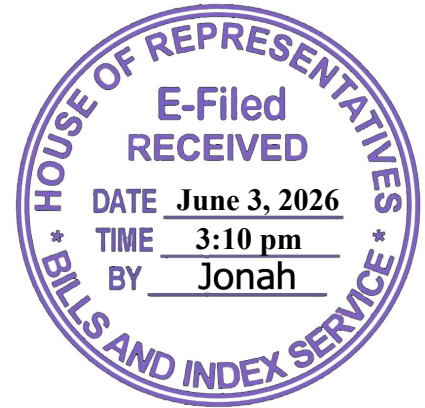


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9717



Introduced by Representative Kenneth T. Gatchalian

EXPLANATORY NOTE

While recent reforms such as Republic Act No. 11976 or the Ease of Paying Taxes Act have simplified tax compliance, there remains a significant imbalance between the powers of tax authorities and the protection of taxpayer rights. Reports of harassment, abuse of discretion, and lack of accessible remedies continue to undermine public trust in revenue agencies such as the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC). Existing laws, including Republic Act No. 6713, provide general standards for public officials but do not sufficiently guarantee enforceable rights and remedies for taxpayers.

This bill seeks to institutionalize a Taxpayer Bill of Rights and Obligations (TBORO) that clearly defines the fundamental rights and duties of taxpayers in their interactions with tax authorities. It aims to ensure transparency, fairness, due process, and accountability in tax administration, while also promoting voluntary compliance through better taxpayer awareness and protection.

The measure likewise proposes the creation of an independent Office of the National Taxpayer Advocate, mandated to assist taxpayers in resolving disputes, address complaints, and safeguard taxpayer rights against abuse, inefficiency, or inaction by revenue agencies. By strengthening taxpayer protection mechanisms, this bill seeks to foster greater public trust, improve compliance, and ultimately enhance revenue collection.

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


KENNETH T. GATCHALIAN

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9717

Introduced by Representative Kenneth T. Gatchalian

**AN ACT PROVIDING FOR THE
BILL OF RIGHTS AND OBLIGATIONS OF TAXPAYERS, CREATING THE
OFFICE OF THE NATIONAL TAXPAYER ADVOCATE, APPROPRIATING
FUNDS THEREFOR, 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 Taxpayer's
2 Bill of Rights and Obligations Act."

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

9 **SEC. 3.** *Definition of Terms.* — As used in this Act, the following terms
10 shall mean:

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

- 1 (b) *Revenue Authority* refers, singly or collectively, to the Bureau of
2 Internal Revenue (BIR), Bureau of Customs (BOC), Local
3 Government Units (LGUs), and other tax collecting agencies;
- 4 (c) *Revenue Officers* refer to the officers, employees, and agents of the
5 revenue authorities;
- 6 (d) *Summary Collection* refers to the civil remedy of the government for
7 the collection of accounts receivable or delinquent accounts by
8 garnishment or distraint of personal property, or levy of real property;
- 9 (e) *Taxes* refer to all exactions for revenue-raising purposes imposed
10 under the National Internal Revenue Code (NIRC) of 1997, as
11 amended, the Customs Modernization and Tariff Act of 2016, the
12 Local Government Code of 1991, as amended, and all other tax laws.
- 13 (f) *Taxpayer* refers to any person, whether natural or juridical, subject to
14 the tax imposed by the national and local government; and
- 15 (g) *Tax Audit* refers to the examination into a taxpayer's obligation, and
16 compliance with tax laws, rules and regulations by the respective
17 revenue authorities.

18 **SEC. 4.** *Taxpayer's Bill of Rights and Obligations.* — Without prejudice
19 to the other rights and remedies of the taxpayer provided for in the National
20 Internal Revenue Code (NIRC) of 1997, as amended; Customs Modernization and
21 Tariff Act (CMTA); Republic Act (RA) No. 1125, creating the Court of Tax
22 Appeals (CTA), 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
24 support thereof, the taxpayer is hereto granted basic taxpayer rights, whether at the
25 administrative level or at the judicial level. Provided, That nothing in this Act shall
26 amend, modify, or repeal the provisions of the abovementioned laws: Provided,
27 further, That the taxpayer is expected to observe and comply with tax obligations

1 enumerated in this Act and in other relevant laws, rules, and regulations that are
2 implemented by revenue authorities.

