

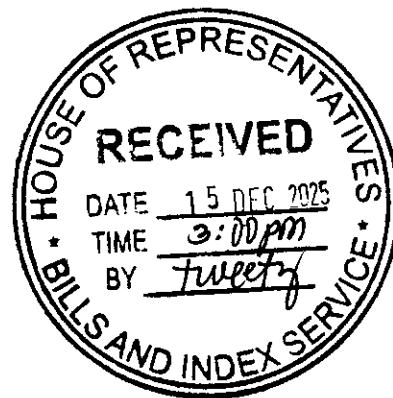


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session

House Bill No. 6862



Introduced by REPRESENTATIVE GERALD CLOYD ALEXIS V. GALANG

EXPLANATORY NOTE

This bill seeks to repeal the estate tax provisions of the National Internal Revenue Code, as amended, and to abolish its imposition to ease the burden of the heirs from the ordeal of paying estate tax, especially after having suffered the death of the decedent, mourning the loss of the family, and shouldering many other expenses related to the death.

Estate tax is described as a tax on the privilege of the deceased person to transmit his or her estate to his or her lawful heirs and beneficiaries at the time of death. It is not a tax on property, but it is a tax imposed on the privilege of transmitting property upon death of the owner.

Estate tax has a narrow tax base but entails huge administrative costs. As revenue dwindles, the fiscal benefits of the tax to the government are eventually outweighed by the administrative, political, and economic costs of levying a tax on a narrow base, and repeal becomes a more and more viable option. Simply put, the costs do not justify the expected tax revenue in the imposition of estate tax.

Despite the various amendments enacted pertaining to estate tax under the National Internal Revenue Code, specifically under Republic Act No. 10963, otherwise known as Tax Reform for Acceleration and Inclusion (TRAIN), there is a need to revisit the wisdom behind the imposition of the estate tax, as estate tax appears to be losing ground around the world because of its poor performance in terms of revenue generation.

It is for this purpose that the urgent passage of this measure is earnestly sought.


GERALD GALANG
2nd Legislative District, City of Valenzuela



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Introduced by **REPRESENTATIVE GERALD CLOYD ALEXIS V. GALANG**

AN ACT
REPEALING THE ESTATE TAX UNDER THE NATIONAL INTERNAL
REVENUE CODE, AS AMENDED

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 Repeal Act of 2025."

SEC. 2. *Estate Tax Repeal.* All provisions of the National Internal Revenue Code of 1997 (Republic Act No. 8424), as amended by the Tax Reform for Acceleration and Inclusion (TRAIN) Law (Republic Act No. 10963), imposing the estate tax on the transfer of the net estate of deceased persons, are hereby repealed.

SEC. 3. *Retroactive Effect.* This Act shall have retroactive effect and the imposition of estate tax before the effectivity of this Act shall also be revoked.

SEC. 4. *Amendments to Other Relevant Provisions.* All references to estate tax in any law, regulation, or administrative issuance shall be deemed repealed accordingly. The Bureau of Internal Revenue (BIR) shall issue the necessary rules and regulations to implement this Act.

SEC. 5. *Repealing Clause.* All laws, decrees, executive orders, rules, and regulations, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 6. *Separability Clause.* If any provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

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

Approved,