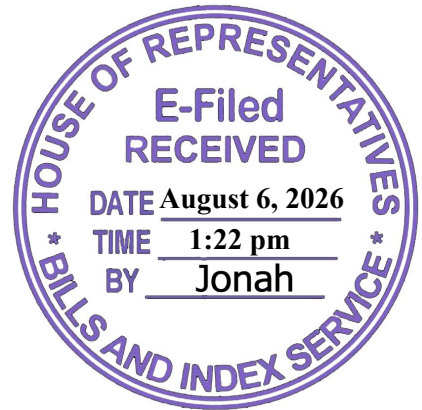


1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Constitution Hills, Quezon City

4
5 **TWENTIETH CONGRESS**
6 Second Regular Session

7
8 **HOUSE BILL NO. 10659**
9



10
11 Introduced by REP. JESUS “BONG” C. SUNTAY
12

13 **EXPLANATORY NOTE**
14

15 The power to tax is indispensable to government, but taxation must remain fair,
16 progressive, and responsive to the actual capacity of citizens and enterprises to pay.
17 Government requires revenue to provide public services, build infrastructure,
18 maintain peace and order, educate the young, protect public health, and support those
19 who need assistance. At the same time, every peso collected in taxes is a peso first
20 earned by a Filipino worker, professional, entrepreneur, or business.

21
22 Tax policy must therefore strike a sensible balance. Government should collect what
23 is reasonably necessary to perform its functions while allowing Filipinos to retain a
24 greater share of the value of their work.

25
26 The individual income tax system presently exempts the first Two Hundred Fifty
27 Thousand Pesos (₱250,000.00) of taxable income. While this represented substantial
28 relief when the Tax Reform for Acceleration and Inclusion Act was enacted, the value
29 of that exemption has steadily been eroded by inflation. Food, electricity,
30 transportation, housing, education, healthcare, and other necessities cost
31 considerably more today. A worker may receive salary adjustments merely to keep
32 pace with these increases and yet become liable for greater income taxes even though
33 his or her real purchasing power has barely improved.

34
35 This phenomenon, commonly referred to as bracket creep, effectively allows inflation
36 to increase the tax burden without Congress imposing a new tax. A tax system intended
37 to be progressive should not treat a nominal increase in income as an increase in
38 economic capacity when that increase merely compensates for a higher cost of living.

39
40 This measure therefore raises the annual tax-exempt income threshold to Four
41 Hundred Thousand Pesos (₱400,000.00), recalibrates the succeeding income
42 brackets, and reduces the applicable marginal income tax rates. The lowest taxable
43 rate is reduced to eight percent (8%), while the succeeding rates are likewise lowered.
44 The highest marginal rate is reduced to thirty percent (30%). The purpose is
45 straightforward: Filipino taxpayers should be allowed to retain more of the income
46 they earn.

1 The measure also addresses the recurring erosion of tax relief by providing for
2 automatic adjustment of the exemption threshold and income brackets based on
3 inflation. Once Congress determines the amount of income that should reasonably
4 remain untaxed, inflation should not silently diminish that protection year after year.
5 Self-employed individuals, professionals, freelancers, and sole proprietors deserve
6 comparable relief. The optional eight percent (8%) income tax applicable to qualified
7 self-employed individuals and professionals is therefore reduced to six percent (6%),
8 with the first Four Hundred Thousand Pesos (₱400,000.00) likewise excluded from
9 its application where allowed under the National Internal Revenue Code.

10
11 The same principle applies to enterprises. Micro and small businesses create
12 employment, sustain communities, and provide much of the economic activity outside
13 the country's largest corporations. Yet the minimum corporate income tax may require
14 a corporation to pay tax based on gross income even when its actual taxable profit is
15 minimal. A minimum tax designed as an anti-avoidance safeguard should not become
16 an additional burden upon legitimate small enterprises struggling to remain viable.

