



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**

26 February 2019

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 62 - 2019

To: All Deputy Commissioners  
All Directors and Division Chiefs  
All District/Port Collectors  
And Others Concerned

**Subject: RA 11213/GRANTING AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES WITH RESPECT TO ESTATE TAX**

Attached is the letter of Atty. Concepcion Zeny E. Ferrolino-Enad, Director, Malacañang Records Office dated 18 February 2019 endorsing a copy of Republic Act No. 11213 entitled:


**"AN ACT ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY GRANTING AN AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS WITH RESPECT TO ESTATE TAX, OTHER INTERNAL REVENUE TAXES, AND TAX ON DELINQUENCES" and line-veto message of the President.**

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

  
**REY LEONARDO B. GUERRERO**  
Commissioner

MAR 01 2019

 Bureau of Customs  
Office of the Commissioner  
19-06785

*Duple*  
MASTER COPY

Office of the President  
of the Philippines  
Malacañang

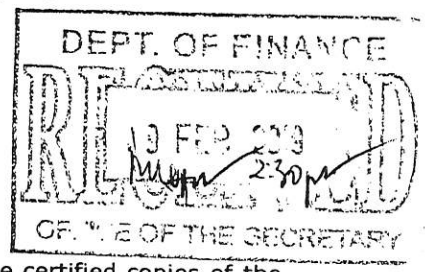


ALL USCCS/COS/ASCCS:  
HEADS OF ATTACHED  
AGENCIES

MALACAÑANG RECORDS OFFICE

Manila, February 18, 2019

SECRETARY CARLOS G. DOMINGUEZ III  
Department of Finance  
Manila



Sir:

I have the honor to transmit for your information and guidance certified copies of the following Presidential Issuances:

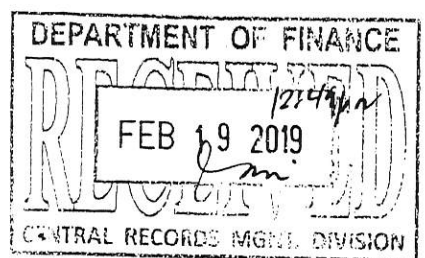
1. Republic Act No. 11199 which was approved on February 7, 2019 entitled "AN ACT RATIONALIZING AND EXPANDING THE POWERS AND DUTIES OF THE SOCIAL SECURITY COMMISSION TO ENSURE THE LONG-TERM VIABILITY OF THE SOCIAL SECURITY SYSTEM, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 1161, AS AMENDED BY REPUBLIC ACT NO. 8282, OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 1997".
2. Republic Act No. 11203 which was approved on February 14, 2019 entitled "AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES".
3. Republic Act No. 11211 which was approved on February 14, 2019 entitled "AN ACT AMENDING REPUBLIC ACT NUMBER 7653, OTHERWISE KNOWN AS "THE NEW CENTRAL BANK ACT", AND FOR OTHER PURPOSES".
4. Republic Act No. 11213 which was approved on February 14, 2019 entitled "AN ACT ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY GRANTING AN AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS WITH RESPECT TO ESTATE TAX, OTHER INTERNAL REVENUE TAXES, AND TAX ON DELINQUENCIES" and line-veto message of the President.

Thank you.

Very truly yours,

*[Signature]*

ATTY. CONCEPCION ZELY E. FERROLINO-ENAD  
Director IV



H. No. 4814  
H. No. 8554  
S. No. 2059

Republic of the Philippines  
**Congress of the Philippines**  
Metro Manila  
Seventeenth Congress  
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.

[ REPUBLIC ACT NO. 11213 ]

AN ACT ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY GRANTING AN AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS WITH RESPECT TO ESTATE TAX, OTHER INTERNAL REVENUE TAXES, AND TAX ON DELINQUENCIES

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

TITLE I

PRELIMINARY PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Tax Amnesty Act”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and enhance revenue administration and collection, and make the country's tax system more equitable, by simplifying the tax compliance requirements. Towards this end, the State shall:

- (a) Provide a one-time opportunity to settle estate tax obligations through an estate tax amnesty program that will give reasonable tax relief to estates with deficiency estate taxes;
- (b) Broaden the tax base by offering a general tax amnesty for all unpaid internal revenue taxes that will help cleanse, organize, and improve the Bureau of Internal Revenue's database;
- (c) Enhance revenue collection by providing a tax amnesty on delinquencies that will minimize administrative costs in pursuing tax cases and declog the dockets of the Bureau of Internal Revenue and the courts; and
- (d) Provide a more equitable tax system by adopting a comprehensive tax reform program that will simplify the requirements on tax amnesties with the use of simplified forms, and utilization of information technology in broadening the tax base.

SEC. 3. *Definition of Terms.* – As used in this Act:

- (a) *Basic tax assessed* refers to the latest amount of tax assessment issued by the Bureau of Internal Revenue against the taxpayer, exclusive of interest, penalties, and surcharges.
- (b) *Net estate* refers to the gross estate less all allowable deductions as provided in the National Internal Revenue Code of 1997, as amended, or the applicable estate tax laws prevailing at the time of death of the decedent;
- (c) *Net undeclared estate* refers to the difference between the total net estate valued at the time of death and the net estate previously declared with the Bureau of Internal Revenue, if any;

(d) *Statement of Assets, Liabilities, and Networth* refers to a declaration of the assets, liabilities, and networth as of December 31, 2017, as follows:

- (1) Assets within or without the Philippines, whether real or personal, tangible or intangible, whether or not used in trade or business: *Provided*, That property other than money shall be valued at the cost at which the property was acquired: *Provided, further*, That foreign currency assets and/or securities shall be valued at the rate of exchange prevailing as of the date of the Statement of Assets, Liabilities, and Networth;
- (2) All existing liabilities which are legitimate and enforceable, secured or unsecured, whether or not incurred in trade or business; and
- (3) The networth of the taxpayer, which shall be the difference between the total assets and total liabilities.
- (e) *Total asset* refers to the amount of the aggregate assets whether within or without the Philippines, real or personal, tangible or intangible, or ordinary or capital.

## TITLE II

### ESTATE TAX AMNESTY

SEC. 4. *Coverage.* – There is hereby authorized and granted a tax amnesty, hereinafter called Estate Tax Amnesty, which shall cover 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: *Provided, however*, That the Estate Tax Amnesty hereby authorized and granted shall not cover instances enumerated under Section 9 hereof.

SEC. 5. *Entitlement Under Estate Tax Amnesty.* – Except for instances covered by Section 9 hereof, the estate may enjoy the immunities and privileges of the Estate Tax Amnesty and pay an estate amnesty tax at the rate of six percent (6%) based on the decedent's total net estate at the time of death: *Provided*,

That if an estate tax return was previously filed with the Bureau of Internal Revenue, the estate tax rate of six percent (6%) shall be based on net undeclared estate. The provisions of the National Internal Revenue Code of 1997, as amended, or the applicable estate tax laws prevailing at the time of death of the decedent, on valuation, manner of computation, and other related matters shall apply *suppletorily*, at the time of the entitlement: *Provided, further*, That if the allowable deductions applicable at the time of death of the decedent exceed the value of the gross estate, the heirs, executors, or administrators may avail of the benefits of tax amnesty under Title II of this Act, and pay the minimum estate amnesty tax of Five thousand pesos (P5,000).