3 **SEC. 5. *Taxpayer's Basic Rights.*** — The following are the taxpayer's
4 basic rights:

- 5 (a) *Right to be informed.* – The taxpayer shall have the right to know in a
6 simplified manner how one can comply with laws, rules and
7 regulations implemented by revenue authorities. The taxpayer is
8 entitled to clear, complete, accurate, and simplified explanation of tax
9 laws, rules, regulations, procedures, and other issuances, as well as be
10 apprised of taxpayer's rights and obligations in all tax forms,
11 publications, notices, correspondences, assessments, rulings, and
12 decisions.

13 In case of any deficiency tax findings, alleged violations or any
14 decisions or rulings rendered by the revenue authorities, the taxpayer
15 shall be informed in the written decision or ruling, clearly and
16 sufficiently of the facts and laws thereon, including any supporting
17 computation and documentation upon which they are based.

18 The taxpayer shall have the right to be informed of any institution
19 by revenue authorities of a summary collection action, which requires
20 sale or seizure of property or the freezing of assets.

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

- 23 (b) *Right to fair, uniform, and faithful application of laws.* - The taxpayer
24 shall have the right to a fair, uniform and faithful application of laws,
25 rules, regulations, and other issuances of revenue authorities in all
26 proceedings involving the taxpayer.

- 27 (c) *Right to challenge the position of and be heard by Revenue*
28 *Authorities.* – The taxpayer shall have the right to challenge and raise

1 objections against the findings, assessments, rulings, or decisions of
2 the revenue authorities.

3 The taxpayer shall have the right to be heard and that the
4 evidence presented by the taxpayer be duly considered in deciding any
5 matter involving the taxpayer.

6 (d) *Right to fair and impartial proceedings before the Revenue*
7 *Authorities.* – The taxpayer shall at all times be entitled to fair and
8 impartial dispositions of the assessment cases, deficiency findings,
9 requests for rulings, decisions, and other dispositions made by the
10 revenue authorities concerning the taxpayer.

11 (e) *Right to present evidence and witnesses.* – The taxpayer shall have the
12 right to be given ample and adequate opportunity to present evidence
13 in the possession of the taxpayer or any third party, and call on
14 witnesses to testify, as the case may be, that would assist the taxpayer
15 in the pursuit of any assessment or matter involving it.

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

25 In case the taxpayer experiences financial difficulty in engaging
26 the services of a private counsel or qualified professional, the Office of
27 the National Taxpayer Advocate (ONTA) shall provide free and
28 effective representation to the taxpayer, upon the latter's request.

1 (g) *Right to timely and expeditious completion and finality of tax audits.* –
2 The taxpayer shall have the right to have revenue authorities begin and
3 complete tax audits and to address the requests and other matters
4 pending before the revenue authorities in a timely and expeditious
5 manner.

6 The taxpayer shall have the right to know when the revenue
7 authorities have completed an audit or examination of the taxpayer.

8 (h) *Right against baseless assessment.* – The tax authorities are prohibited
9 from issuing assessments against taxpayers without the benefit of a
10 proper audit conducted by authorized revenue authorities against
11 taxpayers. Otherwise, such assessments shall be void.

12 (i) *Right to be given an opportunity for amicable settlement.* – Unless
13 contrary to laws, the taxpayer shall have the opportunity to amicably
14 settle the taxpayer's deficiencies and delinquencies, at any stage of the
15 proceedings: *Provided*, That said settlement must be in writing and
16 duly signed by the parties or their agent.

17 (j) *Right to avail of installment payment.* – In so far as may be permitted
18 by law, the taxpayer shall have the right to settle tax liabilities through
19 installment payments.