17
18 Accordingly, qualified small domestic corporations are exempted from the minimum
19 corporate income tax. The preferential regular corporate income tax applicable to
20 qualified small domestic corporations is likewise reduced from twenty percent (20%)
21 to fifteen percent (15%), giving these enterprises additional capital for wages,
22 expansion, equipment, and employment.

23
24 This bill also recognizes that a tax system must provide a practical means for taxpayers
25 with unresolved liabilities to return to compliance. Outstanding tax liabilities that
26 remain disputed, uncollected, or buried under accumulated interest and penalties do
27 not necessarily translate into actual government revenue. A properly structured tax
28 amnesty can convert these dormant liabilities into immediate collections, reduce
29 litigation and administrative costs, improve taxpayer records, and bring taxpayers
30 back into the formal system.

31
32 A one-time general tax amnesty is therefore provided for qualified national internal
33 revenue tax liabilities for taxable year 2025 and prior years. The rates are deliberately
34 reasonable to encourage genuine participation, while safeguards exclude unlawfully
35 acquired wealth, taxes collected from third persons but deliberately not remitted to
36 government, money laundering, and other unlawful activities.

37
38 Separate and simplified mechanisms are provided for delinquent accounts, disputed
39 assessments, and estate taxes. Once a taxpayer has truthfully complied with the
40 requirements and fully paid the applicable amnesty tax, the Government must likewise
41 honor its side of the bargain. The amnesty must provide genuine finality rather than
42 merely opening another avenue for subsequent assessment or investigation.

1 Ultimately, meaningful tax relief need not always take the form of another government
2 subsidy or assistance program. There are circumstances when the simplest and most
3 immediate form of economic relief is for government to collect less and allow citizens
4 to keep more of what they have earned. Money retained by taxpayers supports
5 household consumption, savings, investment, entrepreneurship, and economic
6 activity without requiring an application, qualification process, appropriation, or
7 administrative distribution mechanism.

8
9 The Sustaining Economic Relief through Broader Income-tax Savings and Yield
10 Opportunities (SERBISYO) Act seeks to place this principle at the center of tax policy:
11 raise necessary revenues fairly, protect the value of work, give small enterprises room
12 to grow, and make compliance easier for taxpayers willing to fulfill their obligations.

13
14 In view of the foregoing, the immediate passage of this bill is earnestly sought.

15
16
17
18
19

REP. JESUS "BONG" C. SUNTAY

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Constitution Hills, Quezon City
4

5 **TWENTIETH CONGRESS**
6 Second Regular Session
7

8 **HOUSE BILL NO. 10659**
9

10 Introduced by REP. JESUS “BONG” SUNTAY
11
12

13
14 **AN ACT**

15 **PROVIDING BROADER AND SUSTAINING TAX RELIEF TO INDIVIDUAL**
16 **TAXPAYERS AND SMALL ENTERPRISES, REDUCING INDIVIDUAL**
17 **INCOME TAX RATES, INCREASING AND INDEXING THE TAX-EXEMPT**
18 **INCOME THRESHOLD, REDUCING THE INCOME TAX OF QUALIFIED**
19 **SELF-EMPLOYED INDIVIDUALS AND PROFESSIONALS, PROVIDING**
20 **INCOME TAX AND MINIMUM CORPORATE INCOME TAX RELIEF TO**
21 **QUALIFIED SMALL DOMESTIC CORPORATIONS, GRANTING A ONE-**
22 **TIME AMNESTY ON CERTAIN NATIONAL INTERNAL REVENUE TAX**
23 **LIABILITIES, AMENDING FOR THE PURPOSE SECTIONS 24 AND 27 OF**
24 **THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED,**
25 **AND FOR OTHER PURPOSES**
26

27 *Be it enacted by the Senate and House of Representatives of the Philippines in*
28 *Congress assembled:*
29

30 SECTION 1. Short Title. — This Act shall be known as the “Sustaining Economic Relief
31 through Broader Income-tax Savings and Yield Opportunities (SERBISYO) Act.”
32