**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) 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. 7. *Presumption of Correctness of the Estate Tax Amnesty Returns.*** – The Estate Tax Amnesty Returns shall be conclusively presumed as true, correct, and final upon filing thereof, and shall be deemed complete upon full payment of the amount due.

The Acceptance Payment Form, and the Estate Tax Amnesty Return shall be submitted to the Revenue District Office after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of this Act. A Certificate of Availment of the Estate Tax Amnesty shall be issued by the Bureau of Internal Revenue within fifteen (15) calendar days from submission to the Bureau of Internal Revenue of the Acceptance Payment Form and the Estate Tax Amnesty Return. Otherwise, the duplicate copies of the Acceptance Payment Form, stamped as received, and the Estate Tax Amnesty Return shall be deemed as sufficient proof of availment.

**SEC. 8. *Immunities and Privileges.*** – Estates covered by the Estate Tax Amnesty, which have fully complied with all the conditions set forth in this Act, including the payment of the estate amnesty tax shall be immune from the payment of all estate taxes, as well as any increments and additions thereto, arising from the failure to pay any and all estate taxes for taxable year 2017 and prior years, and from all appurtenant civil, criminal,

and administrative cases and penalties under the National Internal Revenue Code of 1997, as amended.

Without prejudice to compliance with applicable laws on succession as a mode of transfer, the Bureau of Internal Revenue, in coordination with the applicable regulatory agencies, shall set up a system enabling the transfer of title over properties to heirs and/or beneficiaries and cash withdrawals from the bank accounts of the decedent, when applicable.

Upon full compliance with all the conditions set forth in this Title and payment of the corresponding estate amnesty tax, the tax amnesty granted under this Title shall become final and irrevocable.

SEC. 9. *Exceptions.* – The Estate Tax Amnesty under Title II of this Act shall not extend to estate tax cases which shall have become final and executory and to properties involved in cases pending in appropriate courts:

- (a) Falling under the jurisdiction of the Presidential Commission on Good Government;
- (b) Involving unexplained or unlawfully acquired wealth under Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, and Republic Act No. 7080 or An Act Defining and Penalizing the Crime of Plunder;
- (c) Involving violations of Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act, as amended;
- (d) Involving tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended; and
- (e) Involving felonies of frauds, illegal exactions and transactions, and malversation of public funds and property under Chapters III and IV of Title VII of the Revised Penal Code.

TITLE III

GENERAL TAX AMNESTY

SEC. 10. *Coverage.* – There is hereby authorized and granted a tax amnesty, hereinafter called General Tax Amnesty, which shall cover all national internal revenue taxes such as, but not limited to, income tax, withholding tax, capital gains tax, donor's tax, value-added tax, other percentage taxes, excise tax and documentary stamp tax collected by the Bureau of Internal Revenue, including value-added tax and excise taxes collected by the Bureau of Customs for taxable year 2017 and prior years, with or without assessments duly issued therefor, that have remained unpaid: *Provided, however,* That the General Tax Amnesty hereby authorized and granted shall not cover persons or cases enumerated under Section 16 and Title IV hereof.

SEC. 11. *Entitlement Under the General Tax Amnesty.* – Except for the instances covered in Section 16 hereof, any person, whether natural or juridical, may enjoy the immunities and privileges of the General Tax Amnesty by paying, at the taxpayer's option, an amnesty tax at:

- (i) the rate of two percent (2%) based on the taxpayer's total assets as of December 31, 2017, as declared in the Statement of Total Assets; or
- (ii) based on the taxpayer's total networth as of December 31, 2017, as declared in the Statement of Assets, Liabilities, and Networth filed pursuant to Section 12 hereof and in accordance with the following schedule of amnesty tax rates and minimum amnesty tax payments required:
  - (a) Individual (whether resident or nonresident citizens, including resident or nonresident aliens), Trusts and Estates ..... 5% or P75,000, whichever is higher.
  - (b) Corporations

- (1) With subscribed capital of above P50 million ..... 5% or P1,000,000, whichever is higher.
- (2) With subscribed capital of above P20 million up to P50 million ..... 5% or P500,000, whichever is higher.

(3) With subscribed capital of P5 million up to P20 million ..... 5% or P250,000, whichever is higher.

(4) With subscribed capital of below P5 million ..... 5% or P100,000, whichever is higher.

(c) Other juridical entities, including, but not limited to, cooperatives and foundations, that have become taxable as of December 31, 2017 ..... 5% or P75,000, whichever is higher:

*Provided*, That if the taxpayer opts to pay the amnesty tax based on total networth and the computed networth is negative, the taxpayer may still avail of the benefits of tax amnesty under this Title, and pay the minimum amnesty tax.

**SEC. 12. Availment of the General Tax Amnesty; When and Where to File and Pay.** - Any person, natural or juridical, who wishes to avail of the General Tax Amnesty shall, within one (1) year from the effectivity of the Implementing Rules and Regulations, file with the appropriate office of the Bureau of Internal Revenue, which has jurisdiction over the taxpayer, a sworn General Tax Amnesty Return accompanied by a notarized Statement of Total Assets or notarized Statement of Assets, Liabilities, and Networth, as the case may be, as of December 31, 2017. The payment of the amnesty tax shall be made at the time the Return is filed:

*Provided*, That the 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 authorizing the authorized agent bank, or in the absence thereof, the revenue collection agent or municipal treasurer concerned, to accept the amnesty tax payment:

*Provided, further*, That the availment of the General 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 taxpayer:

*Provided, furthermore*, That if the tax amnesty is availed based on the period indicated hereunder, the taxpayer shall be entitled to the corresponding reduction in the total amnesty tax due:

(a) If paid on or before the end of the third calendar month from the effectivity of the Implementing Rules and Regulations.....20%;

(b) If paid after the end of the third calendar month until the end of the sixth calendar month from the effectivity of the Implementing Rules and Regulations .....15%; and

(c) If paid after the end of the sixth calendar month until the end of the ninth calendar month from the effectivity of the Implementing Rules and Regulations .....10%.

**SEC. 13. Contents of the Statement of Total Assets and Statement of Assets, Liabilities, and Networth.** -

(A) The Statement of Total Assets shall contain a declaration of the total assets as of December 31, 2017, as follows:

(1) Assets within or without the Philippines, whether real or personal, tangible or intangible, whether or not used in trade or business:

(a) Real properties shall be accompanied by a description of their classification, exact location, and valued at acquisition cost, if acquired by purchase, or the zonal valuation or fair market value as shown in the schedule of values of the provincial, city or municipal assessors at the time of inheritance or donation, whichever is higher, if acquired through inheritance or donation;

(b) Personal properties other than money, shall be accompanied by a specific description of the kind and number of

assets (e.g. automobiles, shares of stock, etc.) or other investments, indicating the acquisition cost less the accumulated depreciation or amortization, or the corresponding book value for shares of stock, in proper cases, if acquired by purchase, or the fair market price or value at the date of the Statement of Total Assets, if acquired through inheritance or donation;

(c) Assets denominated in foreign currency shall be converted into the corresponding Philippine currency equivalent, at the rate of exchange prevailing as of the date of the Statement of Total Assets; and

(d) Cash on hand and in bank in peso as of the date of the Statement of Total Assets, as well as cash on hand and in bank in foreign currency, converted to Philippine peso at the rate of exchange prevailing as of the date of the Statement of Total Assets.