20 (k) *Right to pay no more than the correct amount of tax.* – The taxpayer
21 shall have the right to pay only the amount of tax legally due,
22 including interest, surcharges, fines, and penalties.

23 (l) *Right to relief from paying interests, surcharges and penalties.* – The
24 taxpayer shall be entitled to a reduction of interests, surcharges and
25 penalties levied on their tax liabilities in case of any excessive
26 assessment or undue delay caused by the revenue authorities,
27 including instances of loss of records, personnel transfers, extended

1 illness or leaves of absence, and personnel training, resignation,
2 retirement, or termination from service of the concerned personnel.

3 (m) *Right to recover actual costs and actual damages arising from judicial*
4 *actions.* – The taxpayer shall have the right to recover actual costs and
5 actual damages, including attorney’s fees and expenses of litigation,
6 arising from judicial actions, as may be determined by a court of
7 competent jurisdiction.

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

12 (o) *Right to confidentiality.* – The taxpayer shall have the right to privacy
13 of communication and correspondence, as guaranteed by the
14 Constitution, and the Data Privacy Act of 2012. The taxpayer shall
15 have the right that any information provided to revenue authorities
16 shall not be disclosed and shall be kept confidential, unless disclosure
17 is expressly authorized by law or by the taxpayer.

18 **SEC. 6. Taxpayer’s Basic Obligations.** – Complementary to the above
19 taxpayer’s rights are the following duties and responsibilities of the taxpayer:

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

23 (b) *Obligation to Truthfully and Timely Disclose Information.* – The
24 taxpayer shall truthfully and timely disclose complete and accurate
25 information as required by tax laws, rules, and regulations, including
26 but not limited to, registered address, official email address,
27 registered activities, tax type details, and accounting period;

- 1 (c) *Obligation to Lodge and Submit Required Documents Completely and*
2 *on Time.* – The taxpayer shall lodge and submit, either personally or
3 through electronic means, in a timely manner all relevant information,
4 books of accounts, reports, records, returns, and other documents to
5 revenue authorities on or before the dates set by tax laws, rules, and
6 regulations;
- 7 (d) *Obligation to Keep and Make Tax Records Available for*
8 *Examination.* – The taxpayer shall keep accurate records of the
9 required books of accounts and other tax information for the duration
10 required by law, rules, and regulations, and make them available for
11 examination by revenue officers following proper procedures;
- 12 (e) *Obligation to Cooperate with Revenue Authorities in Tax Audit.* – The
13 taxpayer shall cooperate with revenue authorities in the latter’s
14 conduct of tax audits in accordance with laws, rules, and regulations;
15 and
- 16 (f) *Obligation to Timely Pay Taxes.* – The taxpayer shall timely pay the
17 taxes due to the government through any available payment channels.

18 **SEC. 7.** *Creation of the Office of the National Taxpayer Advocate.* — In
19 order to protect the rights of taxpayers, both substantive and procedural, the ONTA
20 is hereby created to promote tax compliance and assist taxpayers. The ONTA shall
21 be an independent and autonomous office attached to the Department of Justice
22 (DOJ) for purposes of policy and program coordination.

23 The ONTA shall have the power to provide for the structural organization
24 and staff of its offices, create divisions and units, including regional or provincial
25 offices, as may be necessary, and designate and appoint officers and employees of
26 the Office, subject to the approval of the Department of Budget and Management
27 (DBM) and in accordance with civil service laws, rules, and regulations: Provided,

1 That all employees shall be subject to Republic Act No. 6758, otherwise known as
2 the Salary Standardization Act.

3 **SEC. 8. Powers, Functions and Responsibilities of the Office of the**
4 *National Taxpayer Advocate.* — The ONTA shall have the following functions,
5 powers, and responsibilities:

- 6 (a) Assist the public in their queries and concerns relative to taxes by
7 providing legal and procedural advice, including guidance on remedial
8 measures that can be availed of, which may be in writing upon request
9 of the taxpayer;
- 10 (b) Represent low income taxpayers, and assist, initiate, and intervene, as
11 may be applicable, in tax cases, complaints, and proceedings, after due
12 evaluation: Provided, That the ONTA shall have the power to set
13 qualifications of taxpayers who shall be given priority in the ONTA's
14 representation services pursuant to Section 5(f) of this Act. The ONTA
15 may collaborate with qualified professionals to assist in the
16 representation of low income taxpayers who have a dispute with
17 revenue authorities and to provide education and outreach program to
18 low income taxpayers;
- 19 (c) Engage in regular information, education, and communication
20 programs for all taxpayers on tax laws, rules, regulations, circulars,
21 including those that implement Supreme Court decisions, and other
22 issuances that affect them, including their rights and remedies under
23 the law;
- 24 (d) Recommend remedial administrative measures to revenue authorities
25 by way of continuing policy review, and to the Anti-Red Tape
26 Authority (ARTA) for purposes of reducing regulatory burden to
27 taxpayers;

- 1 (e) Monitor tax issuances of revenue authorities, and propose
2 recommendations, when necessary, at the administrative level, to
3 ensure that taxpayers' rights as provided in this Act are upheld;
4 (f) Develop capacity building programs, and conduct the necessary
5 trainings for the officials and employees of ONTA; and
6 (g) Perform such other powers and functions as may be necessary to
7 enhance the ONTA's performance of its powers, functions, and
8 responsibilities, as enumerated in this Act.

9 **SEC. 9. *Qualifications of the National Taxpayer Advocate and Deputy***
10 *National Taxpayer Advocate.* – The ONTA shall be headed by the National
11 Taxpayer Advocate, who shall have the primary authority and responsibility for
12 the effective exercise of its mandate and the discharge of its powers and functions.
13 The National Taxpayer Advocate shall be assisted by Deputy National Taxpayer
14 Advocates, one (1) each for the National Capital Region, Luzon, Visayas, and
15 Mindanao.

16 The National Taxpayer Advocate, who is a member of the Philippine Bar in
17 good standing, and deputy national taxpayer advocate, who is a member of the
18 Philippine Bar in good standing or a Certified Public Accountant, shall be Filipino
19 citizens, with at least ten (10) years of practice in the field of taxation with proven
20 integrity and competence and must not have been convicted of any crime involving
21 a violation of any tax laws and rules, and of any crime involving moral turpitude.

22 **SEC. 10. *Appointment, Term, and Rank.*** – The National Taxpayer
23 Advocate and Deputy National Taxpayer Advocates shall be appointed by the
24 President. The National Taxpayer Advocate may recommend the Deputy National
25 Taxpayer Advocates who shall be appointed by the President: Provided, That
26 preferably at least two (2) of the Deputy National Taxpayer Advocates are women.
27 The National Taxpayer Advocate and the four (4) Deputy National Taxpayer
28 Advocates shall, subject to the mandatory retirement age provided under the civil

1 service commission (csc) rules, serve for a term of three (3) years with one (1) re-
2 appointment.

3 In case of vacancy arising from retirement, resignation, removal, permanent
4 incapacity, or death of the National Taxpayer Advocate or Deputy National
5 Taxpayer Advocate, the President shall appoint a successor to serve a fresh term of
6 three (3) years and shall be eligible for one (1) reappointment.

7 The National Taxpayer Advocate and Deputy National Taxpayer Advocates
8 shall have the equivalent rank, salaries, allowances, and retirement benefits as an
9 Undersecretary and Assistant Secretary, respectively.

10 **SEC. 11. *Disqualification.*** – An individual cannot be appointed as the
11 National Taxpayer Advocate or Deputy National Taxpayer Advocate if such
12 individual has been an employee or officer of, or has rendered service as
13 consultant or in any other capacity to any of the revenue authorities for two (2)
14 years prior to such appointment.

15 **SEC. 12. *Submission of Annual Reports.*** – The Congressional Oversight
16 Committee on the Comprehensive Tax Reform Program (COCCTRP) shall
17 exercise oversight powers over the implementation of this Act.

