

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

**NINETEENTH CONGRESS
FIRST REGULAR SESSION**

HOUSE BILL NO. 7336



Introduced by Representative ERIC M. MARTINEZ

EXPLANATORY NOTE

Every Person has the right to be treated with respect and dignity by their government. Unfortunately, many taxpayers feel intimidated and powerless when dealing with the tax authorities. They are often unsure of their rights and obligations, and they may not have the resources or knowledge to challenge the tax authorities' decisions.

Hence, this bill, establishing the taxpayer's basic rights and obligations, is a vital piece of legislation that will ensure that the tax authorities treat all taxpayers fairly. Further, it will ensure that every taxpayer has the right to be informed about their obligations and the services they are entitled to receive from the concerned tax authority.

This bill also creates the Office of the National Taxpayers Advocate (ONTA) to help taxpayers who are struggling when dealing with different tax authorities and advocate for their interests. The National Taxpayers Advocate will act as a liaison between taxpayers and tax authorities, ensuring that their concerns are heard and addressed. This office will have the power to identify systematic problems in the tax system and recommend changes to improve the tax system for all taxpayers. With the help of the national Taxpayers Advocate, taxpayers will have the confidence to challenge the tax authorities' decisions and hold them accountable for their actions.

Overall, this bill seeks to promote greater trust and confidence in the tax system by providing taxpayers with greater protections and accountability from the government, and by creating an independent body to represent their interests and resolve their complaints.

The passage of this bill is hereby earnestly sought.


ERIC M. MARTINEZ

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**AN ACT PROVIDING FOR THE BILL OF RIGHTS AND
OBLIGATIONS OF TAXPAYERS, CREATING THE OFFICE OF THE
NATIONAL TAXPAYER ADVOCATE, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. Title.** - This Act shall be known as the “*The Taxpayer’s Bill*
2 *of Rights and Obligations Act.*”
3

4 **SECTION 2. Declaration of Policy.** - It is hereby declared the policy of
5 the State to provide increased protection of taxpayers’ rights in complying with
6 their obligation to pay national and local taxes to the government, to the end that
7 abuses committed against taxpayers are prevented, if not completely eradicated,
8 and taxes are collected responsibly, with due regard for taxpayers’ rights. In turn,
9 taxpayers are expected to faithfully comply with their tax obligations to the
10 government.
11

12 **SECTION 3. Definition of Terms.** – As used in this Act, the following
13 terms shall mean:
14

- 15 a. **Assessment** refers to the process of determining the amount of taxes,
16 duties, and other charges to be paid by the taxpayer;
17
18 b. **Revenue Authority** refers, singly or collectively, to the Bureau of Internal
19 Revenue (BIR), Bureau of Customs (BOC), Local Government Units
20 (LGUs), and other tax collecting agencies;
21
22 c. **Revenue Officers** refer to the officers, employees, and agents of the
23 revenue authorities;
24

- 25 d. **Summary Collection** refers to the civil remedy of the government for the
26 collection of accounts receivable or delinquent accounts by a garnishment
27 or distraint of personal property or levy of real property;
28
- 29 e. **Taxes** refer to all taxes imposed under the National Internal Revenue Code
30 (NIRC) of 1997, as amended, the Customs Modernization and Tariff Act
31 of 2016, the Local Government Code of 1991, as amended, and all other
32 tax laws, rules, and regulations, including those, collected by other tax
33 collecting agencies;
34
- 35 f. **Taxpayer** refers to any person, whether natural or juridical, subject to the
36 tax imposed by the national and local government; and
37
- 38 g. **Tax Audit** refers to the examination of a taxpayer's obligation, and
39 compliance with tax laws, rules, and regulations by the BIR, BOC, LGUs,
40 or other tax-collecting agencies, as the case may be.
41

42 **SECTION 4. Taxpayer's Bill of Rights and Obligations.** –
43 Notwithstanding the rights and remedies of the taxpayer provided for in the
44 National Internal Revenue Code (NIRC) of 1997, as amended; Customs
45 Modernization and Tariff Act (CMTA); Republic Act (RA) No. 1125, creating
46 the Court of Tax Appeals (CTA), as amended; Book II of the Local Government
47 Code of 1991, as amended; and all other laws, rules, and regulations, issuances,
48 and circulars in support thereof, the taxpayer is hereto granted basic taxpayer
49 rights, whether at the administrative level or at the judicial level. *Provided*, That
50 nothing in this Act shall amend the jurisdiction of the courts and quasi-judicial
51 agencies, as provided for by the law, nor deprive the Judiciary of its power to
52 promulgate rules and procedures in all courts.