33 SECTION 2. Declaration of Policy. — It is hereby declared the policy of the State to
34 maintain a fair, progressive, reasonable, and sustainable system of taxation that raises
35 revenues necessary for government while recognizing the right of taxpayers to retain
36 a reasonable and meaningful share of the income generated by their labor, profession,
37 enterprise, and investment.
38

39 The State recognizes that income retained by taxpayers contributes directly to
40 household welfare, consumption, savings, investment, entrepreneurship,
41 employment, and economic growth. Tax policy shall therefore protect the purchasing
42 power of Filipino workers and families and prevent inflation from increasing their
43 effective tax burden solely through nominal increases in income.
44

1 The State further recognizes the indispensable contribution of micro and small
2 enterprises to employment and national development. Taxation of such enterprises
3 shall take into consideration their capacity to pay and shall not unnecessarily impair
4 their capitalization, survival, expansion, or ability to generate employment.

5
6 Towards these ends, the State shall provide meaningful and continuing individual
7 income tax relief, protect taxpayers against bracket creep caused by inflation, reduce
8 the tax burden on qualified small enterprises, simplify tax compliance, and provide
9 qualified taxpayers a reasonable one-time opportunity to settle prior national internal
10 revenue tax liabilities and return to full compliance.

11 12 **TITLE I** 13 **INDIVIDUAL INCOME TAX RELIEF** 14

15 SECTION 3. Amendment of Section 24 of the National Internal Revenue Code. —
16 Section 24(A)(2) of the National Internal Revenue Code of 1997, as amended, is hereby
17 further amended to read as follows:

18
19 “SECTION 24. INCOME TAX RATES. —
20

21 “(A) RATES OF INCOME TAX ON INDIVIDUAL CITIZEN AND INDIVIDUAL
22 RESIDENT ALIEN OF THE PHILIPPINES. —

23 “X X X

24 “(2) RATES OF TAX ON TAXABLE INCOME OF INDIVIDUALS. —
25 EFFECTIVE JANUARY 1, 2027, THE TAX SHALL BE:
26

27 “NOT OVER FOUR HUNDRED THOUSAND PESOS (₱400,000.00) — ZERO
28 PERCENT (0%);

29 “OVER FOUR HUNDRED THOUSAND PESOS (₱400,000.00) BUT NOT
30 OVER EIGHT HUNDRED THOUSAND PESOS (₱800,000.00) — EIGHT
31 PERCENT (8%) OF THE EXCESS OVER FOUR HUNDRED THOUSAND
32 PESOS (₱400,000.00);

33 “OVER EIGHT HUNDRED THOUSAND PESOS (₱800,000.00) BUT NOT
34 OVER TWO MILLION PESOS (₱2,000,000.00) — THIRTY-TWO THOUSAND
35 PESOS (₱32,000.00) PLUS FIFTEEN PERCENT (15%) OF THE EXCESS
36 OVER EIGHT HUNDRED THOUSAND PESOS (₱800,000.00);

37 “OVER TWO MILLION PESOS (₱2,000,000.00) BUT NOT OVER FIVE
38 MILLION PESOS (₱5,000,000.00) — TWO HUNDRED TWELVE
39 THOUSAND PESOS (₱212,000.00) PLUS TWENTY PERCENT (20%) OF THE
40 EXCESS OVER TWO MILLION PESOS (₱2,000,000.00);

41 “OVER FIVE MILLION PESOS (₱5,000,000.00) BUT NOT OVER TEN
42 MILLION PESOS (₱10,000,000.00) — EIGHT HUNDRED TWELVE
43 THOUSAND PESOS (₱812,000.00) PLUS TWENTY-FIVE PERCENT (25%)
44 OF THE EXCESS OVER FIVE MILLION PESOS (₱5,000,000.00); AND

45 “OVER TEN MILLION PESOS (₱10,000,000.00) — TWO MILLION SIXTY-
46 TWO THOUSAND PESOS (₱2,062,000.00) PLUS THIRTY PERCENT (30%)
47 OF THE EXCESS OVER TEN MILLION PESOS (₱10,000,000.00).

