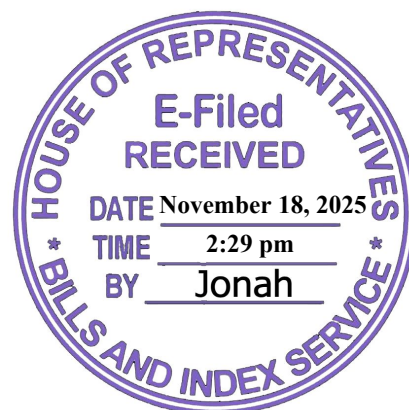




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 6127



Introduced by Representative KRISTINE SINGSON-MEEHAN

EXPLANATORY NOTE

Taxpayers deserve clear information, fair treatment, and protection from abuse in the enforcement of tax laws. When these rights are safeguarded, citizens are more willing to comply, and the integrity of revenue collection is strengthened.

This bill seeks to codify the fundamental rights and obligations of taxpayers through a Magna Carta for Taxpayers, establishing clear standards for government conduct and taxpayer protection. It enumerates basic rights such as the right to information, fair and impartial proceedings, privacy and confidentiality, and quality service, while also reinforcing taxpayers' duties to comply truthfully and promptly with tax laws and regulations.

To institutionalize these safeguards, the bill creates the Office of the National Taxpayer Advocate (ONTA) under the Department of Finance to protect taxpayer rights, monitor administrative practices, and recommend reforms to improve tax administration. It likewise mandates the integration of taxpayer education in higher education curricula and ensures that the Bill of Rights and Obligations is accessible in all revenue offices.

By defining both the rights and responsibilities of taxpayers, this measure promotes trust between citizens and the State, improves compliance, and advances a more just and responsive system of taxation.

In view of the foregoing, the immediate approval of this bill is earnestly sought.

DEPUTY SPEAKER KRISTINE SINGSON-MEEHAN
2nd DISTRICT ILOCOS SUR



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House Bill No. **6127**

Introduced by Representative KRISTINE SINGSON-MEEHAN

AN ACT
PROVIDING THE MAGNA CARTA FOR TAXPAYERS

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

- 1 SECTION 1. *Declaration of Policy.* – It is hereby declared the policy of the State to
2 provide increased protection of taxpayers’ rights in complying with their obligation to pay
3 national and local taxes to the government, to the end that abuses committed against taxpayers
4 are prevented, if not completely eradicated, and taxes are collected responsibly. In turn,
5 taxpayers are expected to faithfully comply with their tax obligations to the government.

1 SEC. 2. *Definition of Terms.* – As used in this Act:

2 (a) *Assessment* refers to the process of determining the amount of taxes, duties, and
3 other charges to be paid by the taxpayer;

4 (b) *Revenue Authority* refers, singly or collectively, to the Bureau of Internal Revenue,
5 Bureau of Customs, Local Government Units, and other tax collecting agencies;

6 (c) *Revenue Officers* refer to the officers, employees, and agents of the Revenue
7 Authorities;

8 (d) *Summary Collection* refers to the civil remedy of the government for the collection
9 of accounts receivable or delinquent accounts by garnishment or distraint of
10 personal property, or levy of real property;

11 (e) *Taxes* refer to all exactions for revenue-raising purposes imposed under the
12 National Internal Revenue Code of 1997, as amended, the Customs Modernization
13 and Tariff Act, the Local Government Code of 1991, as amended, and all other tax
14 laws;

15 (f) *Taxpayer* refers to any person, whether natural or juridical, subject to the tax
16 imposed by the national and local governments; and

17 (g) *Tax Audit* refers to the examination into a taxpayer's obligation, and compliance
18 with tax laws, rules, and regulations by Revenue Authorities.

19 SEC. 3. *Taxpayer's Bill of Rights and Obligations.* – Without prejudice to the other
20 rights and remedies of the taxpayer provided for in the National Internal Revenue Code of
21 1997, as amended; Customs Modernization and Tariff Act; Republic Act No. 1125, creating
22 the Court of Tax Appeals, as amended; Book II of the Local Government Code of 1991, as
23 amended; and all other laws, rules and regulations, issuances, and circulars in support thereof,
24 the taxpayer is hereto granted basic taxpayer rights, whether at the administrative level or at
25 the judicial level: *Provided*, That nothing in this Act shall amend, modify, or repeal the

provisions of the abovementioned laws: *Provided, further*, That the taxpayer is expected to observe and comply with tax obligations enumerated in this Act and in other relevant laws, rules, and regulations implemented by Revenue Authorities.