53 Accordingly, the taxpayer is expected to obey and comply with tax
54 obligations enumerated in this Act and in other relevant laws, rules, and
55 regulations that are implemented by the revenue authorities.
56

57 **SECTION 5. Taxpayer's Basic Rights.** – The following are the
58 taxpayer's basic rights:
59

- 60 a. **Right to Information.** – The taxpayer shall have the right to know in a
61 simplified manner how one can comply with laws, rules, and
62 regulations implemented by revenue authorities. The taxpayer is
63 entitled to a clear, complete, accurate, and simplified explanation of tax
64 laws, rules, regulations, and procedures, as well as be apprised of the
65 taxpayer's rights and obligations in all tax forms, publications, notices,
66 correspondences, assessments, ruling, and decisions.
67

68 In case of any deficiency tax findings or alleged violations, the taxpayer
69 shall have the right to be clearly and sufficiently informed in writing of
70 the facts and laws thereon, including any supporting computation or
71 documentation, or both, upon which they are based, at the same time
72 such findings or violations are communicated.

73
74 Unless prejudicial to the government, the taxpayer shall have the right
75 to be informed of any impending institutions by revenue authorities of
76 a summary collection action, which requires the sale or seizure of
77 property or the freezing of assets.

78
79 b. ***Right to the fair and faithful application of laws.*** – The taxpayer shall
80 have the right to a fair and faithful application of laws, rules,
81 regulations, and other issuances of revenue authorities in all
82 proceedings involving the taxpayer.

83
84 c. ***Right to challenge the position of and be heard by revenue authorities.***
85 – The taxpayer shall have the right to challenge and raise objections
86 against the findings, assessments, rulings, or decisions of the revenue
87 authorities unless otherwise prohibited by the law.

88
89 d. ***Right to present evidence and witnesses.*** – The taxpayer shall have the
90 right to be given ample and adequate opportunity to present evidence in
91 the possession of the taxpayer or any third party, and call witnesses to
92 testify, as the case may be, that would assist the taxpayer in the pursuit
93 of the case.

94
95 e. ***Right to be assisted or represented by a qualified professional.*** – The
96 taxpayer shall have the right to be assisted or represented by a
97 competent and independent qualified professional, such as legal
98 counsel, or customs broker, of the Taxpayer's own choice, in all
99 administrative, civil, or criminal tax proceedings.

100
101 In case the taxpayer experiences financial difficulty in engaging the
102 services of a private counsel or qualified professional, the Office of the
103 National Taxpayer Advocate (ONTA) shall provide free and effective
104 representation to the taxpayer, upon the latter's request.

105
106 f. ***Right to the timely and expeditious completion of tax audits.*** – The
107 taxpayer shall have the right to have revenue authorities begin and
108 complete tax audits in a timely and expeditious manner.

109
110 g. ***Right against baseless assessment.*** – Except in cases allowed by law,
111 the tax authorities are prohibited from issuing assessments against

112 taxpayers without the benefit of an audit conducted against taxpayers.
113 Otherwise, such assessments shall be void.
114

- 115 h. ***Right to be given an opportunity for amicable settlement.*** – Unless
116 contrary to laws, rules, and regulations, the taxpayer shall have the
117 opportunity to amicably settle the taxpayer’s deficiencies and
118 delinquencies, at any stage of the proceedings: *Provided*, That said
119 settlement must be in writing and duly signed by the parties or their
120 agent.
121
- 122 i. ***Right to avail of installment payment.*** – In so far as may be permitted
123 by law, the taxpayer shall have the right to settle tax liabilities through
124 installment payments.
125
- 126 j. ***Right to relief from paying interests and penalties.*** – The taxpayers
127 shall be entitled to a reduction of interests and penalties levied on their
128 tax liabilities in case of any unjustifiable error or delay caused by the
129 revenue authorities, including instances of loss of records, personnel
130 transfers, extended illness or leaves of absence, and personnel training,
131 resignation, retirement, or termination from service of the concerned
132 personnel.
133
- 134 k. ***Right to recover actual costs and actual damages arising from judicial***
135 ***actions.*** – The taxpayer shall have the right to recover actual costs and
136 actual damages, including attorney’s fees and expenses of litigation,
137 arising from judicial actions, as may be determined by a court of
138 competent jurisdiction.
139
- 140 l. ***Right to quality service and assistance.*** – The taxpayer shall have the
141 right to be treated professionally, courteously, fairly, and reasonably by
142 revenue authorities.
143
- 144 m. ***Right to privacy.*** – The taxpayer shall have the right to privacy of
145 communication and correspondence, as guaranteed by the Constitution,
146 and the Data Privacy Act of 2012. The taxpayer shall have the right to
147 demand that any information provided to revenue authorities shall not
148 be disclosed and shall be kept confidential unless disclose is expressly
149 authorized by law or by the taxpayer.
150