1 “BEGINNING JANUARY 1, 2030, AND EVERY THREE (3) YEARS
2 THEREAFTER, THE INCOME LEVELS PRESCRIBED IN THIS PARAGRAPH,
3 INCLUDING THE AMOUNT SUBJECT TO THE ZERO PERCENT (0%) RATE,
4 SHALL BE ADJUSTED UPWARD BY THE CUMULATIVE PERCENTAGE
5 INCREASE IN THE CONSUMER PRICE INDEX FOR ALL INCOME
6 HOUSEHOLDS, AS PUBLISHED BY THE PHILIPPINE STATISTICS
7 AUTHORITY, DURING THE IMMEDIATELY PRECEDING THREE (3)
8 CALENDAR YEARS. THE ADJUSTED AMOUNTS SHALL BE ROUNDED TO
9 THE NEAREST ONE THOUSAND PESOS (₱1,000.00).

10
11 “NO ADJUSTMENT PURSUANT TO THE IMMEDIATELY PRECEDING
12 PARAGRAPH SHALL OPERATE TO REDUCE ANY INCOME THRESHOLD
13 OR INCREASE THE TAX OTHERWISE PAYABLE BY A TAXPAYER.

14
15 “THE SECRETARY OF FINANCE, UPON RECOMMENDATION OF THE
16 COMMISSIONER OF INTERNAL REVENUE, SHALL PUBLISH THE
17 ADJUSTED INCOME LEVELS NOT LATER THAN SEPTEMBER 30 OF THE
18 YEAR IMMEDIATELY PRECEDING THEIR EFFECTIVITY. FAILURE TO
19 PUBLISH THE ADJUSTED INCOME LEVELS WITHIN THE PRESCRIBED
20 PERIOD SHALL NOT SUSPEND THEIR APPLICATION, AND THE
21 ADJUSTMENT REQUIRED BY THIS PARAGRAPH SHALL TAKE EFFECT BY
22 OPERATION OF LAW.

23
24 “X X X.”
25

26 SECTION 4. Tax on Qualified Self-Employed Individuals and Professionals. — The
27 pertinent provisions of Section 24(A)(2)(b) of the National Internal Revenue Code of
28 1997, as amended, are hereby further amended such that qualified self-employed
29 individuals and professionals whose gross sales or gross receipts and other non-
30 operating income do not exceed the value-added tax threshold under Section 109(CC)
31 of the Code may elect to pay an income tax equivalent to six percent (6%) of gross sales
32 or gross receipts and other non-operating income in excess of Four Hundred
33 Thousand Pesos (₱400,000.00) in lieu of the graduated income tax rates under
34 Section 24(A)(2)(a) and the percentage tax under Section 116 of the Code.

35
36 For mixed-income earners, the six percent (6%) tax shall apply to gross sales or gross
37 receipts and other non-operating income from business or the practice of profession
38 without deduction of the Four Hundred Thousand Peso (₱400,000.00) threshold
39 when such threshold has already been applied to compensation income, in accordance
40 with regulations consistent with this Act.

41
42 SECTION 5. Revised Withholding Tax Tables. — The Secretary of Finance, upon
43 recommendation of the Commissioner of Internal Revenue, shall promulgate revised
44 withholding tax tables consistent with Sections 3 and 4 of this Act before their
45 effectivity.
46

1 No income tax shall be withheld from compensation income which, when annualized,
2 does not exceed Four Hundred Thousand Pesos (P400,000.00). The relief granted
3 under this Title shall be applied automatically and shall not require any separate
4 application by the individual taxpayer.

