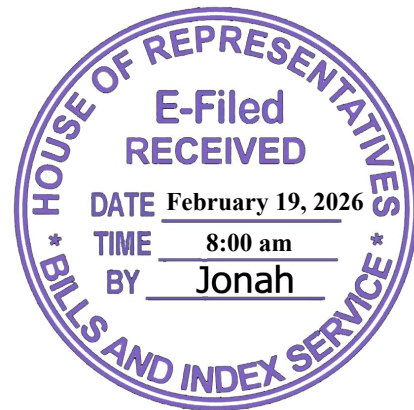




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 7899



Introduced by REPRESENTATIVE LORDAN G. SUAN

EXPLANATORY NOTE

Other than death, there is nothing more inevitable in life than taxes. This is an old dictum often used or paraphrased in many ways to emphasize the burden of taxes imposed upon the citizens of a nation. Although taxes, per se, are necessary to sustain government operations, some taxes are burdensome and unnecessary. One of these taxes is the estate tax, sometimes called the inheritance tax.

The TRAIN law simplified the computation of the estate tax and increased the deduction to encourage compliance and increase government revenue. Years have passed, yet compliance and revenue remain low. Unsettled estates remain high. Many inherited properties in the Philippines are not transferred to legitimate heirs. Instead of being potential investments, these untransferred/unsettled properties become “dead capital” because their liquidity and economic use become limited.

In reality, the doctrinal justification for imposing an estate tax to reduce wealth concentration no longer holds. Wealthy families have found ways to avoid or reduce tax compliance. The burden is borne by the middle class, who cannot afford legal fees and administrative costs in addition to the estate tax itself. Oftentimes, they are forced to sell their inheritance because they cannot afford to pay the tax and other expenses that come with the process. Aside from that, wealth these days is no longer tied to lands or houses. Wealth comes in many forms, like bank deposits, shares of stock, artworks, vehicles, investments, jewelry, and other receivables. These kinds of wealth, including the traditional concept of wealth, are already being taxed. It is no longer just to tax them again. The government should adopt a progressive mindset that an efficient and immediate transfer will redound to increased economic use, activity, and opportunities.

The repeated clamor for tax amnesty and the recurring enactment of tax amnesty extension legislation are clear indications that the underlying causes of the problem remain unresolved. Abolishing the estate tax is the best solution to solve this problem.

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



HON. LORDAN G. SUAN

1st District
Cagayan de Oro City



Republic of the Philippines

HOUSE OF REPRESENTATIVES

Constitution Hills, Quezon City

TWENTIETH CONGRESS

First Regular Session

HOUSE BILL No. 7899

Introduced by REPRESENTATIVE LORDAN G. SUAN

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:*

1 **SECTION 1. Short Title.** - This Act shall be known as the "Estate Tax
2 Abolition Act of 2026."

3 **SECTION 2. Declaration of Policy.** - It is the policy of the State to ensure that
4 any person shall be afforded equal protection under our laws. It shall endeavor to
5 promote social justice in its pursuit of human and economic development. In
6 pursuit of these policies, the state shall abolish the estate tax to ensure just,
7 equitable, and efficient settlement and transfer of estates.

8 **SECTION 3. Abolition of Estate Tax.** - The estate tax under the National
9 Internal Revenue Code of 1997, as amended, is hereby abolished.

- 10 a.) Title III, Chapter I, Sections 84, 85, 86, 87, 88, 89, 90, 91, 92, 93,
11 94, 95, 96, and 97 of the National Internal Revenue Code of 1997,
12 as amended, are hereby repealed.
13 b.) Sections 22, 23, 24, 25, 26, and 27 of Republic Act 10963,
14 otherwise known as the Tax Reform for Acceleration and
15 Inclusion (TRAIN), are hereby repealed.
16 c.) All other references in relation to the estate tax in any law,
17 decree, regulation or administrative issuance are hereby
18 repealed.

1 **SECTION 4. *Transitory Provision.*** – All obligations of heirs, executors,
2 administrators, and transferees in relation to estate tax before the effectivity of
3 this Act shall remain.

4 **SECTION 5. *Implementing Rules and Regulations*** – The Department of
5 Finance, in consultation with the Land Registration Authority and other relevant
6 government agencies, shall formulate, within thirty (30) days from the effectivity
7 of this Act, the necessary rules and regulations for its effective implementation.

8 **SECTION 6. *Separability Clause.*** - If any provision of this Act is declared
9 invalid or unconstitutional, the provisions not hereby affected shall remain in full
10 force and effect.

11 **SECTION 7. *Repealing Clause.*** - All laws, decrees, orders, rules and
12 regulations or parts thereof, inconsistent with or contrary to the provisions of this
13 Act are repealed, amended or modified accordingly.

14
15 **SECTION 8. *Effectivity.*** - This Act shall take effect fifteen (15) days from the
16 date of its publication in the Official Gazette, or a website provided for by law.

Approved,