151 **SECTION 6. Taxpayer’s Basic Obligations.** – Complementary to the
152 above taxpayer’s rights are the following duties and responsibilities of the
153 taxpayer:
154

- 155 a. Observe and comply with tax laws, rules, and regulations;

- 156
- 157 b. Truthfully and timely disclose complete and correct information as
- 158 required by tax laws, rules, and regulations, including but not limited
- 159 to, registered address, official email address, registered activities, tax
- 160 type details, and accounting period;
- 161
- 162 c. Lodge and submit, either personally or through electronic means, in a
- 163 timely manner all relevant information, books of accounts, reports,
- 164 records, returns, and other documents to revenue authorities on or
- 165 before the dates set by tax laws, rules, and regulations;
- 166
- 167 d. Exercise reasonable care and diligence in complying with all tax
- 168 obligations;
- 169
- 170 e. Keep accurate records of the required books of accounts and other tax
- 171 information for the duration required by law, rules, and regulations, and
- 172 make them available for examination by revenue officers following
- 173 proper procedures;
- 174
- 175 f. Cooperate with revenue authorities in the latter's conduct of tax audits
- 176 in accordance with laws, rules, and regulations; and
- 177
- 178 g. Timely pay the taxes due to the government through any available
- 179 payment channels.
- 180

181 **SECTION 7. Creation of the Office of the National Taxpayer**

182 **Advocate.** -In order to protect the rights of taxpayers, both substantive and

183 procedural, the ONTA is hereby created to promote tax compliance and assist

184 taxpayers. The ONTA shall be an independent and autonomous office attached to

185 the Department of Justice (DOJ) for purposes of policy and program

186 coordination.

187

188 The ONTA shall have the power to provide for the structural organization

189 and staff of its offices and shall have the power and authority to designate and

190 appoint officers and employees of the Office and create divisions and units,

191 including regional and provincial offices, as may be necessary, subject to the

192 approval of the Department of Budget and Management (DBM) and in

193 accordance with civil service laws, rules, and regulations: *Provided*, That all

194 employees shall be subject to Republic Act (RA) No. 6758, otherwise known as

195 the Salary Standardization Act.

196

197 **SECTION 8. Powers, Functions, and Responsibilities of the Office of**

198 **the National Taxpayer Advocate.** – The ONTA shall have the following

199 functions, powers, and responsibilities:

- 200
- 201 a. Assists the public in their tax queries and concerns relative to taxes;
- 202
- 203 b. Represent taxpayers, and assist, initiate, and intervene, as may be
- 204 applicable in tax cases, complaints, and proceedings, after due
- 205 evaluation: *Provided*, That the qualifications and disqualifications of
- 206 taxpayers who shall be given priority in the ONTA's representation
- 207 services shall be in relation to Section 5 (e) of this Act.
- 208
- 209 c. Engage in regular information, education, and communication
- 210 programs for all taxpayers on tax laws, rules, and regulations, circular,
- 211 including those that implement Supreme Court decisions, and other
- 212 issuances that affect them, including their rights and remedies under the
- 213 law;
- 214
- 215 d. Recommend remedial administrative measures to revenue authorities
- 216 by way of continuing policy review, and to the Anti-Red Tape Authority
- 217 for purposes of reducing the regulatory burden to taxpayers.
- 218
- 219 e. Monitor tax issuances of revenue authorities, and propose
- 220 recommendations, when necessary, at the administrative level, to
- 221 ensure that taxpayers' rights as provided in this Act are upheld;
- 222
- 223 f. Develop capacity-building programs, and conduct the necessary
- 224 trainings for the officials and employees of ONTA; and
- 225
- 226 g. Perform such other powers and functions as may be necessary to
- 227 enhance the ONTA's performance of its powers, functions, and
- 228 responsibilities, as enumerated in this Act.
- 229

230 **SECTION 9. The Chief Taxpayer Advocate and Deputy Taxpayer**

231 **Advocate.** – The ONTA shall be headed by the Chief Taxpayer Advocate, who

232 shall have the primary authority and responsibility for the effective exercise of its

233 mandate and the discharge of its powers and functions. The Chief Taxpayer

234 Advocate shall be assisted by the Deputy Taxpayer Advocates, one (1) each for

235 the National Capital Region, Luzon, Visayans, and Mindanao.