5
6 **TITLE II**
7 **SMALL ENTERPRISE TAX RELIEF**
8

9 SECTION 6. Reduction of Income Tax for Qualified Small Domestic Corporations. —
10 Section 27(A) of the National Internal Revenue Code of 1997, as amended, is hereby
11 further amended to read as follows:
12

13 “SECTION 27. Rates of Income Tax on Domestic Corporations. —
14

15 “(A) IN GENERAL. — EXCEPT AS OTHERWISE PROVIDED IN THIS CODE,
16 AN INCOME TAX RATE OF TWENTY-FIVE PERCENT (25%) EFFECTIVE
17 JULY 1, 2020 IS HEREBY IMPOSED UPON A CORPORATION TAXABLE
18 UNDER THIS TITLE UPON ITS TAXABLE INCOME DERIVED DURING
19 EACH TAXABLE YEAR FROM ALL SOURCES WITHIN AND WITHOUT THE
20 PHILIPPINES:
21

22 “PROVIDED, THAT DOMESTIC CORPORATIONS WITH NET TAXABLE
23 INCOME NOT EXCEEDING FIVE MILLION PESOS (P5,000,000.00) AND
24 WITH TOTAL ASSETS NOT EXCEEDING ONE HUNDRED MILLION PESOS
25 (P100,000,000.00), EXCLUDING THE LAND ON WHICH THE
26 PARTICULAR BUSINESS ENTITY'S OFFICE, PLANT, AND EQUIPMENT
27 ARE SITUATED DURING THE TAXABLE YEAR FOR WHICH THE TAX IS
28 IMPOSED, SHALL BE SUBJECT TO A TAX OF FIFTEEN PERCENT (15%) ON
29 THEIR TAXABLE INCOME DERIVED DURING EACH TAXABLE YEAR
30 FROM ALL SOURCES WITHIN AND WITHOUT THE PHILIPPINES.
31

32 “X X X.”

33 SECTION 7. Exemption of Qualified Small Domestic Corporations from the Minimum
34 Corporate Income Tax. — Section 27(E)(1) of the National Internal Revenue Code of
35 1997, as amended, is hereby further amended to read as follows:
36

37 “(E) MINIMUM CORPORATE INCOME TAX ON DOMESTIC
38 CORPORATIONS. —
39

40 “(1) IMPOSITION OF TAX. — A MINIMUM CORPORATE INCOME TAX OF
41 TWO PERCENT (2%) OF THE GROSS INCOME AS OF THE END OF THE
42 TAXABLE YEAR, AS DEFINED HEREIN, IS HEREBY IMPOSED ON A
43 CORPORATION TAXABLE UNDER THIS TITLE, BEGINNING ON THE
44 FOURTH TAXABLE YEAR IMMEDIATELY FOLLOWING THE TAXABLE
45 YEAR IN WHICH SUCH CORPORATION COMMENCED ITS BUSINESS
46 OPERATIONS, WHENEVER THE MINIMUM CORPORATE INCOME TAX IS

1 GREATER THAN THE TAX COMPUTED UNDER SUBSECTION (A) OF THIS
2 SECTION FOR THE TAXABLE YEAR:

3
4 “PROVIDED, THAT THE MINIMUM CORPORATE INCOME TAX SHALL
5 NOT APPLY TO A DOMESTIC CORPORATION QUALIFIED FOR THE
6 FIFTEEN PERCENT (15%) CORPORATE INCOME TAX RATE UNDER
7 SUBSECTION (A) OF THIS SECTION.

8
9 “X X X.”

10
11 SECTION 8. Non-Imposition of Minimum Corporate Income Tax on Micro and Small
12 Enterprises. — Notwithstanding any provision of the National Internal Revenue Code
13 to the contrary, no minimum corporate income tax shall be imposed upon a juridical
14 entity qualifying as a micro or small enterprise under Republic Act No. 9501, otherwise
15 known as the “Magna Carta for Micro, Small and Medium Enterprises,” as amended,
16 provided that such enterprise satisfies the registration and substantiation
17 requirements prescribed by law.

