



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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 956



Introduced by Representative Crispin Diego “Ping” D. Remulla

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

EXPLANATORY NOTE

Taxation is the primary source of government funding, and an efficient tax collection system is vital to sustaining public services and national development. However, taxpayer compliance is often hindered by the complexity of tax rules, lack of accessible information, and the perception or experience of arbitrary enforcement by tax authorities. In the Philippine context, these challenges are compounded by weak enforcement mechanisms and limited avenues for redress. The Organisation for Economic Co-operation and Development (OECD) reported that the Philippines' tax-to-GDP ratio was only 18.4% in 2022, below the Asia-Pacific average of 19.3% and far lower than the OECD average of 34.0%. This modest level of tax collection highlights the need for reforms that will promote better compliance and boost overall revenue generation.

While recent efforts have led to notable progress, such as the Bureau of Internal Revenue (BIR) collecting a record-breaking PHP 2.85 trillion in taxes in 2024, reflecting improvements in revenue collection performance, challenges remain. Despite this achievement, the need to make tax processes more taxpayer-friendly remains evident.

Importantly, tax administration must not be viewed as a one-sided process. While ensuring full compliance with tax laws, plugging legal loopholes, and enhancing collection efficiency are necessary goals, it is equally important to uphold and protect the rights of taxpayers. Encouraging tax compliance should not rely solely on enforcement but must also involve making the process more transparent, equitable, and understandable, especially for ordinary citizens.

This proposed measure seeks to establish a comprehensive legal framework that clearly defines and safeguards the rights of taxpayers while reinforcing their responsibilities. By doing so, it aims to promote voluntary compliance, ensure fair and equitable treatment of taxpayers, and foster public trust in the country's tax administration system.

Furthermore, this measure aligns with international best practices and models such as the IRS Taxpayer Bill of Rights in the United States, which has consolidated and reinforced taxpayer protections across all tax dealings

In view of the foregoing, immediate passage of this measure is earnestly sought.



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

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

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

8 **SEC. 3. Definition of Terms.** – As used in this Act, the following terms shall mean:

- 9 a) *Assessment* refers to the process of determining the amount of taxes, duties, and
10 other charges to be paid by the taxpayer;
11 b) *Revenue Authority* refers, singly or collectively, to the Bureau of Internal Revenue
12 (BIR), Bureau of Customs (BOC), Local Government Units (LGUs), and other tax
13 collecting agencies;
14 c) *Revenue Officers* refer to the officers, employees, and agents of the Revenue
15 Authorities;

- 1 d) *Summary Collection* refers to the civil remedy of the government for the collection
2 of accounts receivable or delinquent accounts by garnishment or distraint of
3 personal property, or levy of real property;
- 4 e) *Taxes* refer to all exactions for revenue-raising purposes imposed under the National
5 Internal Revenue Code (NIRC) of 1997, as amended, the Customs Modernization
6 and Tariff Act (CMTA), the Local Government Code of 1991, as amended, and all
7 other tax laws;
- 8 f) *Taxpayer* refers to any person, whether natural or juridical, subject to the tax
9 imposed by the national and local government; and
- 10 g) *Tax Audit* refers to the examination into a taxpayer's obligation, and compliance
11 with tax laws, rules and regulations by the respective Revenue Authorities.

12 **SEC. 4. *Taxpayer's Bill of Rights and Obligations.*** – Without prejudice to the others
13 rights and remedies of the taxpayer provided for in the National Internal Revenue Code (NIRC)
14 of 1997, as amended; Customs Modernization and Tariff Act (CMTA); Republic Act (R.A.)
15 No. 1125, creating the Court of Tax Appeals (CTA), as amended; Book II of the Local
16 Government Code of 1991, as amended; and all other laws, rules and regulations, issuances,
17 and circulars in support thereof, the taxpayer is hereto granted basic taxpayer rights, whether
18 at the administrative level or at the judicial level: *Provided*, That nothing in this Act shall
19 amend, modify, or repeal the provisions of the abovementioned laws: *Provided, further*, That
20 the taxpayer is expected to observe and comply with tax obligations enumerated in this Act and
21 in other relevant laws, rules and regulations that are implemented by Revenue Authorities.