SEC. 4. *Taxpayer's Basic Rights*. – The following are the taxpayer's basic rights:

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

In case of any deficiency tax finding, alleged violation, or decision or ruling rendered by Revenue Authorities, the taxpayer shall be informed in the written decision or ruling, clearly and sufficiently of the facts and laws thereon, including any supporting computation and documentation upon which these are based.

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

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

(b) *Right to Fair, Uniform, and Faithful Application of Laws*. – The taxpayer shall have the right to a fair, uniform, and faithful application of laws, rules, regulations, and other issuances of Revenue Authorities in all proceedings involving the taxpayer;

(c) *Right to Challenge the Position of and be Heard by Revenue Authorities*. – The taxpayer shall have the right to challenge and raise objections against the findings, assessments, rulings, or decisions of the Revenue Authorities.

1 The taxpayer shall have the right to be heard, and the evidence presented by
2 the taxpayer shall be duly considered by the Revenue Authorities in deciding any
3 matter involving the taxpayer;

4 (d) *Right to Fair and Impartial Proceedings Before the Revenue Authorities.* – The
5 taxpayer shall at all times be entitled to fair and impartial disposition of assessment
6 cases, deficiency findings, requests for rulings, and decisions made by the Revenue
7 Authorities;

8 (e) *Right to Present Evidence and Witnesses.* – The taxpayer shall have the right to be
9 given ample and adequate opportunity to present evidence, including those in the
10 possession of any third party, and call on witnesses to testify, as the case may be,
11 that would assist the taxpayer in connection with any assessment or matter
12 involving it;

13 (f) *Right to be Assisted or Represented by a Qualified Professional of their Choice.* –
14 The taxpayer shall have the right to be assisted or represented by a competent and
15 independent qualified professional, such as a legal counsel, accountant, or customs
16 broker, of the taxpayer's own choice, in all administrative, civil, or criminal tax
17 proceedings: *Provided,* That any communication, correspondence, or documents
18 submitted or exchanged between the taxpayer and the qualified professional that
19 they engage shall be considered strictly confidential, except as otherwise provided
20 under existing laws, rules, and regulations;

21 (g) *Right to Timely and Expeditious Completion and Finality of Tax Audits.* – The
22 taxpayer shall have the right to have the Revenue Authorities begin and complete
23 tax audits and address pending requests and other matters in a timely and
24 expeditious manner.

1 The taxpayer shall have the right to know when the Revenue Authorities
2 have completed an audit or examination of the taxpayer;

3 (h) *Right Against Baseless Assessment.* – Tax authorities are prohibited from issuing
4 assessments against taxpayers without the benefit of a proper audit conducted by
5 authorized Revenue Authorities against taxpayers, otherwise, such assessments
6 shall be void;

7 (i) *Right to be Given an Opportunity for Amicable Settlement.* – Unless contrary to
8 law, the taxpayer shall have the opportunity to amicably settle deficiencies and
9 delinquencies, at any stage of the proceedings: *Provided,* That said settlement must
10 be in writing and duly signed by the parties or their agent;

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

13 (k) *Right to Pay the Correct Amount of Tax.* – The taxpayer shall have the right to pay
14 only the amount of tax legally due, including applicable interests, surcharges, fines,
15 and penalties;

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

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

1 (n) *Right to Quality Service and Assistance.* – The taxpayer shall have the right to
2 receive prompt, courteous, and professional assistance during dealings with the
3 Revenue Authorities, to be spoken to in a way the taxpayer can easily understand,
4 to receive clear and easily understandable communications from Revenue
5 Authorities, and to be provided with a mechanism to address inadequate service;

6 (o) *Right to Privacy.* – The taxpayer shall have the right to expect that any inquiry,
7 examination, or enforcement action by government authorities shall comply with
8 the law and be no more intrusive than necessary, and shall respect all due process
9 rights; and

10 (p) *Right to Confidentiality.* – The taxpayer shall have the right to privacy of
11 communication and correspondence, as guaranteed by the Constitution and by
12 Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012. The
13 taxpayer shall have the right to require that any information provided to Revenue
14 Authorities shall be kept confidential unless disclosure is expressly authorized by
15 law or by the taxpayer.