18
19 **TITLE III**
20 **GENERAL TAX AMNESTY**

21
22 SECTION 9. Coverage. — There is hereby authorized and granted a one-time General
23 Tax Amnesty covering all unpaid national internal revenue taxes for taxable year 2025
24 and prior years, whether or not a return was filed, and whether or not an assessment
25 has been issued, including:

- 26
27 (a) income tax;
28 (b) capital gains tax;
29 (c) donor's tax;
30 (d) value-added tax;
31 (e) percentage taxes;
32 (f) excise taxes;
33 (g) documentary stamp taxes; and
34 (h) other national internal revenue taxes collected by the Bureau of Internal
35 Revenue.

36
37 Estate taxes shall be governed by Title V of this Act. Delinquent accounts and
38 assessments shall be governed by Title IV.

39
40 SECTION 10. General Amnesty Tax. — A taxpayer availing of the General Tax Amnesty
41 shall file a General Tax Amnesty Return and may elect to pay:

- 42
43 (a) one percent (1%) of total assets as of December 31, 2025; or
44 (b) three percent (3%) of net worth as of December 31, 2025.

45
46 The taxpayer's election shall become irrevocable upon filing of the General Tax
47 Amnesty Return and payment of the corresponding amnesty tax.

1 SECTION 11. Minimum Amnesty Tax. — The amnesty tax payable under the
2 immediately preceding Section shall in no case be less than:

3
4 (a) Twenty-Five Thousand Pesos (₱25,000.00), for individual taxpayers,
5 estates, and trusts;

6 (b) Fifty Thousand Pesos (₱50,000.00), for corporations and other juridical
7 entities with total assets not exceeding One Hundred Million Pesos
8 (₱100,000,000.00);

9 (c) One Hundred Thousand Pesos (₱100,000.00), for corporations and other
10 juridical entities with total assets exceeding One Hundred Million Pesos
11 (₱100,000,000.00) but not exceeding One Billion Pesos (₱1,000,000,000.00);
12 and

13 (d) Two Hundred Fifty Thousand Pesos (₱250,000.00), for corporations and
14 other juridical entities with total assets exceeding One Billion Pesos
15 (₱1,000,000,000.00).
16

17 SECTION 12. Statement of Assets, Liabilities, and Net Worth. — A taxpayer availing of
18 the General Tax Amnesty shall submit with the General Tax Amnesty Return a sworn
19 Statement of Assets, Liabilities, and Net Worth, or Statement of Total Assets, as
20 applicable, as of December 31, 2025. Only information reasonably necessary to
21 determine the taxpayer's eligibility and the amnesty tax due may be required.
22

23 No implementing rule shall require disclosure of information unrelated to the
24 computation, verification, or administration of the amnesty provided under this Act.
25

26 SECTION 13. Immunities and Privileges. — Upon full payment of the amnesty tax and
27 substantial compliance with the requirements of this Act, the taxpayer shall, with
28 respect to the taxable years and national internal revenue taxes validly covered:
29

30 (a) be released from payment of the corresponding basic tax, interest,
31 surcharges, compromise penalties, and other additions to tax;

32 (b) be immune from civil, administrative, and criminal liability under the
33 National Internal Revenue Code arising solely from the failure to declare or pay
34 the taxes covered by the amnesty; and

35 (c) be considered fully compliant with respect to such taxes and taxable periods.
36 No taxpayer who has validly availed of the General Tax Amnesty shall thereafter
37 be audited, investigated, assessed, or prosecuted for the taxable years and taxes
38 covered thereby, except upon proof that the availment itself was fraudulent.
39

40 SECTION 14. Confidentiality of Amnesty Information. — All information contained in
41 the General Tax Amnesty Return, Statement of Assets, Liabilities, and Net Worth, and
42 supporting documents submitted under this Act shall be confidential.

43 Such information shall not be used in any investigation, assessment, or proceeding
44 against the taxpayer except for the purpose of determining whether the availment of
45 the amnesty itself was fraudulent.
46

1 Any officer or employee who unlawfully divulges or uses such information shall be
2 subject to the penalties provided under the National Internal Revenue Code and other
3 applicable laws.