22 **SEC. 5. *Taxpayer's Basic Rights.*** – The following are taxpayer's basic rights:

- 23 a) Right to be Informed. – The taxpayer shall have the right to know in a simplified
24 manner how one can comply with laws, rules and regulations implemented by
25 Revenue Authorities. The taxpayer is entitled to clear, complete, accurate, and
26 simplified explanation of tax laws, rules, regulations, procedures, and other
27 issuances, as well as be apprised of taxpayer's rights and obligations in all tax forms,
28 publications, notices, correspondences, assessments, rulings and decisions.

29 In case of any deficiency tax findings, alleged violations or any decisions or
30 rulings rendered by the Revenue Authorities, the taxpayer shall be informed in the
31 written decision or ruling, clearly and sufficiently of the facts and laws thereon,
32 including any supporting computation and documentation upon which they are
33 based.

1 The taxpayer shall have the right to be informed of any institution by Revenue
2 Authorities of a summary collection action, which requires sale or seizure of
3 property or the freezing of assets.

4 The service of the notices and decisions to the taxpayers shall be made in
5 accordance with laws, rules, and regulations;

- 6 b) Right to Fair, Uniform, and Faithful Application of Laws. – The taxpayer shall have
7 the right to a fair, uniform and faithful application of laws, rules, regulations, and
8 other issuances of Revenue Authorities in all proceedings involving the taxpayer;
- 9 c) Right to Challenge the Position of and be Heard by Revenue Authorities. – The
10 taxpayer shall have the right to challenge and raise objections against the findings,
11 assessments, rulings, or decisions of the Revenue Authorities.

12 The taxpayer shall have the right to be heard and that the evidence presented by
13 the taxpayer be duly considered by the Revenue Authorities in deciding any matter
14 involving the taxpayer;

- 15 d) Right to Fair and Impartial Proceedings Before the Revenue Authorities. – The
16 taxpayer shall at all times be entitled to fair and impartial dispositions of the
17 assessment cases, deficiency findings, requests for rulings, decisions, and other
18 dispositions made by the Revenue Authorities concerning the taxpayer;
- 19 e) Right to Present Evidence and Witnesses. – The taxpayer shall have the right to be
20 given ample and adequate opportunity to present evidence in the possession of the
21 taxpayer or any third party, and call on witnesses to testify, as the case may be, that
22 would assist the taxpayer in the pursuit of any assessment or matter involving it;
- 23 f) Right to be Assisted or Represented by a Qualified Professional. – The taxpayer
24 shall have the right to be assisted or represented by a competent and independent
25 qualified professional, such as a legal counsel, accountant or customs broker, of the
26 taxpayer's own choice, in all administrative, civil, or criminal tax proceedings:
27 Provided, That any communication, correspondence and/or documents submitted or
28 exchanged between the taxpayer and the qualified professional that they engage
29 shall be considered strictly confidential, except as otherwise provided under
30 existing laws, rules, and regulations.

31 In case the taxpayer experiences financial difficulty in engaging the services of
32 a private counsel or qualified professional, the Office of the National Taxpayer
33 Advocate (ONTA) shall provide free and effective representation to the taxpayer,
34 upon the latter's request;

1 g) Right to Timely and Expeditious Completion and Finality of Tax Audits. – The
2 taxpayer shall have the right to have Revenue Authorities begin and complete tax
3 audits and to address the requests and other matters pending before the Revenue
4 Authorities in a timely and expeditious manner.

5 The taxpayer shall have the right to know when the Revenue Authorities have
6 completed an audit or examination of the taxpayer.

