COMMITTEE REPORT NO. 455

Submitted by the Committee on Ways and Means on AUG 27 2020

Re: House Bill No. 7068

Recommending its approval without amendment

Sponsors: Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Wilter "Sharky" Wee Palma III, and Joey Sarte Salceda

Mr. Speaker:

The Committee on Ways and Means to which was referred House Bill No. 7068, introduced by Reps. Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Wilter "Sharky" Wee Palma III, entitled:

"AN ACT EXTENDING THE PERIOD OF AVAILMENT OF THE ESTATE TAX AMNESTY, AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBER 11213, OTHERWISE KNOWN AS THE 'TAX AMNESTY ACT'"


Respectfully submitted,

REP. JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
This bill seeks to extend the period to avail of the estate tax amnesty under Republic Act (RA) No. 11213, otherwise known as the "Tax Amnesty Act."

Republic Act No. 11213 was approved by President Rodrigo Duterte on February 14, 2019. Under this law, the government provides the taxpayers a one-time opportunity to settle estate tax obligations through an estate tax amnesty program that gives reasonable tax relief to estates with outstanding estate tax liabilities. Taxpayers who avail of the estate tax amnesty enjoy immunity from the payment of estate taxes, civil, criminal, and administrative cases and penalties. Failure to avail of the estate tax amnesty means that previously suspended late estate tax penalties will be applicable, and the costs to transfer estates will be very costly. This is the reason why everyone who has outstanding estate tax liabilities as of December 31, 2017 is encouraged to take advantage of this excellent and rare opportunity offered by the government.

The estate tax amnesty covers the estate of decedents who died on or before December 31, 2017, with or without assessments duly issued therefor, whose estate taxes have remained unpaid or have accrued as of December 31, 2017. Under Section 6 of RA 11213, the executor or administrator of the estate, or if there is no executor or administrator appointed, the legal heirs, transferees or beneficiaries, who wish to avail of the estate tax amnesty shall do so within two years from the effectivity of the implementing rules and
regulations (IRR) of RA 11213. On May 29, 2019, then Secretary of Finance Carlos G. Dominguez, issued Revenue Regulations (RR) No. 6-2019, on the implementation of the provisions on estate tax amnesty under Title II of RA 11213, which was published in Malaya Business Insight on May 31, 2019. The law provides that anyone who wishes to avail of the amnesty shall, within two years from the effectivity of the IRR, file with the Revenue District Office of the Bureau of Internal Revenue which has jurisdiction over the last residence of the decedent, a sworn estate tax amnesty return.

It is just unfortunate that the Philippines is not spared from the ill effects of the COVID-19 pandemic, wherein many people lost their jobs and folded up their businesses. Most economic activities were stalled. The people lost precious period of time and possible sources of income in order to avail of this tax amnesty program of the government. This drawback may take some time to recover, and while the COVID-19 pandemic still persists, people will have extreme difficulty in paying their taxes much more in settling their estate tax dues even with this tax amnesty program.

Hence, this bill proposes to extend the availment period of the estate tax amnesty. The amendment to RA 11213 will enable those who want to take advantage of this program ample time to recoup their resources and get back on their feet so they can still apply and pay their estate tax dues. This will also provide economic relief for many Filipinos at this time of crisis.

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

Ferdinand Martin G. Romualdez
1st District, Leyte

Yedda Marie K. Romualdez
Party List – Tingog Sinirangan

Wilter “Sharky” Wee Palma II
1st District, Zamboanga Sibugay
AN ACT
EXTENDING THE PERIOD OF AVAILMENT OF THE ESTATE TAX AMNESTY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11213, OTHERWISE KNOWN AS THE “TAX AMNESTY ACT”

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 6 of Republic Act No. 11213 is hereby amended to read as follows:

“SEC. 6. Availment of the Estate Tax Amnesty. When and Where to File and Pay. – The executor or administrator of the estate, or if there is no executor or administrator appointed, the legal heirs, transferees or beneficiaries, who wish to avail of the Estate Tax Amnesty shall within [two (2)] FOUR (4) years from the effectivity of the Implementing Rules and Regulations of this Act, file with the Revenue District Office
of the Bureau of Internal Revenue, which has jurisdiction over the last residence of the decedent, a sworn Estate Tax Amnesty Return, in such forms as may be prescribed in the Implementing Rules and Regulations. The payment of the amnesty tax shall be made at the time the Return is filed: Provided, That for nonresident decedents, the Estate Tax Amnesty Return shall be filed and the corresponding amnesty tax be paid at Revenue District Office No. 39, or any other Revenue District Office which shall be indicated in the Implementing Rules and Regulations:

"Provided, further, That if the estate involved has properties which are still in the name of another decedent or donor, the present holder, heirs, executors or administrators thereof shall only file one (1) Estate Tax Amnesty Return and pay the corresponding estate amnesty tax thereon based on the total net estate at the time of death of the last decedent covering all accrued taxes under the National Internal Revenue Code of 1997, as amended, arising from the transfer of such estate from all prior decedents or donors through which the property or properties comprising the estate shall pass:

"Provided, furthermore, That the appropriate Revenue District Officer shall issue and endorse an acceptance payment form, in such
form as may be prescribed in the Implementing Rules and Regulations of this Act for the authorized agent bank, or in the absence thereof, the revenue collection agent or municipal treasurer concerned, to accept the tax amnesty payment. Proof of settlement of the estate, whether judicial or extrajudicial, shall likewise be attached to said Return in order to verify the mode of transfer and the proper recipients:

"Provided, finally, That the availment of the Estate Tax Amnesty and the issuance of the corresponding Acceptance Payment Form do not imply any admission of criminal, civil or administrative liability on the part of the availing estate."

SEC. 2. Implementing Rules and Regulations. — Within sixty (60) days from the effectivity of this Act, the Secretary of Finance shall, in coordination with the Commissioner of Internal Revenue, issue the necessary rules and regulations for the effective implementation of this Act.

SEC 3. Repealing Clause. — All laws, orders, rules and regulations which are inconsistent with the provisions this Act, are hereby repealed or amended accordingly.

SEC. 4. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,