(B) The Statement of Assets, Liabilities, and Network shall contain a true and complete declaration of assets, liabilities, and networth of the taxpayer as of December 31, 2017, as follows:

(1) Assets within or without the Philippines, whether real or personal, tangible or intangible, whether or not used in trade or business:

(a) Real properties shall be accompanied by a description of their classification, exact location, and valued at acquisition cost, if acquired by purchase, or the zonal valuation or fair market value as shown in the schedule of values of the provincial, city or municipal assessors, at the time of inheritance or donation, whichever is higher, if acquired through inheritance or donation;

(b) Personal properties other than money, shall be accompanied by a specific description of the kind and number of assets (e.g. automobiles, shares of stock, etc.) or other investments, indicating the acquisition cost less the accumulated depreciation or amortization, or the corresponding book value for shares of stock, in proper cases, if acquired by purchase, or the fair market price or value at the date of the Statement of Assets, Liabilities, and Network, if acquired through inheritance or donation;

(c) Assets denominated in foreign currency shall be converted into the corresponding Philippine currency equivalent, at the rate of exchange prevailing as of the date of the Statement of Assets, Liabilities, and Network; and

(d) Cash on hand and in bank in peso as of the date of the Statement of Assets, Liabilities, and Network, as well as cash on hand and in bank in foreign currency, converted to Philippine peso at the rate of exchange prevailing as of the date of the Statement of Assets, Liabilities, and Network.

(2) All existing liabilities, which are legitimate and enforceable, secured or unsecured, whether or not incurred in trade or business, disclosing or indicating clearly the name and address of the creditor and the amount of the corresponding liability.

(3) The total networth of the taxpayer, which shall be the difference between the total assets and total liabilities.

**SEC. 14. Presumption of Correctness of the Statement of Total Assets, and Statement of Assets, Liabilities, and Network.**

– The Statement of Total Assets or the Statement of Assets, Liabilities, and Network, filed at the option of the taxpayer, shall be conclusively presumed as true, correct, and final upon filing thereof, and shall be deemed complete upon full payment of the amount due.

The Acceptance Payment Form, and the General Tax Amnesty Return shall be submitted to the Revenue District Office after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of this Act. A Certificate of Availment of the General Tax Amnesty shall be issued by the Bureau of Internal Revenue within fifteen (15) calendar days from submission to the Bureau of Internal Revenue of the Acceptance Payment Form and the General Tax Amnesty Return. Otherwise, the duplicate copies, stamped as received, of the Acceptance Payment Form, and the General Tax Amnesty Return shall be deemed as sufficient proof of availment.



SEC. 15. *Immunities and Privileges.* — Those who avail of the General Tax Amnesty and have fully complied with all the conditions set forth in this Act and upon payment of the amnesty tax shall be entitled to the following immunities and privileges:

(a) With respect to the years covered by the tax amnesty, the taxpayer shall be immune from the payment of taxes, as well as additions thereto, and from all appurtenant civil, criminal, and administrative cases and penalties under the National Internal Revenue Code of 1997, as amended, arising from the failure to pay any and all internal revenue taxes for taxable year 2017 and prior years and from such other investigations or suits insofar as they relate to the assets, liabilities, network, and internal revenue taxes that are subject of the tax amnesty.

(b) Any information or data contained in, derived from or provided by a taxpayer in the Tax Amnesty Return, Statement of Total Assets or Statement of Assets, Liabilities, and Network, as the case may be, and appurtenant documents shall be confidential in nature and shall not be used in any investigation or prosecution before any judicial, quasi-judicial, and administrative bodies. However, the taxpayer may use this as a defense, whenever appropriate, in cases brought against the taxpayer.

(c) The books of accounts and other records of the taxpayer for the years covered by the tax amnesty availed of shall not be examined by the Bureau of Internal Revenue: *Provided*, That the Commissioner of Internal Revenue may authorize in writing the examination of the said books of accounts and other records to verify the validity or correctness of a claim for any tax refund, tax credit (other than refund or credit of taxes withheld on wages), tax incentives, and/or exemptions under existing laws.

All these immunities and privileges shall not apply when the taxpayer failed to file a General Tax Amnesty Return and a Statement of Total Assets, or Statement of Assets, Liabilities, and Network, as the case may be.

Upon full compliance with all the conditions set forth in this Title and payment of the corresponding general amnesty tax, the tax amnesty granted under this Title shall become final and irrevocable.

SEC. 16. *Exceptions.* — The General Tax Amnesty under this Act shall not extend to the following:

(a) Withholding tax agents who withheld taxes but failed to remit the same to the Bureau of Internal Revenue;

(b) Taxpayers with cases pending in appropriate courts involving:

(1) Those that fall under the jurisdiction of the Presidential Commission on Good Government;

(2) Unexplained or unlawfully acquired wealth under Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, and Republic Act No. 7080 or An Act Defining and Penalizing the Crime of Plunder;

(3) Violations of Republic Act No. 9160, otherwise known as the Anti-Money Laundering Act, as amended;

(4) Tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended; and

(5) Felonies of frauds, illegal exactions and transactions, and malversation of public funds and property under Chapters III and IV of Title VII of the Revised Penal Code;

(c) Tax cases that have become final and executory; and

(d) Delinquencies and assessments that have become final and executory.

TITLE IV

TAX AMNESTY ON DELINQUENCIES

SEC. 17. Coverage. - There is hereby authorized and granted a tax amnesty herein called the Tax Amnesty on Delinquencies, which shall cover all national internal revenue taxes such as, but not limited to, income tax, withholding tax, capital gains tax, donor's tax, value-added tax, other percentage taxes, excise tax and documentary stamp tax collected by the Bureau of Internal Revenue, including value-added tax and excise taxes collected by the Bureau of Customs for taxable year 2017 and prior years.

For purposes of this Act, the Tax Amnesty on Delinquencies may be availed of in the following instances:

- (a) Delinquencies and assessments, which have become final and executory, including delinquent tax account, where the application for compromise has been requested on the basis of: (1) doubtful validity of the assessment; or (2) financial incapacity of the taxpayer, but the same was denied by the Regional Evaluation Board or the National Evaluation Board, as the case may be, on or before the Implementing Rules and Regulations take effect;
- (b) Pending criminal cases with the Department of Justice or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the National Internal Revenue Code of 1997, as amended, with or without assessments duly issued;
- (c) Tax cases subject of final and executory judgment by the courts on or before the Implementing Rules and Regulations take effect; and
- (d) Withholding tax agents who withheld taxes but failed to remit the same to the Bureau of Internal Revenue.

SEC. 18. Entitlement of Tax Amnesty on Delinquencies. - Any person may enjoy the immunities and privileges of the Tax

Amnesty on Delinquencies and pay the following tax amnesty rates:

- (a) Delinquencies and assessments which have become final and executory.....40% of the basic tax assessed;
- (b) Tax cases subject of final and executory judgment by the courts.....50% of the basic tax assessed;
- (c) Pending criminal cases with criminal information filed with the Department of Justice or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the National Internal Revenue Code of 1997, as amended, with assessments duly issued and otherwise excluded in Titles II and III hereof.....60% of the basic tax assessed; and
- (d) Withholding agents who withheld taxes but failed to remit the same to the Bureau of Internal Revenue.....100% of the basic tax assessed.