7 h) Right Against Baseless Assessment. – The tax authorities are prohibited from
8 issuing assessments against taxpayers without the benefit of a proper audit
9 conducted by authorized Revenue Authorities against taxpayers. Otherwise, such
10 assessments shall be void;

11 i) Right to be Given an Opportunity for Amicable Settlement. – Unless contrary to
12 laws, the taxpayer shall have the opportunity to amicably settle the taxpayer's
13 deficiencies and delinquencies, at any stage of the proceedings: Provided, That said
14 settlement must be in writing and duly signed by the parties or their agent;

15 j) Right to Avail of Installment Payment. – In so far as may be permitted by law, the
16 taxpayer shall have the right to settle tax liabilities through installment payments;

17 k) Right to Pay No More Than the Correct Amount of Tax. – The taxpayer shall have
18 the right to pay only the amount of tax legally due, including interests, surcharges,
19 fines; and penalties;

20 l) Right to Relief from Paying Interests, Surcharges and Penalties. – The taxpayer
21 shall be entitled to a reduction of interests, surcharges and penalties levied on their
22 tax liabilities in case of any excessive assessment or undue delay caused by the
23 Revenue Authorities, including instances of loss of records, personnel transfers,
24 extended illness or leaves of absence, and personnel training, resignation,
25 retirement, or termination from service of the concerned personnel;

26 m) Right to Recover Actual Costs and Actual Damages Arising from Judicial Actions.
27 – The taxpayer shall have the right to recover actual costs and actual damages,
28 including attorney's fees and expenses of litigation, arising from judicial actions, as
29 may be determined by a court of competent jurisdiction;

30 n) Right to Quality Service and Assistance. – The taxpayer shall have the right to
31 receive prompt, courteous and professional assistance in their dealings with the
32 Revenue Authorities, to be spoken to in a way the taxpayer can easily understand,
33 to receive clear and easily understandable communications from the Revenue
34 Authorities and to be provided with a mechanism to address inadequate service;

1 o) Right to Privacy. – The taxpayer shall have the right to expect that any inquiry,
2 examination or enforcement action by the government authorities shall comply with
3 the law and be no more intrusive than necessary, and will respect all due process
4 rights; and

5 p) Right to Confidentiality. – The taxpayer shall have the right to privacy of
6 communication and correspondence, as guaranteed by the Constitution and the Data
7 Privacy Act of 2012. The taxpayer shall have the right that any information provided
8 to revenue authorities shall not be disclosed and shall be kept confidential, unless
9 disclosure is expressly authorized by law or by the taxpayer.

10 **SEC. 6. *Taxpayer's Basic Obligations.*** – Complementary to the above taxpayer's
11 rights are the following duties and responsibilities of the taxpayer:

12 a) Obligation to Comply with Tax Laws. – The taxpayer shall observe and comply
13 with the tax laws, rules, and regulations with reasonable care and diligence;

14 b) Obligation to Truthfully and Timely Disclose Information. – The taxpayer shall
15 truthfully and timely disclose complete and accurate information as required by tax
16 laws, rules and regulations, including but not limited to, registered address, official
17 email address, registered activities, tax type details, and accounting period;

18 c) Obligation to Lodge and Submit Required Documents Completely and on Time. –
19 The taxpayer shall lodge and submit, either personally or through electronic means,
20 in a timely manner all relevant information, books of accounts, reports, records,
21 returns, and other documents to Revenue Authorities on or before the dates set by
22 tax laws, rules, and regulations;

23 d) Obligation to Keep and Make Tax Records Available for Examination. – The
24 taxpayer shall keep accurate records of the required books of accounts and other tax
25 information for the duration required by law, rules, and regulations, and make them
26 available for examination by revenue officers following proper procedures;

27 e) Obligation to Cooperate with Revenue Authorities in Tax Audit. – The taxpayer
28 shall cooperate with Revenue Authorities in the latter's conduct of tax audits in
29 accordance with laws, rules, and regulations; and

30 f) Obligation to Timely Pay Taxes. – The taxpayer shall timely pay the taxes due to
31 the government through any available payment channels.

32 **SEC. 7. *Creation of the Office of the National Taxpayer Advocate (ONTA).*** – In order
33 to protect the rights of the taxpayers, both substantive and procedural, the ONTA is hereby
34 created to promote tax compliance and assist taxpayers. The ONTA shall be an independent

1 and autonomous office attached to the Department of Justice (DOJ) for purposes of policy and
2 program coordination.