18 To this end, the ONTA shall submit a detailed report on its activities and
19 identified problem areas, either personally or through electronic means, to the
20 COCCTRP on or before December 31 of every year, copy furnished the
21 Secretaries of Justice and Finance, particularly on identified areas in which
22 taxpayers have problems in dealing with revenue authorities.

23 Afterwards, on or before June 1 of every year, the Secretaries of Justice and
24 Finance shall submit their comments in relation to the ONTA's report, either
25 personally or through electronic means, to the COCCTRP and shall include
26 appropriate remedial action, if any, or proposed legislation, and other
27 recommendations on the proper implementation of this Act.

1 **SEC. 13. *Penalties for the Violation of the Bill of Rights of Taxpayers.*** —
2 Notwithstanding the administrative remedies provided in the National Internal
3 Revenue Code (NIRC) of 1997, as amended; the Customs Modernization and
4 Tariff Act of 2016 (CMTA); R.A. No. 1125 creating the Court of Tax Appeals
5 (CTA), as amended; and Book II of the Local Government Code of 1991, as
6 amended, any person or revenue officer who is found to have violated Section 5 of
7 this Act shall be punished with imprisonment of not less than six (6) months nor
8 more than six (6) years, or a fine of not less than One Hundred Thousand Pesos
9 (Php100,000.00) but not more than One Million Five Hundred Thousand Pesos
10 (Php1,500,000.00), or both.

11 Violations penalized by this act shall prescribe after twelve (12) years.
12 Prescription shall begin to run from the day of the commission of the violation of
13 the law, and if the same be not known at the time, from the discovery thereof and
14 the institution of judicial proceeding for its investigation and punishment:
15 Provided, That the prescription shall be interrupted when proceedings are
16 instituted against the guilty person, and shall begin to run again if the proceedings
17 are dismissed for reasons not constituting jeopardy.

18 **SEC. 14. *Accessibility of the Taxpayer's Bill of Rights and Obligations.*** —
19 The Taxpayer's Bill of Rights and Obligations shall be made available in all
20 offices of revenue authorities, free of charge, whether printed, digital or otherwise,
21 and shall be posted in their respective websites, in English and Filipino languages.

22 **SEC. 15. *Integration of Taxpayer's Bill of Rights and Obligations in***
23 *Higher Education Curriculum.* — All public and private higher education
24 institutions shall integrate the Taxpayer's Bill of Rights and Obligations as part of
25 the curriculum. The Commission on Higher Education (CHED), pursuant to its
26 mandate under RA No. 7722, otherwise known as the "Higher Education Act of
27 1994," shall develop the program to execute and implement this section.

1 **SEC. 16. *Appropriations.*** — The amount necessary for the implementation
2 of this Act, including the funding for the establishment, yearly operations and
3 maintenance of the ONTA, shall be included in the Annual General Appropriations
4 Act.

5 **SEC. 17. *Implementing Rules and Regulations.*** — Within sixty (60)
6 calendar days from the effectivity of this Act, the DOJ, in consultation with the
7 DOF, DBM, DILG, BIR, BOC, Bureau of Local Government Finance (BLGF),
8 CSC, CHED, and ARTA, shall promulgate the necessary rules and regulations, for
9 the effective implementation of this Act.

10 **SEC. 18. *Separability Clause.*** — If any provision of this Act is declared
11 invalid or unconstitutional, other provisions hereof which are not affected thereby
12 shall remain in full force and effect.

13 **SEC. 19. *Repealing Clause.*** — All laws, orders, decrees, rules and
14 regulations, and other parts thereof inconsistent with the provisions of this Act are
15 hereby repealed, amended or modified accordingly.

16 **SEC. 20. *Effectivity.*** — This Act shall take effect fifteen (15) days after its
17 publication in the Official Gazette or in at least two (2) national newspapers of
18 general circulation.

19
20 *Approved,*