236

237 The Chief Taxpayer Advocate and Deputy Taxpayer Advocate shall be

238 Filipino citizens, at least forty (40) years of age, members of the Philippine Bar

239 in good standing, with at least ten (10) years of practice in the field of taxation

240 with proven integrity and competence and must not have been convicted of any

241 crime involving a violation of any tax laws and rules, and any crime involving

242 moral turpitude.

243

SECTION 10. Appointment, Term, and Rank. – The Chief Taxpayer Advocate and Deputy Taxpayer Advocates shall be appointed by the President: *Provided*, That the appointment of the Deputy Taxpayer Advocate shall be upon the recommendation of the Chief Taxpayer Advocate. They shall both serve for a fixed term of seven (7) years with one (1) re-appointment.

The Chief Taxpayer Advocate and Deputy taxpayer Advocates shall have the equivalent rank, salaries, allowances, and retirement benefits as Prosecution Service, respectively.

SECTION 11. Disqualification. – An individual cannot be appointed as the Chief Taxpayer Advocate or Deputy Taxpayer Advocate if such individual has been an employee or officer of, or has rendered service as a consultant or in any other capacity to any of the revenue authorities for two (2) years prior to such appointment.

SECTION 12. Submission of Annual Reports. – The Congressional Oversight Committee on the Comprehensive Tax Reforms Program (COCCTRP) shall exercise oversight powers over the implementations of this Act.

To this end, the ONTA shall submit a detailed report on its activities and identified areas, either personally or through electronic means, to the COCCTRP on or before December 31 of every year, copy furnished to the Secretary of Finance, particularly on identified areas in which taxpayer have problems in dealing with revenue authorities.

Afterward, on or before June 1 of every year, the Secretary of Finance shall submit a report in relation to the ONTA's report, either personally or through electronic means to the COCCTRP and shall include appropriate remedial action, if any, or proposed legislation, and other recommendations on the proper implementation of this Act.

SECTION 13. Penalties for the Violation of the Bill of Rights of Taxpayers. – Notwithstanding the administrative remedies provided in the National Internal Revenue Code (NIRC) of 1997, as amended; the Customs Modernization and Tariffication Act of 2016 (CMTA); R. A. No. 1125 creating the Court of Tax Appeals (CTA), as amended; and Book II of the Local Government Code of 1991, as amended, any person or revenue officer who is found to have violated Section 5 of this Act shall be punished with imprisonment of not less than six (6) months nor more than six (6) years, or a fine of not less than One Hundred Thousand Pesos (Php 100,000.00) but not more than One Million Five Hundred Thousand Pesos (Php 1,500,000.00), or both.

287 **SECTION 14. Accessibility of the Taxpayer’s Bill of Rights and**
288 **Obligations.** – The Taxpayer’s Bill of Rights and Obligations shall be made
289 available in all offices of revenue authorities, free of charge, in all formats, digital
290 or otherwise, and shall be posted on their respective websites, in English and
291 Filipino language.

292
293 **SECTION 15. Integration of Taxpayer’s Bill of Rights and Obligations**
294 **in Higher Education Curriculum.** – All public and private higher education
295 institutions shall integrate the Taxpayer’s Bill of Rights and Obligation as part of
296 the curriculum. The Commission on Higher Education (CHED), pursuant to its
297 mandate under R.A. No. 7722, otherwise known as the “Higher Education Act of
298 1994,” shall develop the program to execute and implement this Section.

299
300 **SECTION 16. Appropriations.** – The amount necessary for the
301 implementation of this Act including the funding for the establishment, and
302 yearly operations and maintenance of the ONTA shall be included in the Annual
303 General Appropriations Act.

304
305 **SECTION 17. Implementing Rules and Regulations.** - Within sixty (60)
306 calendar days from the effectivity of this Act, the DOJ, in consultation with the
307 DOF, DBM, DILG, BIR, BOC, Civil Service Commission (CSC), CHED,
308 ARTA, and the private sector shall promulgate the necessary rules and
309 regulations, for the effective implementation of this act.

310
311 **SECTION 18. Separability Clause.** – If any provision of this act is
312 declared invalid or unconstitutional, other provisions hereof which are not
313 affected thereby shall remain in full force and effect.

314
315 **SECTION 19. Repealing Clause.** – All laws, orders, decrees, rules,
316 regulations, and other parts thereof inconsistent with the provisions of this Act
317 are hereby repealed, amended, or modified accordingly.

318
319 **SECTION 20. Effectivity.** – This Act shall take effect fifteen (15) days
320 after its publication in the Official Gazette or in at least two (2) national
321 newspaper of general circulation.

322
323 *Approved,*