4
5 SECTION 15. No Waiver of Bank Secrecy. — Availment of the General Tax Amnesty
6 shall not, by itself, constitute a waiver of any right to confidentiality afforded under
7 Republic Act No. 1405, Republic Act No. 6426, or any other applicable law governing
8 the confidentiality of bank deposits or financial information. Nothing herein shall
9 prevent disclosure pursuant to a lawful court order or under circumstances expressly
10 authorized by existing law.

11
12 **TITLE IV**
13 **AMNESTY ON DELINQUENCIES AND ASSESSMENTS**
14

15 SECTION 16. Tax Amnesty on Delinquencies. — Taxpayers with delinquent national
16 internal revenue tax liabilities for taxable year 2025 and prior years may avail of tax
17 amnesty by paying:

18
19 (a) twenty percent (20%) of the basic tax assessed, in cases of delinquent
20 accounts and assessments which have become final and executory;

21 (b) ten percent (10%) of the basic tax assessed, in tax cases subject of pending
22 administrative protest, reinvestigation, reconsideration, or litigation before the
23 Department of Justice, Court of Tax Appeals, or other court of competent
24 jurisdiction; and

25 (c) thirty percent (30%) of the basic tax assessed, in cases where a final and
26 executory judgment has been rendered by a court.

27 Upon payment of the applicable amount, the corresponding interest, surcharge,
28 compromise penalties, and other additions to tax shall be deemed fully waived,
29 and the tax liability covered by the payment shall be considered fully settled.
30

31 SECTION 17. Withdrawal and Termination of Proceedings. —
32 Upon valid availment of the amnesty under this Title, any pending administrative or
33 judicial proceeding relating solely to the tax liability covered by the amnesty shall,
34 upon proper manifestation by the taxpayer and proof of payment, be terminated
35 without further liability for the taxes and periods covered.
36

37 **TITLE V**
38 **ESTATE TAX AMNESTY**
39

40 SECTION 18. Estate Tax Amnesty. — There is hereby granted an Estate Tax Amnesty
41 covering the estates of decedents who died on or before December 31, 2026, whose
42 estate taxes have remained unpaid or underpaid as of the effectivity of this Act.
43

44 The estate may avail of the amnesty by paying an estate amnesty tax equivalent to six
45 percent (6%) of the decedent's net taxable estate at the time of death, determined in
46 accordance with the estate tax law applicable at the time of death.
47

1 If an estate tax return was previously filed but the estate tax was underpaid, the six
2 percent (6%) estate amnesty tax shall apply to the net undeclared estate. In no case
3 shall the estate amnesty tax be less than Five Thousand Pesos (₱5,000.00).

4 Upon full payment, all interest, surcharges, penalties, and other additions attributable
5 to the estate tax liability covered by the amnesty shall be waived.

6
7 **SECTION 19. Simplified Estate Amnesty Requirements.** — The absence of a previously
8 filed estate tax return, certificate of title, tax declaration, or similar document shall
9 not, by itself, disqualify an estate from availing of the amnesty where ownership,
10 succession, valuation, or other material facts may be established through competent
11 evidence acceptable under existing laws.

12
13 The Bureau of Internal Revenue shall adopt simplified documentary requirements,
14 particularly for estates involving residential property, agricultural land, family homes,
15 and estates of modest value.

16 17 **TITLE VI** 18 **COMMON AMNESTY PROVISIONS** 19

20 **SECTION 20. Period for Availment.** — The amnesties provided under Titles III, IV,
21 and V of this Act may be availed of within two (2) years from the effectivity of the
22 implementing rules and regulations. The Secretary of Finance and Commissioner of
23 Internal Revenue shall have no authority to shorten the period provided herein.