SEC. 19. Availment of the Tax Amnesty on Delinquencies; When and Where to File and Pay. - Any person, natural or juridical, who wishes to avail of the Tax Amnesty on Delinquencies shall, within one (1) year from the effectivity of the Implementing Rules and Regulations of this Act, file with the appropriate office of the Bureau of Internal Revenue, which has jurisdiction over the residence or principal place of business of the taxpayer, a sworn Tax Amnesty on Delinquencies Return accompanied by a Certification of Delinquency. The payment of the amnesty tax shall be made at the time the Return is filed:

Provided, That the 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 authorizing the authorized agent bank, or in the absence thereof, the revenue collection agent or municipal treasurer concerned, to accept the amnesty tax payment:

Provided, further, That the availment of the Tax Amnesty on Delinquencies 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 taxpayer.

SEC. 20. *Immunities and Privileges.* - The tax delinquency of those who avail of the Tax Amnesty on Delinquencies and have fully complied with all the conditions set forth in this Act and upon payment of the amnesty tax shall be considered settled and the criminal case under Section 18(c) and its corresponding civil or administrative case, if applicable, be terminated, and the taxpayer shall be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal, and administrative cases, and penalties under the National Internal Revenue Code of 1997, as amended, as such relate to the taxpayer's assets, liabilities, network, and internal revenue taxes that are subject of the tax amnesty, and from such other investigations or suits insofar as they relate to the assets, liabilities, network or internal revenue taxes that are subject of the tax amnesty: *Provided*, That any notices of levy, attachments and/or warrants of garnishment issued against the taxpayer shall be set aside pursuant to a lifting of notice of levy/garnishment duly issued by the Bureau of Internal Revenue or its authorized representative: *Provided, further*, That the Authority to Cancel Assessment shall be issued by the Bureau of Internal Revenue in favor of the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission to the Bureau of Internal Revenue of the Acceptance Payment Form and the Tax Amnesty on Delinquencies Return. Otherwise, the duplicate copies, stamped as received, of the Acceptance Payment Form, and the Tax Amnesty on Delinquencies Return shall be deemed as sufficient proof of availment: *Provided, furthermore*, That the Tax Amnesty on Delinquencies Return and the Acceptance Payment Form shall be submitted to the Revenue District Office after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of this Act.

Upon full compliance with all the conditions set forth in this Title and payment of the corresponding tax on delinquency, the tax amnesty granted under this Title shall become final and irrevocable.

## TITLE V

CONFIDENTIALITY AND NON-USE OF INFORMATION AND DATA, AND AMENDMENT TO THE STATEMENT OF TOTAL ASSETS AND STATEMENT OF ASSETS, LIABILITIES, AND NETWORK

SEC. 21. *Confidentiality and Non-use of Information and Data in the Statement of Total Assets and Statement of Assets, Liabilities, and Network.* - Any information or data contained in, derived from or provided by a taxpayer in the Tax Amnesty Return, Statement of Total Assets or Statement of Assets, Liabilities, and Network, as the case may be and appurtenant documents shall be confidential in nature and shall not be used in any investigation or prosecution before any judicial, quasi-judicial, and administrative bodies.

Any statement of assets, liabilities, and network, financial statements, information sheets, and any such other statements or disclosures that may have been previously submitted by the taxpayer as required by existing laws are deemed to have been amended by the Tax Amnesty Return and/or the Statement of Total Assets or Statement of Assets, Liabilities, and Network, as the case may be, filed under this Act and may not be the subject of any investigation or prosecution or be used in any investigation or prosecution before any judicial, quasi-judicial, and administrative bodies.

## TITLE VI

GENERAL PROVISIONS

SEC. 22. *Information Management System.* - For purposes of enhancing revenue administration, revenue collection and policy formulation, the Department of Finance, in coordination with the Bureau of Internal Revenue, Land Registration Authority, Department of Trade and Industry, Securities and Exchange Commission, Land Transportation Office, and other agencies concerned, shall institute an Information Management Program for the effective use of information declared or obtained from the Tax Amnesty Returns and Statements of Total Assets or Statements of Assets, Liabilities, and Network, as the case may be, required to be filed under this Act.

All the statements and returns required under this Act shall be filed and processed separately from all other records of the Bureau of Internal Revenue in accordance with the Implementing Rules and Regulations of this Act.

If the data requirements consist of information found in the income tax return of taxpayers, the requirements under Section 71 of the National Internal Revenue Code of 1997, as amended, shall still be complied with. The Information Management System shall also comply with the provisions of Republic Act No. 10173, otherwise known as the "Data Privacy Act" and such other laws relating to confidentiality of information.

SEC. 23. *Disposition of Proceeds from the Tax Amnesty.*  
 - An amount equivalent to Five hundred million pesos (P500,000,000) of the collection from the tax amnesty herein granted shall accrue to the Department of Finance and shall be used exclusively for purposes of establishing tax database under Section 22 of this Act.

Any excess shall be allocated to augment the appropriations needed for the social mitigating measures and the Build Build infrastructure projects as provided under Section 82 of Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN)" Act.

## TITLE VII

### OFFENSES AND PENALTIES

SEC. 24. Section 270 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 270. *Unlawful Divulgence of Information.* - Except as provided in Sections 6(F) and 71 of this Code and Section 26 of Republic Act No. 6388, any officer or employee of the Bureau of Internal Revenue who divulges to any person or makes known in any other manner than may be provided by law information regarding the business, income, or estate of any taxpayer,

the secrets, operation, style or work, or apparatus of any manufacturer or producer, or confidential information regarding the business of any taxpayer, knowledge of which was acquired by him in the discharge of his official duties, shall, upon conviction for each act or omission, be punished by a fine of not less than Fifty thousand pesos (P50,000) but not more than One hundred thousand pesos (P100,000), or suffer imprisonment of not less than two (2) years but not more than five (5) years, or both.


"Any officer or employee of the Bureau of Internal Revenue who divulges or makes known in any other manner to any person other than the requesting foreign tax authority information obtained from banks and financial institutions pursuant to Section 6(F), knowledge or information acquired by him in the discharge of his official duties, shall, upon conviction, be punished by a fine of not less than Five hundred thousand pesos (P500,000) but not more than One million pesos (P1,000,000), or suffer imprisonment of not less than two (2) years but not more than five (5) years, or both."

SEC. 25. *Unlawful Divulgence of Tax Amnesty Return and Appurtenant Documents.* - It shall be unlawful for any person having knowledge of the Tax Amnesty Return and appurtenant documents, to disclose any information relative thereto, and any violation hereof shall be penalized a fine of One hundred fifty thousand pesos (P150,000) and imprisonment of not less than six (6) years but not more than ten (10) years: *Provided*, That if the offender is an officer or employee of the Bureau of Internal Revenue or any government entity, the penalties under Section 270 of the National Internal Revenue Code of 1997, as amended, shall apply: *Provided, further*, That the offender shall likewise suffer an additional penalty of perpetual disqualification to hold public office.