3 The ONTA shall have the power to provide for the structural organization and staff of
4 its offices, create divisions and units, including regional or provincial offices, as may be
5 necessary, and designate and appoint officers and employees of the Office, subject to the
6 approval of the Department of Budget and Management (DBM) and in accordance with civil
7 service laws, rules, and regulations.

8 **SEC. 8. Powers, Functions and Responsibilities of the Office of the National**
9 **Taxpayer Advocate.** – The ONTA shall have the following functions, powers and
10 responsibilities:

- 11 a) Assist the public in their queries and concerns relative to taxes by providing legal
12 and procedural advice, including guidance on remedial measures that can be availed
13 of, which may be in writing upon request of the taxpayer;
- 14 b) Represent low-income taxpayers, and assist, initiate, and intervene, as may be
15 applicable, in tax cases, complaints, and proceedings, after due evaluation:
16 *Provided,* That the ONTA shall have the power to set qualifications of taxpayers
17 who shall be given priority in the ONTA's representation services pursuant to
18 Section 5(f) of this Act. The ONTA may collaborate with qualified professionals to
19 assist in the representation of low-income taxpayers who have a dispute with
20 Revenue Authorities and to provide education and outreach program to low-income
21 taxpayers;
- 22 c) Engage in regular information, education and communication programs for all
23 taxpayers on tax laws, rules, regulations, circulars, including those that implement
24 Supreme Court decisions, and other issuances that affect them, including their rights
25 and remedies under the law;
- 26 d) Recommend remedial administrative measures to Revenue Authorities by way of
27 continuing policy review, and to the Anti-Red Tape Authority (ARTA) for purposes
28 of reducing regulatory burden to taxpayers;
- 29 e) Monitor tax issuances of Revenue Authorities, and propose recommendations,
30 when necessary, at the administrative level, to ensure that taxpayers' rights as
31 provided in this Act are upheld;
- 32 f) Develop capacity building programs, and conduct the necessary trainings for the
33 officials and employees of ONTA; and

1 g) Perform such other powers and functions as may be necessary to enhance the
2 ONTA's performance of its powers, functions, and responsibilities, as enumerated
3 in this Act.

4 **SEC. 9. *Qualifications, Appointment, Term, and Rank of the National Taxpayer***
5 ***Advocate and Deputy National Taxpayer Advocate.*** – The ONTA shall be headed by the
6 National Taxpayer Advocate, who shall have the primary authority and responsibility for the
7 effective exercise of its mandate and the discharge of its powers and functions and to be assisted
8 by four (4) Deputy National Taxpayer Advocates from the National Capital Region, Luzon,
9 Visayas, and Mindanao, at least two (2) of whom are women.

10 The National Taxpayer Advocate and Deputy National Taxpayer Advocates shall be
11 Filipino citizens, members of the Philippine Bar in good standing or Certified Public
12 Accountants in the case of the Deputy National Taxpayer Advocates, with at least ten (10)
13 years of practice in the field of taxation, and with proven integrity and competence.

14 The National Taxpayer Advocate and Deputy National Taxpayer Advocates shall be
15 appointed by the President and shall serve for a term of three (3) years with one (1) re-
16 appointment.

17 In case of vacancy arising from retirement, resignation, removal, permanent incapacity,
18 or death of the National Taxpayer Advocate or Deputy National Taxpayer Advocate, the
19 President shall appoint a successor to serve a fresh term of three (3) years with one (1) re-
20 appointment.

21 The appointment and re-appointment of the National Taxpayer Advocate and Deputy
22 National Taxpayer Advocates shall be subject to the mandatory retirement age provided under
23 the Civil Service Commission (CSC) rules.

24 The National Taxpayer Advocate and Deputy National Taxpayer Advocates shall have
25 the equivalent rank, salaries, allowances, and retirement benefits as an Undersecretary and
26 Assistant Secretary, respectively.