16 SEC. 5. *Taxpayer's Basic Obligations.* – Complementary to the above taxpayer's
17 rights are the following duties and responsibilities of the taxpayer:

18 (a) *Obligation to Comply with Tax Laws.* – The taxpayer shall observe and comply with
19 tax laws, rules, and regulations with reasonable care and diligence;

20 (b) *Obligation to Truthfully and Timely Disclose Information.* – The taxpayer shall
21 truthfully and timely disclose complete and accurate information as required by tax
22 laws, rules, and regulations, including registered address, official email address,
23 registered activities, tax type details, and accounting period;

24 (c) *Obligation to Lodge and Submit Required Documents Completely and on Time.* –
25 The taxpayer shall lodge and submit, either personally or through electronic means,

1 in a timely manner all relevant information, books of accounts, reports, records,
2 returns, and other documents to Revenue Authorities on or before the dates set by
3 tax laws, rules, and regulations;

4 (d) *Obligation to Keep and Make Tax Records Available for Examination.* – The
5 taxpayer shall keep accurate records of the required books of accounts and other tax
6 information for the duration required by law, rules, and regulations, and make such
7 available for examination by revenue officers following proper procedures;

8 (e) *Obligation to Cooperate with Revenue Authorities in Tax Audit.* – The taxpayer
9 shall cooperate with Revenue Authorities in the conduct of tax audits in accordance
10 with laws, rules, and regulations; and

11 (f) *Obligation to Timely Pay Taxes.* – The taxpayer shall timely pay the taxes due to
12 the government through any available payment channel.

13 SEC. 6. *Creation of the Office of the National Taxpayer Advocate.* - To protect the
14 rights of taxpayers, both substantive and procedural, there is hereby created an Office of the
15 National Taxpayer Advocate (ONTA) attached to the Department of Finance (DOF) for
16 purposes of administrative supervision.

17 The ONTA shall determine the organizational structure and staffing pattern of the office
18 in accordance with the revised compensation and position classification system subject to the
19 evaluation and approval of the Department of Budget and Management and in compliance with
20 the civil service laws, rules and regulations and other relevant laws.

21 SEC. 7. *Powers, Functions, and Responsibilities of the Office of the National*
22 *Taxpayer Advocate.* - The ONTA shall have the following functions, powers, and
23 responsibilities:

- 1 (a) Collaborate with qualified professionals to assist in the representation of low
2 income taxpayers who have a dispute with Revenue Authorities and provide
3 education and outreach program to low income taxpayers;
- 4 (b) Engage in regular information, education, and communication programs for
5 taxpayers on tax laws, rules, regulations, circulars, including those that
6 implement Supreme Court decisions, and other issuances that affect them,
7 including their rights and remedies under the law, to ensure that the public is
8 properly apprised thereof;
- 9 (c) Recommend measures to implement the policy declared under Section 1 of this
10 Act, by way of continuing policy review;
- 11 (d) Monitor tax issuances of Revenue Authorities, and propose amendments, when
12 necessary, at the administrative level, to ensure that taxpayers' rights as
13 provided in this Act are upheld; and
- 14 (e) Perform such other powers and functions as may be necessary to enhance the
15 ONTA's performance of its powers, functions, and responsibilities, as
16 enumerated in this Act.

17 SEC. 8. *Qualifications, Appointment, Term, and Rank of the National Taxpayer*
18 *Advocate.* - The ONTA shall be headed by the National Taxpayer Advocate, who shall have
19 the authority and responsibility for the effective exercise of the mandate of the ONTA and the
20 discharge of its powers and functions.

21 The National Taxpayer Advocate shall be a Filipino citizen, a member of the Philippine
22 Bar in good standing or a Certified Public Accountant, with at least ten (10) years of practice
23 in the field of taxation, and with proven integrity and competence.