SEC. 30. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least one (1) newspaper of general circulation.

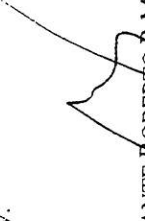
Approved,

  
VICENTE C. SOTTO III  
*President of the Senate*

  
GLORIA MACAPAGAL-ARROYO  
*Speaker of the House of Representatives*

This Act which is a consolidation of House Bills Numbered 4814 and 8554, and Senate Bill No. 2059 was passed by the House of Representatives and the Senate on December 12, 2018 and December 13, 2018, respectively.

  
MYRA MARIE D. VILLARICA  
*Secretary of the Senate*

  
DANTE ROBERT O.P. MALING  
*Acting Secretary General House of Representatives*

Approved: FEB 14 2019

  
RODRIGO ROA DUTERTE  
*President of the Philippines*

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TITLE VIII

CONGRESSIONAL OVERSIGHT COMMITTEE  
AND FINAL PROVISIONS

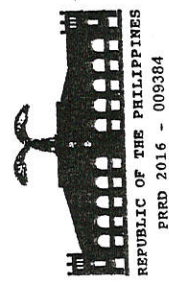
SEC. 26. *Report to Oversight Committee.* - The Commissioner shall submit to the Oversight Committee referred to in Section 290 of the National Internal Revenue Code of 1997, as amended, through the Chairpersons of the Committee on Ways and Means of the Senate of the Philippines and the House of Representatives, a detailed report on the implementation of this Act within six (6) months after the two (2)-year period of availment of the Estate Tax Amnesty and one (1)-year period of availment of the General Tax Amnesty and Tax Amnesty on Delinquencies.

SEC. 27. *Implementing Rules and Regulations.* - The Secretary of Finance shall, in coordination with the Commissioner of Internal Revenue, promulgate and publish the necessary rules and regulations of this Act within ninety (90) days from its effectivity.

The failure of the Secretary of Finance to promulgate the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SEC. 28. *Separability Clause.* - If any provision of this Act is subsequently declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 29. *Repealing Clause.* - All other laws, acts, presidential decrees, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby expressly repealed, amended or modified accordingly.



Office of the President  
MALACANANG RECORDS OFFICE  
**CHURNED COPY**  
  
ATTY. CONCEPCION E. FERRER  
DIRECTOR IPR  
4-2-18-2019



MALACAÑAN PALACE  
MANILA

FEB 14 2019

THE HONORABLE SPEAKER OF THE HOUSE  
AND THE LADIES AND GENTLEMEN OF  
THE HOUSE OF REPRESENTATIVES

Ladies and Gentlemen:

In accordance with my firm commitment to uplift the lives of the Filipino people, I sign into law Republic Act (RA) No. **11213**, entitled “**AN ACT ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY GRANTING AN AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS WITH RESPECT TO ESTATE TAX, OTHER INTERNAL REVENUE TAXES, AND TAX ON DELINQUENCIES**” or the **Tax Amnesty Act**.

#### I. GENERAL COMMENTS

Today marks a new beginning in our government's effort to improve tax administration and compliance as we welcome the passage of the tax amnesty law. The law is meant to complement Republic Act No. 10963 or the *Tax Reform for Acceleration and Inclusion (TRAIN)*.

TRAIN allowed the adjustment of our tax laws to be simpler, fairer, and more efficient moving forward but this currently excludes those burdened with outstanding tax liabilities. The tax amnesty will help unburden them by forgiving past liabilities and will allow the government to raise revenues for our priority infrastructure and social programs.

With this law, taxpayers will be given an opportunity to settle outstanding tax liabilities and start anew. Likewise, the settlement of long idle estate properties will help those affected to move forward and spur economic growth in the Philippines.

This momentous achievement would not be possible without the collective effort of our legislators in the 17<sup>th</sup> Congress, in particular the Chairpersons of the House Committee on Ways and Means and the Senate Committee on Ways and Means, and the capable leadership of both Houses of Congress.

#### II. DIRECT VETO

By the power vested in me by Article 6, Section 27 (2) of the Constitution, which provides that “the President shall have the power to veto any particular items in an appropriation, revenue or tariff bill,” I am constrained to hereby register the following line item vetoes to this law:

**A. Grant of a general tax amnesty**

I am constrained to veto item (b) of Section 2, items (d) and (e) of Section 3, and the entire Title III of the enrolled bill which grant a general amnesty for all unpaid internal revenue taxes, to wit:

1. *Section 2, item (b)*

**“(B) BROADEN THE TAX BASE BY OFFERING A GENERAL TAX AMNESTY FOR ALL UNPAID INTERNAL REVENUE TAXES THAT WILL HELP CLEANSE, ORGANIZE, AND IMPROVE THE BUREAU OF INTERNAL REVENUE’S DATABASE;”**

2. *Section 3, items (d) and (e)*

**“(D) STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH REFERS TO A DECLARATION OF THE ASSETS, LIABILITIES, AND NETWORTH AS OF DECEMBER 31, 2017, AS FOLLOWS:**

**(1) ASSETS WITHIN OR WITHOUT THE PHILIPPINES, WHETHER REAL OR PERSONAL, TANGIBLE OR INTANGIBLE, WHETHER OR NOT USED IN TRADE OR BUSINESS: PROVIDED, THAT PROPERTY OTHER THAN MONEY SHALL BE VALUED AT THE COST AT WHICH THE PROPERTY WAS ACQUIRED: PROVIDED, FURTHER, THAT FOREIGN CURRENCY ASSETS AND/OR SECURITIES SHALL BE VALUED AT THE RATE OF EXCHANGE PREVAILING AS OF THE DATE OF THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH;**

**(2) ALL EXISTING LIABILITIES WHICH ARE LEGITIMATE AND ENFORCEABLE, SECURED OR UNSECURED, WHETHER OR NOT INCURRED IN TRADE OR BUSINESS; AND**

**(3) THE NETWORTH OF THE TAXPAYER, WHICH SHALL BE THE DIFFERENCE BETWEEN THE TOTAL ASSETS AND TOTAL LIABILITIES.**

**(E) TOTAL ASSET REFERS TO THE AMOUNT OF THE AGGREGATE ASSETS WHETHER WITHIN OR WITHOUT THE PHILIPPINES, REAL OR PERSONAL, TANGIBLE OR INTANGIBLE, OR ORDINARY OR CAPITAL.”**

3. *Entire Title III*

**TITLE III  
GENERAL TAX AMNESTY**

**SEC. 10. COVERAGE. – THERE IS HEREBY AUTHORIZED AND GRANTED A TAX AMNESTY, HEREINAFTER CALLED GENERAL TAX AMNESTY, WHICH SHALL COVER ALL NATIONAL INTERNAL REVENUE TAXES SUCH AS, BUT NOT LIMITED TO, INCOME TAX, WITHHOLDING TAX, CAPITAL GAINS TAX, DONOR’S TAX, VALUE-ADDED TAX, OTHER**

PERCENTAGE TAXES, EXCISE TAX AND DOCUMENTARY STAMP TAX COLLECTED BY THE BUREAU OF INTERNAL REVENUE, INCLUDING VALUE-ADDED TAX AND EXCISE TAXES COLLECTED BY THE BUREAU OF CUSTOMS FOR TAXABLE YEAR 2017 AND PRIOR YEARS, WITH OR WITHOUT ASSESSMENTS DULY ISSUED THEREFOR, THAT HAVE REMAINED UNPAID: *PROVIDED, HOWEVER*, THAT THE GENERAL TAX AMNESTY HEREBY AUTHORIZED AND GRANTED SHALL NOT COVER PERSONS OR CASES ENUMERATED UNDER SECTION 16 AND TITLE IV HEREOF.

