate taxes due as of 31 December 2016 and prior years is a sound policy to take. The estate tax amnesty will certainly yield to an immediate increase in tax collections and at the same time provide an opportunity to broaden our taxpayer base, as well as giving erring persons/entities a chance to reform and become more responsible taxpayers.

The present administration has proven its determination in the enforcement of our laws. It serves as a strong warning to tax evaders that

change in tax administration and enforcement had started and that the grant of the tax amnesty is the best avenue for reform.

Thus, approval of this bill is earnestly requested.



MICHAEL L. ROMERO Ph.D

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HOUSE BILL NO. **4816**

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AN ACT

**TO GRANT AMNESTY ON UNPAID ESTATE TAXES FOR
TAXABLE YEAR 2016 AND PRIOR YEARS**

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

SECTION 1. Coverage. — There is hereby authorized and granted an estate tax amnesty which shall cover all estate taxes due but remained unpaid as of December 31, 2016: Provided, however, That the amnesty hereby authorized and granted shall not cover persons or cases enumerated under Section 6 hereof.

SECTION 2. Availment of the Amnesty. — Any person, natural or juridical, who wishes to avail himself of the estate tax amnesty authorized and granted under this Act shall file with the Bureau of Internal Revenue (BIR) a notice and Estate Tax Amnesty Return in such form as may be prescribed

in the implementing rules and regulations (IRR) of this Act, and pay the applicable amnesty tax within the period provided under Section 5 hereof.

SECTION 3. *Grant of Estate Tax Amnesty.* — Any taxpayer, not otherwise disqualified, who will avail of the privilege under this Act shall be required to pay the basic estate tax due as of December 31, 2016, excluding all penalties, fines, surcharges and all other additions thereto.

SECTION 4. *Immunities and Privileges.* — Those who will avail themselves of the estate tax amnesty provided under this Act and have fully complied with all its conditions shall be relieved from any administrative, civil or criminal liabilities arising or might arise from or connected or incidental to the non-payment of the estate taxes that were due as of December 31, 2016.

SECTION 5. *When and Where to File and Pay.* — The filing of the notice and Estate Tax Amnesty Return and the payment of the amnesty tax for those availing themselves of the estate tax amnesty shall be made within six months counted from the effectivity of the IRR. It shall be filed at the office of the Revenue District Officer, which has jurisdiction over the legal residence or principal place of business of the filer. The Revenue District Officer shall issue an acceptance of payment form authorizing an authorized agent bank, or in the absence thereof, the collection agent or municipal treasurer concerned, to accept the amnesty tax payment.

SECTION 6. *Exceptions.* — The tax amnesty provided in Section 3 hereof shall not extend to the following persons or cases existing as of the effectivity of this Act:

1. Those with pending cases falling under the jurisdiction of the

Presidential Commission on Good Government;

2. Those with pending cases involving unexplained or unlawfully acquired wealth or under the Anti-Graft and Corrupt Practices Act;

3. Those with pending cases filed in court involving violation of the Anti-Money Laundering Law;

4. Those with pending criminal cases for tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended, and the felonies of frauds, illegal exactions and transactions, and malversation of public funds and property under Chapters III and IV of Title VII of the Revised Penal Code; and

5. Tax cases subject of final and executory judgment by the courts.

SECTION 7. *Unlawful Divulgence of Tax Amnesty Return and Statement of Assets, Liabilities and Networth.* — Except as otherwise provided herein and in Section 14 hereof, it shall be unlawful for any person having knowledge of the Estate Tax Amnesty Return filed pursuant hereto, to disclose any information relative to such Return, and any violation hereof shall subject the offender to the penalties under Section 8 of this Act: Provided, however, That the Commissioner of Internal Revenue may disclose the content of the Estate Tax Amnesty Return upon the request of Congress pursuant to and in accordance with Section 20(A) or Section 290 of the National Internal Revenue Code of 1997, as amended.

SECTION 8. *Penalties.* — Any person who makes an unlawful divulgence of the Tax Amnesty Return shall be penalized by a fine of not less than Fifty thousand pesos (P50,000.00) and imprisonment of not less than six years

but not more than ten (10) years.

If the offender is an officer or employee of the BIR or any government entity, he/ she shall likewise suffer an additional penalty of perpetual disqualification to hold public office to vote and to participate in any public election.

SECTION 9. *Moratorium on the Grant of Estate Tax Amnesty.* — In order to encourage and improve tax compliance by taxpayers, it is hereby declared the policy of this Congress that the grant of estate tax amnesty, in whatever manner and form, shall not henceforth be allowed: Provided, That this moratorium shall likewise apply to any administrative estate tax amnesty by the BIR.

SECTION 10. *Information Management Program.* — For purposes of enhancing revenue administration, revenue collection and policy formulation, the Department of Finance, in coordination with the BIR, Land Registration Authority, Department of Trade and Industry, Securities and Exchange Commission, Land Transportation Office, and other concerned agencies shall institute an Information Management Program for the effective use of information declared or obtainable from the Estate Tax Amnesty Returns.

SECTION 11. *Disposition of Proceeds from the Tax Amnesty.* — An amount equivalent to Four hundred million pesos (P400,000,000.00) of the collection from the estate tax amnesty herein granted shall accrue to the Department of Finance and shall be used exclusively for purposes of instituting a Management Information System as mandated under Section 10 of this Act.

SECTION 12. *Implementing Rules and Regulations.* — The Secretary of

Finance shall, in coordination with the Commissioner of Internal Revenue, promulgate and publish the necessary rules and regulations within sixty (60) days from the effectivity of this Act.

SECTION 13. Separability Clause. – Should any portion or provision of this Act be declared unconstitutional or invalid, the declaration shall not have the effect of nullifying other portions or provisions not affected thereby.

SECTION 14. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two newspapers of general circulation, whichever comes earlier.

Approved,