27 **SEC. 10. *Disqualification.*** – An individual cannot be appointed as the National
28 Taxpayer Advocate or Deputy National Taxpayer Advocate if such individual has been an
29 employee or officer of, or has rendered service as consultant or in any other capacity to any of
30 the Revenue Authorities for two (2) years prior to such appointment, or has been convicted of
31 any crime involving moral turpitude or a violation of any tax law.

32 **SEC. 11. *Submission of Annual Reports.*** – The Congressional Oversight Committee
33 on the Comprehensive Tax Reform Program (COCCTRP) shall exercise oversight powers over
34 the implementation of this Act.

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

5 Afterwards, on or before June 1 of every year, the Secretaries of Justice and Finance
6 shall submit their comments in relation to the ONTA's report, either personally or through
7 electronic means, to the COCCTRP and shall include appropriate remedial action, if any, or
8 proposed legislation, and other recommendations on the proper implementation of this Act.

9 **SEC. 12. *Penalties for the Violation of the Bill of Rights of Taxpayers.*** –
10 Notwithstanding the administrative remedies provided in the NIRC of 1997, as amended; the
11 Customs Modernization and Tariff Act (CMTA); R.A. No. 1125 creating the Court of Tax
12 Appeals (CTA), as amended; and Book II of the Local Government Code of 1991, as amended,
13 any person or revenue officer who is found to have violated Section 5 of this Act, except
14 Section 5(n), shall be punished with imprisonment of not less than six (6) months nor more
15 than six (6) years, or a fine of not less than Five hundred thousand pesos (P500,000.00) but not
16 more than One million five hundred thousand pesos (P1,500,000.00), or both. The violation of
17 Section 5(n) shall be penalized under the provisions of R.A. No. 6713, otherwise known as the
18 “Code of Conduct and Ethical Standards for Public Officials and Employees.”

19 Violations penalized by this Act shall prescribe after twelve (12) years. Prescription
20 shall begin to run from the day of the commission of the violation of the law, and if the same
21 be not known as the time, from the discovery thereof and the institution of judicial proceeding
22 for its investigation and punishment: *Provided*, That the prescription shall be interrupted when
23 proceedings are instituted against the guilty person, and shall begin to run again if the
24 proceedings are dismissed for reasons not constituting jeopardy.

25 **SEC. 13. *Accessibility of the Taxpayer's Bill of Rights and Obligations.*** – The
26 Taxpayer's Bill of Rights and Obligations shall be made available in all offices of Revenue
27 Authorities, free of charge, whether printed, digital or otherwise, and shall be posted in their
28 respective websites in English and Filipino languages.

29 **SEC. 14. *Integration of Taxpayer's Bill of Rights and Obligations in Higher***
30 ***Education Curriculum.*** – All public and private higher education institutions shall integrate
31 the Taxpayer's Bill of Rights and Obligations as part of the curriculum. The Commission on
32 Higher Education (CHED), pursuant to its mandate under R.A. No. 7722, otherwise known as
33 the “Higher Education Act of 1994”, shall develop the program to execute and implement this
34 section.

1 **SEC. 15. *Appropriations.*** – The amount necessary for the implementation of this Act,
2 including the funding for the establishment, yearly operations and maintenance of the ONTA,
3 shall be included in the annual General Appropriations Act.

4 **SEC. 16. *Implementing Rules and Regulations.*** – Within sixty (60) calendar days from
5 the effectivity of this Act, the DOJ, in consultation with the DOF, DBM, Department of the
6 Interior and Local Government (DILG), BIR, BOC, Bureau of Local Government Finance
7 (BLGF), CSC, CHED, and ARTA, shall promulgate the necessary rules and regulations, for
8 the effective implementation of this Act.

9 **SEC. 17. *Separability Clause.*** – If any provision of this Act is declared invalid or
10 unconstitutional, other provisions hereof which are not affected thereby shall remain in full
11 force and effect.

12 **SEC. 18. *Repealing Clause.*** – All laws, orders, decrees, rules and regulations, and other
13 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or
14 modified accordingly.

15 **SEC. 19. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication
16 in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,