**SEC. 11. ENTITLEMENT UNDER THE GENERAL TAX AMNESTY.** – EXCEPT FOR THE INSTANCES COVERED IN SECTION 16 HEREOF, ANY PERSON, WHETHER NATURAL OR JURIDICAL, MAY ENJOY THE IMMUNITIES AND PRIVILEGES OF THE GENERAL TAX AMNESTY BY PAYING, AT THE TAXPAYER'S OPTION, AN AMNESTY TAX AT:

- I. THE RATE OF TWO PERCENT (2%) BASED ON THE TAXPAYER'S TOTAL ASSETS AS OF DECEMBER 31, 2017 AS DECLARED IN THE STATEMENT OF TOTAL ASSETS; OR
- II. BASED ON THE TAXPAYER'S TOTAL NETWORTH AS OF DECEMBER 31, 2017, AS DECLARED IN THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH FILED PURSUANT TO SECTION 12 HEREOF AND IN ACCORDANCE WITH THE FOLLOWING SCHEDULE OF AMNESTY TAX RATES AND MINIMUM AMNESTY TAX PAYMENTS REQUIRED:

(A) INDIVIDUAL (WHETHER RESIDENT OR NONRESIDENT CITIZENS, INCLUDING RESIDENT OR NONRESIDENT ALIENS), TRUSTS AND ESTATES ..... 5% OR P75,000, WHICHEVER IS HIGHER.

(B) CORPORATIONS

(1) WITH SUBSCRIBED CAPITAL OF ABOVE P50 MILLION ..... 5% OR P1,000,000, WHICHEVER IS HIGHER.

(2) WITH SUBSCRIBED CAPITAL OF ABOVE P20 MILLION UP TO P50 MILLION ..... 5% OR P500,000, WHICHEVER IS HIGHER.

(3) WITH SUBSCRIBED CAPITAL OF P5 MILLION UP TO P20 MILLION ..... 5% OR P250,000, WHICHEVER IS HIGHER.

(4) WITH SUBSCRIBED CAPITAL OF BELOW P5 MILLION ..... 5% OR P100,000, WHICHEVER IS HIGHER.

(C) OTHER JURIDICAL ENTITIES, INCLUDING, BUT NOT LIMITED TO, COOPERATIVES AND FOUNDATIONS, THAT HAVE BECOME TAXABLE AS OF DECEMBER 31, 2017 ..... 5% OR P75,000, WHICHEVER IS HIGHER:



**PROVIDED, THAT IF THE TAXPAYER OPTS TO PAY THE AMNESTY TAX BASED ON TOTAL NETWORTH AND THE COMPUTED NETWORTH IS NEGATIVE, THE TAXPAYER MAY STILL AVAIL OF THE BENEFITS OF TAX AMNESTY UNDER THIS TITLE, AND PAY THE MINIMUM AMNESTY TAX.**

**SEC. 12. AVAILMENT OF THE GENERAL TAX AMNESTY; WHEN AND WHERE TO FILE AND PAY. - ANY PERSON, NATURAL OR JURIDICAL, WHO WISHES TO AVAIL OF THE GENERAL TAX AMNESTY SHALL, WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THE IMPLEMENTING RULES AND REGULATIONS, FILE WITH THE APPROPRIATE OFFICE OF THE BUREAU OF INTERNAL REVENUE, WHICH HAS JURISDICTION OVER THE TAXPAYER, A SWORN GENERAL TAX AMNESTY RETURN ACCOMPANIED BY A NOTARIZED STATEMENT OF TOTAL ASSETS OR NOTARIZED STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH, AS THE CASE MAY BE, AS OF DECEMBER 31, 2017. THE PAYMENT OF THE AMNESTY TAX SHALL BE MADE AT THE TIME THE RETURN IS FILED:**

**PROVIDED, THAT THE 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 AUTHORIZING THE AUTHORIZED AGENT BANK, OR IN THE ABSENCE THEREOF, THE REVENUE COLLECTION AGENT OR MUNICIPAL TREASURER CONCERNED, TO ACCEPT THE AMNESTY TAX PAYMENT:**

**PROVIDED, FURTHER, THAT THE AVAILMENT OF THE GENERAL 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 TAXPAYER:**

**PROVIDED, FURTHERMORE, THAT IF THE TAX AMNESTY IS AVAILED BASED ON THE PERIOD INDICATED HEREUNDER, THE TAXPAYER SHALL BE ENTITLED TO THE CORRESPONDING REDUCTION IN THE TOTAL AMNESTY TAX DUE:**

**A. IF PAID ON OR BEFORE THE END OF THE THIRD CALENDAR MONTH FROM THE EFFECTIVITY OF THE IMPLEMENTING RULES AND REGULATIONS..... 20%;**

**B. IF PAID AFTER THE END OF THE THIRD CALENDAR MONTH UNTIL THE END OF THE SIXTH CALENDAR MONTH FROM THE EFFECTIVITY OF THE IMPLEMENTING RULES AND REGULATIONS .....15%; AND**

**C. IF PAID AFTER THE END OF THE SIXTH CALENDAR MONTH UNTIL THE END OF THE NINTH CALENDAR MONTH FROM THE**

EFFECTIVITY OF THE IMPLEMENTING RULES AND REGULATIONS  
.....10%.

**SEC. 13. CONTENTS OF THE STATEMENT OF TOTAL ASSETS  
AND STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH. –**

**A. THE STATEMENT OF TOTAL ASSETS SHALL CONTAIN A  
DECLARATION OF THE TOTAL ASSETS AS OF DECEMBER 31, 2017, AS  
FOLLOWS:**

**1. ASSETS WITHIN OR WITHOUT THE PHILIPPINES, WHETHER REAL  
OR PERSONAL, TANGIBLE OR INTANGIBLE, WHETHER OR NOT USED  
IN TRADE OR BUSINESS:**

**(A) REAL PROPERTIES SHALL BE ACCOMPANIED BY A  
DESCRIPTION OF THEIR CLASSIFICATION, EXACT LOCATION,  
AND VALUED AT ACQUISITION COST, IF ACQUIRED BY  
PURCHASE, OR THE ZONAL VALUATION OR FAIR MARKET  
VALUE AS SHOWN IN THE SCHEDULE OF VALUES OF THE  
PROVINCIAL, CITY OR MUNICIPAL ASSESSORS AT THE TIME OF  
INHERITANCE OR DONATION, WHICHEVER IS HIGHER, IF  
ACQUIRED THROUGH INHERITANCE OR DONATION;**