24
25 **SECTION 21. Exclusions.** — The amnesties under this Act shall not apply to:

- 26
27 (a) withholding agents with respect to taxes actually withheld or collected from
28 another person but willfully not remitted to the Government;
29 (b) persons with pending cases involving unlawfully acquired wealth under
30 Republic Act No. 3019, Republic Act No. 7080, and other applicable laws;
31 (c) liabilities directly arising from violations of Republic Act No. 9160, as
32 amended;
33 (d) tax liabilities directly attributable to proceeds of graft, corruption, plunder,
34 trafficking in persons, terrorism, terrorism financing, or other unlawful
35 activities as defined by law; and
36 (e) taxpayers proven to have fraudulently availed themselves of the amnesty
37 through deliberate and material concealment or falsification of information
38 required under this Act.

39
40 **SECTION 22. Finality of Valid Availment.** — Upon full payment and substantial
41 compliance with the applicable requirements of this Act, a valid availment of tax
42 amnesty shall be final, irrevocable, and conclusive upon the Government with respect
43 to the taxes and taxable periods covered thereby.

44
45 No additional substantive requirement may be imposed by administrative regulation
46 after a taxpayer has validly availed of the amnesty.
47

TITLE VII
TAXPAYER PROTECTION AND FINAL PROVISIONS

SECTION 23. Liberal Construction of Tax Relief. — The provisions of this Act granting exemptions, reduced rates, tax amnesty, or other forms of taxpayer relief shall be liberally construed to carry out their remedial and taxpayer-relief purposes. Nothing in this Section shall be construed to extend an exemption or amnesty to a person or transaction expressly excluded under this Act.

SECTION 24. Prohibition Against Administrative Diminution of Tax Relief. — No implementing rule, revenue regulation, revenue memorandum circular, ruling, order, or other administrative issuance shall:

- (a) reduce an exemption or income threshold established under this Act;
- (b) increase a tax or amnesty rate prescribed herein;
- (c) narrow an income bracket established by this Act;
- (d) shorten a period expressly granted to taxpayers;
- (e) impose a substantive qualification for relief not authorized by this Act; or
- (f) otherwise diminish a right, exemption, privilege, or relief expressly granted herein.

SECTION 25. No Application Requirement for Rate Relief. — The individual income tax rates, exemptions, thresholds, and corporate income tax relief provided under Titles I and II shall apply by operation of law to all qualified taxpayers. No taxpayer shall be required to submit a separate application to obtain such relief.

SECTION 26. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue and after consultation with affected taxpayer and business sectors, shall promulgate the rules and regulations necessary for its implementation.

The failure to promulgate implementing rules and regulations within the period prescribed shall not suspend the effectivity or implementation of the tax rates, exemptions, thresholds, and other substantive rights expressly granted under this Act.

SECTION 27. Congressional Oversight and Revenue Report. — The Department of Finance and Bureau of Internal Revenue shall submit to the appropriate committees of the Senate and House of Representatives, not later than one (1) year after the implementation of this Act and annually thereafter for three (3) years, a report containing:

- (a) the number of taxpayers benefiting from the individual income tax reforms;
- (b) the number of qualified small domestic corporations benefiting from the corporate tax relief;
- (c) the number of taxpayers availing of each tax amnesty;
- (d) the amount of revenues collected through the amnesty programs;

1 (e) the estimated revenue impact of the tax reductions and exemptions; and
2 (f) such recommendations as may improve tax administration without
3 diminishing the relief granted under this Act.
4

5 SECTION 28. Separability Clause. — If any provision or part of this Act is declared
6 unconstitutional or invalid, the remaining provisions or parts not affected thereby
7 shall remain in full force and effect.
8

9 SECTION 29. Repealing Clause. — All laws, presidential decrees, executive orders,
10 rules and regulations, or parts thereof inconsistent with this Act are hereby repealed,
11 amended, or modified accordingly.
12

13 SECTION 30. Effectivity. — This Act shall take effect fifteen (15) days after its
14 publication in the *Official Gazette* or in a newspaper of general circulation.
15

16 Approved,