

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

TWENTIETH CONGRESS  
First Regular Session

HOUSE BILL NO. 6563



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Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCCADO**

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### EXPLANATORY NOTE

While two things are certain in life - death and taxes, the government should at least remove the burden of one. The imposition of the estate tax under Title III of the National Internal Revenue Code (NIRC) has long been identified as one of the most administratively burdensome taxes in the Philippines. Despite multiple reforms - including the TRAIN Law, which reduced the amnesty rate to 6% - estate tax collections remain negligible relative to total government revenues. Moreover, the properties subject to estate tax have already been subjected to income tax, real property tax, and capital gains tax further questioning the necessity of this additional levy.

In 2024, total national government revenues reached a record Php 4.419 trillion, the highest in 27 years, thanks largely to strong tax and non-tax collections. Meanwhile, from the start of the amnesty program (2019) until March 31, 2023, the government collected only Php 7.41 billion from 133,860 beneficiaries who availed themselves of the amnesty under the estate-tax amnesty. On average, estate-tax collections under regular compliance plus amnesty proceeds amount to roughly Php 7 billion per year. This figure represents only about 0.15% of the 2024 revenue haul. Even if actual collections are slightly higher or lower in other years, it remains clear that estate tax contributes a small share, which is below 0.5% of the national revenues. Such negligible returns raise serious doubts about the continued utility of the estate tax, especially when balanced against its administrative and social costs.

Moreover, estate tax yields less than 0.1% of total revenues, imposes disproportionate burden on poor and low-income Filipino families, locks properties, and reduces efficiency. In other words, estate tax imposes significant hardship on ordinary Filipino families - *hirap ka nang mabuhay, hirap ka ding mamatay*. Many cannot afford to pay estate tax, resulting in untitled or “frozen” properties that cannot be sold, developed, used as collateral, or transferred to the next generation. This perpetuates poverty by keeping families from unlocking the economic value of their own assets. In many communities, heirs live on the land of their parents or grandparents but remain unable to secure legal ownership simply because they cannot shoulder the tax. The abolition of the estate tax directly benefits the poor by removing a financial requirement they are least able to pay, clearing pathways to land

formalization, enabling access to credit, supporting livelihood, and helping families build inter-generational wealth.

Other countries have abolished similar taxes. Estate tax collections average P7 billion per year (0.07% of revenue). Offsets through increased DST, capital gains tax and economic activity make net fiscal impact close to neutral. In several jurisdictions that repealed estate or inheritance taxes, the administrative cost of enforcement often exceeded the revenue collected.

The current law imposes 6% estate tax, requires filings and clearances - including the required certification from a Certified Public Accountant when the estate's gross value exceeds P5 million. The proposed bill introduces the abolition of the estate tax in its entirety, removes filings, and streamlines transfers.

This unburdens families, unlocks dormant assets, improves land markets, reduces administrative load, and aligns with international best practice.

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



**REP. NATHANIEL “ATTY. NAT” M. ODUCADO**  
I Tahanan Party List

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**AN ACT ABOLISHING THE ESTATE TAX, AMENDING FOR THE PURPOSE  
THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR  
OTHER PURPOSES**

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

**SECTION 1. *Short Title.*** - This Act shall be known as the “Estate Tax Abolition Act  
of 2025”.

**SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State to promote  
the equitable and efficient transfer of property, lessen the financial burden on heirs, simplify tax  
administration, and minimize legal and administrative delays in the settlement of estates.

**SEC. 3. *Abolition of Estate Tax.*** - Section 84 of the National Internal Revenue Code of  
1997 (NIRC), as amended, and all other provisions imposing estate tax on the transfer of the net  
estate of every decedent, whether resident or non-resident, are hereby repealed.

**SEC. 4. *Repeal of related provisions.*** – Sections 85-97, Section 103, insofar as related to  
estate tax, and all other references under Title III of the NIRC are hereby amended or repealed  
accordingly.

**SEC. 5. *Transitory Provision.*** - Estates of decedents prior to effectivity of this Act shall  
comply with the old law. Pending estate tax cases shall continue as well unless covered by  
amnesty.

**SEC. 6. *Transfer of Properties Without Estate Tax Clearance.*** - Transfers shall require  
only proof of death, proof of heirship, settlement instrument, and payment of the appropriate  
documentary stamp tax, capital gains tax, and other applicable taxes, except estate tax.

**SEC. 7. *Implementing Rules and Regulations.*** -- The Department of Finance and the  
Bureau of Internal Revenue shall issue the implementing rules and regulations and appropriate  
internal guidelines within ninety (90) days from the passage of this Act.

**SEC. 8. *Repealing Clause.*** -- All provisions of laws that are inconsistent with these amendments are hereby repealed or modified accordingly.

**SEC. 9. *Separability Clause.*** -- If any portion or provision of these amendments is declared unconstitutional or invalid, the other portions or provisions hereof, which are not affected thereby, shall continue in full force and effect.

**SEC. 10. *Effectivity.*** -- This Code shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general publication.

Approved.