**(B) PERSONAL PROPERTIES OTHER THAN MONEY, SHALL BE  
ACCOMPANIED BY A SPECIFIC DESCRIPTION OF THE KIND AND  
NUMBER OF ASSETS (E.G. AUTOMOBILES, SHARES OF STOCK,  
ETC.) OR OTHER INVESTMENTS, INDICATING THE ACQUISITION  
COST LESS THE ACCUMULATED DEPRECIATION OR  
AMORTIZATION, OR THE CORRESPONDING BOOK VALUE FOR  
SHARES OF STOCK, IN PROPER CASES, IF ACQUIRED BY  
PURCHASE, OR THE FAIR MARKET PRICE OR VALUE AT THE  
DATE OF THE STATEMENT OF TOTAL ASSETS, IF ACQUIRED  
THROUGH INHERITANCE OR DONATION;**

**(C) ASSETS DENOMINATED IN FOREIGN CURRENCY SHALL BE  
CONVERTED INTO THE CORRESPONDING PHILIPPINE  
CURRENCY EQUIVALENT, AT THE RATE OF EXCHANGE  
PREVAILING AS OF THE DATE OF THE STATEMENT OF TOTAL  
ASSETS; AND**

**(D) CASH ON HAND AND IN BANK IN PESO AS OF THE DATE OF  
THE STATEMENT OF TOTAL ASSETS, AS WELL AS CASH ON  
HAND AND IN BANK IN FOREIGN CURRENCY, CONVERTED TO  
PHILIPPINE PESO AT THE RATE OF EXCHANGE PREVAILING AS  
OF THE DATE OF THE STATEMENT OF TOTAL ASSETS.**

**(B) THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH  
SHALL CONTAIN A TRUE AND COMPLETE DECLARATION OF ASSETS,  
LIABILITIES, AND NETWORTH OF THE TAXPAYER AS OF DECEMBER  
31, 2017, AS FOLLOWS:**

1. ASSETS WITHIN OR WITHOUT THE PHILIPPINES, WHETHER REAL OR PERSONAL, TANGIBLE OR INTANGIBLE, WHETHER OR NOT USED IN TRADE OR BUSINESS:

(A) REAL PROPERTIES SHALL BE ACCOMPANIED BY A DESCRIPTION OF THEIR CLASSIFICATION, EXACT LOCATION, AND VALUED AT ACQUISITION COST, IF ACQUIRED BY PURCHASE, OR THE ZONAL VALUATION OR FAIR MARKET VALUE AS SHOWN IN THE SCHEDULE OF VALUES OF THE PROVINCIAL, CITY OR MUNICIPAL ASSESSORS, WHICHEVER IS HIGHER, IF ACQUIRED THROUGH INHERITANCE OR DONATION;

(B) PERSONAL PROPERTIES OTHER THAN MONEY, SHALL BE ACCOMPANIED BY A SPECIFIC DESCRIPTION OF THE KIND AND NUMBER OF ASSETS (E.G. AUTOMOBILES, SHARES OF STOCK, ETC.) OR OTHER INVESTMENTS, INDICATING THE ACQUISITION COST LESS ACCUMULATED DEPRECIATION OR AMORTIZATION, OR THE CORRESPONDING BOOK VALUE FOR SHARES OF STOCK, IN PROPER CASES, IF ACQUIRED BY PURCHASE, OR THE FAIR MARKET PRICE OR VALUE AT THE DATE OF THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH, IF ACQUIRED THROUGH INHERITANCE OR DONATION;

(C) ASSETS DENOMINATED IN FOREIGN CURRENCY SHALL BE CONVERTED INTO THE CORRESPONDING PHILIPPINE CURRENCY EQUIVALENT, AT THE RATE OF EXCHANGE PREVAILING AS OF THE DATE OF THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH; AND

(D) CASH ON HAND AND IN BANK IN PESO AS OF THE DATE OF THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH, AS WELL AS CASH ON HAND AND IN BANK IN FOREIGN CURRENCY, CONVERTED TO PHILIPPINE PESO AT THE RATE OF EXCHANGE PREVAILING AS OF THE DATE OF THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH.

2. ALL EXISTING LIABILITIES, WHICH ARE LEGITIMATE AND ENFORCEABLE, SECURED OR UNSECURED, WHETHER OR NOT INCURRED IN TRADE OR BUSINESS, DISCLOSING OR INDICATING CLEARLY THE NAME AND ADDRESS OF THE CREDITOR AND THE AMOUNT OF THE CORRESPONDING LIABILITY.

3. THE TOTAL NETWORTH OF THE TAXPAYER, WHICH SHALL BE THE DIFFERENCE BETWEEN THE TOTAL ASSETS AND TOTAL LIABILITIES.

**SEC. 14. PRESUMPTION OF CORRECTNESS OF THE STATEMENT OF TOTAL ASSETS, AND STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH.** - THE STATEMENT OF TOTAL ASSETS, AND THE STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH FILED AT THE OPTION OF THE TAXPAYER, SHALL BE CONCLUSIVELY PRESUMED

AS TRUE, CORRECT, AND FINAL UPON FILING THEREOF, AND SHALL BE DEEMED COMPLETE UPON FULL PAYMENT OF THE AMOUNT DUE.

THE ACCEPTANCE PAYMENT FORM, AND THE GENERAL TAX AMNESTY RETURN SHALL BE SUBMITTED TO THE REVENUE DISTRICT OFFICE AFTER COMPLETE PAYMENT. THE COMPLETION OF THESE REQUIREMENTS SHALL BE DEEMED FULL COMPLIANCE WITH THE PROVISIONS OF THIS ACT. A CERTIFICATE OF AVAILMENT OF THE GENERAL TAX AMNESTY SHALL BE ISSUED BY THE BUREAU OF INTERNAL REVENUE WITHIN FIFTEEN (15) CALENDAR DAYS FROM SUBMISSION TO THE BUREAU OF INTERNAL REVENUE OF THE ACCEPTANCE PAYMENT FORM AND THE GENERAL TAX AMNESTY RETURN. OTHERWISE, THE DUPLICATE COPIES, STAMPED AS RECEIVED, OF THE ACCEPTANCE PAYMENT FORM, AND THE GENERAL TAX AMNESTY RETURN SHALL BE DEEMED AS SUFFICIENT PROOF OF AVAILMENT.

**SEC. 15. IMMUNITIES AND PRIVILEGES.** – THOSE WHO AVAIL OF THE GENERAL TAX AMNESTY AND HAVE FULLY COMPLIED WITH ALL THE CONDITIONS SET FORTH IN THIS ACT AND UPON PAYMENT OF THE AMNESTY TAX SHALL BE ENTITLED TO THE FOLLOWING IMMUNITIES AND PRIVILEGES:

(A) WITH RESPECT TO THE YEARS COVERED BY THE TAX AMNESTY, THE TAXPAYER SHALL BE IMMUNE FROM THE PAYMENT OF TAXES, AS WELL AS ADDITIONS THERETO, AND FROM ALL APPURTENANT CIVIL, CRIMINAL, AND ADMINISTRATIVE CASES AND PENALTIES UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ARISING FROM THE FAILURE TO PAY ANY AND ALL INTERNAL REVENUE TAXES FOR TAXABLE YEAR 2017 AND PRIOR YEARS AND FROM SUCH OTHER INVESTIGATIONS OR SUITS INSOFAR AS THEY RELATE TO THE ASSETS, LIABILITIES, NETWORTH AND INTERNAL REVENUE TAXES THAT ARE SUBJECT OF THE TAX AMNESTY.