24 The National Taxpayer Advocate shall be appointed by the President and shall serve
25 for a term of three (3) years with one (1) re-appointment. In case of vacancy arising from

1 retirement, resignation, removal, permanent incapacity, or death of the National Taxpayer
2 Advocate, the President shall appoint a successor to serve a fresh term of three (3) years with
3 one (1) re-appointment.

4 The appointment and re-appointment of the National Taxpayer Advocate shall be
5 subject to the mandatory retirement age provided under the Civil Service Commission rules.

6 The National Taxpayer Advocate shall have the equivalent rank, salaries, allowances,
7 and retirement benefits of an Assistant Secretary.

8 SEC. 9. *Disqualification.* - An individual cannot be appointed as the National Taxpayer
9 Advocate if such individual has been an employee or officer of, or has rendered service as
10 consultant or in any other capacity to any of the Revenue Authorities for two (2) years prior to
11 such appointment, or has been convicted of any crime involving moral turpitude or a violation
12 of any tax law.

13 SEC. 10. *Submission of Annual Reports.* - The Congressional Oversight Committee
14 on the Comprehensive Tax Reform Program (COCCTRP) shall exercise oversight powers over
15 the implementation of this Act.

16 To this end, the ONTA shall submit a detailed report on its activities and identified
17 problem areas, either personally or through electronic means, to the COCCTRP on or before
18 December 31 of every year.

19 SEC. 11. *Violation of the Bill of Rights of Taxpayers.* - Any person or revenue officer
20 who is found to have violated Section 4 of this Act on Taxpayer's Basic Rights shall be subject
21 to the administrative penalties under Republic Act No. 9485, otherwise known as the "Anti-
22 Red Tape Act of 2007", as amended, and other administrative and civil service laws and rules.

23 The finding of administrative liability for a violation under this Act shall not be a bar
24 to the filing of an applicable criminal or civil case under existing laws for the same violation.

1 The violation of Section 4(n) of this Act on the Right to Quality Service and Assistance
2 shall be penalized under the provisions of Republic Act No. 6713, otherwise known as the
3 “Code of Conduct and Ethical Standards for Public Officials and Employees.”

4 Violations penalized under this Act shall prescribe after twelve (12) years. Prescription
5 shall begin to run from the day of the commission of the violation of the law, and if the same
6 is not known at the time, from the discovery thereof and the institution of judicial proceedings
7 for its investigation and punishment: *Provided*, That the prescription shall be interrupted when
8 proceedings are instituted against the guilty person, and shall begin to run again if the
9 proceedings are dismissed for reasons not constituting double jeopardy.

10 SEC. 12. *Accessibility of the Taxpayer’s Bill of Rights and Obligations.* – The
11 Taxpayer’s Bill of Rights and Obligations shall be made available in all offices of Revenue
12 Authorities, free of charge, whether printed, digital, or otherwise, and shall be posted in their
13 respective websites, in English and Filipino languages.

14 SEC. 13. *Integration of Taxpayer’s Bill of Rights and Obligations in Higher*
15 *Education Curriculum.* – All public and private higher education institutions shall integrate
16 the Taxpayer’s Bill of Rights and Obligations as part of the curriculum. The Commission on
17 Higher Education shall, pursuant to its mandate under Republic Act No. 7722, otherwise
18 known as the “Higher Education Act of 1994”, develop the program to execute and implement
19 this section.

20 SEC. 14. *Appropriations.* - The amount necessary for the implementation of the Act
21 shall be included in the annual General Appropriations Act.

22 SEC. 15. *Implementing Rules and Regulations.* – Within sixty (60) calendar days
23 from the effectivity of this Act, the DOF shall, in consultation with relevant agencies and the
24 private sector, promulgate the necessary rules and regulations, for the effective implementation
25 of this Act.

1 SEC. 16. *Separability Clause.* – If any provision of this Act is declared invalid or
2 unconstitutional, other provisions hereof which are not affected thereby shall remain in full
3 force and effect.

4 SEC. 17. *Repealing Clause.* – All laws, orders, decrees, rules and regulations, and other
5 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or
6 modified accordingly.

7 SEC. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication
8 in the *Official Gazette* or in a newspaper of general circulation.

Approved

