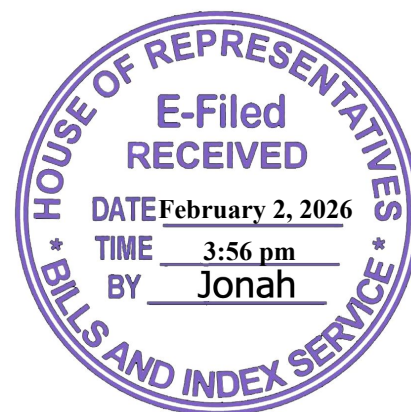


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7561



Introduced by **Representatives ERIC G. YAP and EDVIC G. YAP**

EXPLANATORY NOTE

This bill seeks to abolish the estate tax imposed by Chapter I of Title III of Republic Act No. 8424, otherwise known as the “*National Internal Revenue Code of 1997*”, as amended. Settling an estate often involves complex documentation, exorbitant legal fees, and lengthy procedural requirements at a time when grieving families are still coping with loss. Abolishing the estate tax will not only simplify tax compliance, but shall also alleviate the financial and administrative burden of the surviving family.

Under the Philippine tax rules, estate tax is a tax on the privilege of the decedent to transmit his estate at death to his lawful heirs and beneficiaries. Currently, the net estate of every decedent, whether resident or non-resident of the Philippines, shall be subject to an estate tax at the rate of six percent (6%)¹. The Bureau of Internal Revenue (BIR) reported that for CY 2024, 56,901 taxpayers availed of the estate tax amnesty with corresponding revenue collection of Php 2.667 Billion². This is a mere .06% of the country’s 2024 total revenue of Php 4.419 Trillion³. This proves to be an inefficient revenue source relative to its bureaucratic cost.

The families most affected by the imposition of estate taxes are those with limited resources and those who are unable to seek professional help from lawyers or tax advisers. These result in properties remaining untitled, land undeveloped, or homes frozen in legal limbo simply because heirs cannot afford to pay, or are simply unable to face the lengthy process of settling an estate tax.

Many countries across Asia have also recognized this and responded to the call. Singapore⁴, Hong Kong⁵, Malaysia, Brunei, India, Indonesia, Cambodia, Mongolia, and Bhutan have likewise abolished similar taxes.

¹ KATIGBAK, Maricel. 2025. *Estate Tax: A duty you can't escape*. Retrieved from <https://www.grantthornton.com.ph/insights/articles-and-updates1/lets-talk-tax/estate-tax-a-duty-you-cant-escape/>. Retrieved on 09 December 2025.

² BUREAU OF INTERNAL REVENUE. 2024. *Bureau of Internal Revenue 2024 Annual Report*. Retrieved from page 52, https://web-services.bir.gov.ph/annual_reports/annual_report_2024/BIR%202024%20AR.pdf. Retrieved on 09 December 2025.

³ BUREAU OF THE TREASURY. 2025. *Full-Year 2024 Cash Operations Report*. Retrieved from <https://www.treasury.gov.ph/?p=68763>. Retrieved on 09 December 2025.

⁴ INLAND REVENUE AUTHORITY OF SINGAPORE. 2024. *Estate Duty*. Retrieved from <https://www.iras.gov.sg/taxes/other-taxes/estate-duty/estate-duty>. Retrieved on 09 December 2025.

⁵ INLAND REVENUE DEPARTMENT HONG KONG. 2017. *Revenue (Abolition of Estate Duty) Ordinance 2005*. Retrieved from <https://www.ird.gov.hk/eng/tax/edu>. Retrieved on 09 December 2025.

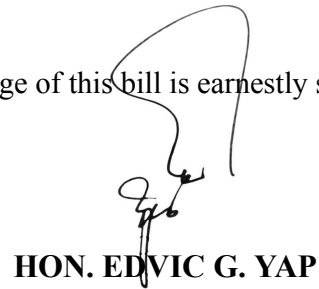
This proposed measure seeks to protect all families, not only those who are wealthy, but also ordinary families who have worked for decades to acquire modest homes, small lots, or farmlands they wish to preserve for their children and their descendants.. Abolishing the estate tax would allow heirs to inherit without fear of losing what their parents worked for all their lives, and would allow properties to be transferred and titled.

If countries like Singapore and Hong Kong can choose compassion for the sake of dignity, and ease of living for their citizens, especially during their moments of loss, then perhaps it is time that we, as a nation, follow suit.

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



HON. ERIC G. YAP



HON. EDVIC G. YAP

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7561

Introduced by **Representatives ERIC G. YAP and EDVIC G. YAP**

AN ACT
TO ABOLISH THE ESTATE TAX, REPEALING CHAPTER I OF TITLE III OF
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 “*Abolition of the Estate Tax Act*”.

SEC. 2. *Declaration of Policy.* – It is hereby the declared policy of the State to promote economic growth, encourage wealth accumulation within Filipino families, and simplify tax compliance. In pursuit of this policy, the State recognizes the need to abolish the estate tax imposed under existing laws.

SEC. 3. *Abolition of the Estate Tax.* – Chapter I of Title III of Republic Act No. 8424, otherwise known as the “*National Internal Revenue Code of 1997*”, as amended, imposing the estate tax on the transfer of the net estate of deceased persons, whether resident or nonresident of the Philippines, are hereby repealed. Consequently, estates of deceased persons shall no longer be subject to estate tax.

SEC. 4. *Retroactive Effect.* – This Act shall have retroactive effect and the imposition of estate tax before the effectivity of this Act shall likewise be revoked.

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

SEC. 5. *Separability Clause.* – If any portion or provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 6. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

SEC. 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette and at least two (2) newspapers of national circulation.

Approved,