(B) ANY INFORMATION OR DATA CONTAINED IN, DERIVED FROM OR PROVIDED BY A TAXPAYER IN THE TAX AMNESTY RETURN, STATEMENT OF TOTAL ASSETS OR STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH, AS THE CASE MAY BE, AND APPURTENANT DOCUMENTS SHALL BE CONFIDENTIAL IN NATURE AND SHALL NOT BE USED IN ANY INVESTIGATION OR PROSECUTION BEFORE ANY JUDICIAL, QUASI-JUDICIAL AND ADMINISTRATIVE BODIES. HOWEVER, THE TAXPAYER MAY USE THIS AS A DEFENSE, WHENEVER APPROPRIATE, IN CASES BROUGHT AGAINST THE TAXPAYER.

(C) THE BOOKS OF ACCOUNTS AND OTHER RECORDS OF THE TAXPAYER FOR THE YEARS COVERED BY THE TAX AMNESTY AVAILED OF SHALL NOT BE EXAMINED BY THE BUREAU OF INTERNAL REVENUE: *PROVIDED*, THAT THE COMMISSIONER OF

INTERNAL REVENUE MAY AUTHORIZE IN WRITING THE EXAMINATION OF THE SAID BOOKS OF ACCOUNTS AND OTHER RECORDS TO VERIFY THE VALIDITY OR CORRECTNESS OF A CLAIM FOR ANY TAX REFUND, TAX CREDIT (OTHER THAN REFUND OR CREDIT OF TAXES WITHHELD ON WAGES), TAX INCENTIVES, AND/OR EXEMPTIONS UNDER EXISTING LAWS.

ALL THESE IMMUNITIES AND PRIVILEGES SHALL NOT APPLY WHEN THE TAXPAYER FAILED TO FILE A GENERAL TAX AMNESTY RETURN AND A STATEMENT OF TOTAL ASSETS, OR STATEMENT OF ASSETS, LIABILITIES, AND NETWORTH, AS THE CASE MAY BE.

UPON FULL COMPLIANCE WITH ALL THE CONDITIONS SET FORTH IN THIS TITLE AND PAYMENT OF THE CORRESPONDING GENERAL AMNESTY TAX, THE TAX AMNESTY GRANTED UNDER THIS TITLE SHALL BECOME FINAL AND IRREVOCABLE.

SEC. 16. *EXCEPTIONS.* – THE GENERAL TAX AMNESTY UNDER THIS ACT SHALL NOT EXTEND TO THE FOLLOWING:

(A) WITHHOLDING TAX AGENTS WHO WITHHELD TAXES BUT FAILED TO REMIT THE SAME TO THE BUREAU OF INTERNAL REVENUE;

(B) TAXPAYERS WITH CASES PENDING IN APPROPRIATE COURTS INVOLVING:

1. THOSE THAT FALL UNDER THE JURISDICTION OF THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT;
2. UNEXPLAINED OR UNLAWFULLY ACQUIRED WEALTH UNDER REPUBLIC ACT NO. 3019, OTHERWISE KNOWN AS THE ANTI-GRAFT AND CORRUPT PRACTICES ACT, AND REPUBLIC ACT NO. 7080 OR AN ACT DEFINING AND PENALIZING THE CRIME OF PLUNDER;
3. VIOLATIONS OF REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNDERING ACT, AS AMENDED;
4. TAX EVASION AND OTHER CRIMINAL OFFENSES UNDER CHAPTER II OF TITLE X OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED; AND
5. FELONIES OF FRAUDS, ILLEGAL EXACTIONS AND TRANSACTIONS, AND MALVERSATION OF PUBLIC FUNDS AND PROPERTY UNDER CHAPTERS III AND IV OF TITLE VII OF THE REVISED PENAL CODE;

(C) TAX CASES THAT HAVE BECOME FINAL AND EXECUTORY;  
AND

**(D) DELINQUENCIES AND ASSESSMENTS THAT HAVE BECOME FINAL AND EXECUTORY.”**

While I understand the legislature's objective in proposing an unconditional latitude in the grant of amnesty, I disagree as to the degree granted under the final version of the general amnesty under the enrolled bill.

I believe that, ultimately, the original objective will not be met under the proposed framework. Without the provisions breaking down the walls of bank secrecy, setting the legal framework for us to comply with international standards on exchange of information for tax purposes, and safeguarding against those who abuse the amnesty by declaring an untruthful asset or net worth, a general amnesty that is overgenerous and unregulated would create an environment ripe for future tax evasion, the very thing we wish to address.

Without these measures, the government and ultimately the Filipino people, will incur long term substantial revenue losses. Our experience with the 2006 tax amnesty under Republic Act No. 9480 has shown that without safeguards and measures against tax evasion, the objectives of an amnesty such as raising revenues and expanding the tax base cannot be fully achieved.

The general amnesty program is meant to give taxpayers a fresh start as well as to signal the start of a fair tax enforcement campaign by the tax authorities. It is not meant to be abused for the gain of the few and the loss of the rest of the citizenry. These safeguards against tax evasion are estimated to contribute P76.6 billion to the public funds in the next five (5) years which we hope to use to better our infrastructure and services.

Given these, I ask Congress to pass another general tax amnesty bill that includes the lifting of bank secrecy for fraud cases, the inclusion of automatic exchange of information, and safeguards to ensure that asset or net worth declarations are truthful. With these provisions, the general tax amnesty will meet both its tax administration and revenue purposes.

**B. One-time declaration and settlement of estate taxes on properties subject of multiple unsettled estates**

Second, I am constrained to veto the proviso in Section 6 of the enrolled bill allowing a one-time declaration and settlement of estate taxes on properties that are in the name of prior decedents or donors whose estates remain unsettled.

**“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:"**

While I applaud the ingenuity behind the proposal, I believe that there is a need to apply the estate tax amnesty at every stage of the transfer of the property. We must take cognizance of the rules of succession under the Civil Code of the Philippines on the transmission of property, rights, and obligations of decedents. The tax on estates is imposed not because of the property itself but on the *privilege* of transferring the property to the heirs. The flat rate of six (6) percent estate amnesty tax, *without penalties*, imposed at every stage of transfer is more than a fair imposition on the privilege.

Inasmuch as we extend certain benefits to our citizens, the cost to the government must be reasonable. To implement the one-time settlement across multiple estates would erode the expected revenue of the government from the estate tax amnesty.

### **C. Presumption of Correctness of the Estate Tax Amnesty Returns**

Lastly, I am constrained to veto the provision raising the conclusive presumption that estate tax amnesty returns filed in availing of the amnesty are true, correct and final, and complete upon full payment of the amnesty tax. This is under Section 7 of the enrolled bill.

**"THE ESTATE TAX AMNESTY RETURNS SHALL BE CONCLUSIVELY PRESUMED AS TRUE, CORRECT, AND FINAL UPON FILING THEREOF, AND SHALL BE DEEMED COMPLETE UPON FULL PAYMENT OF THE AMOUNT DUE."**

The grant of amnesty is a *privilege* that this administration supports without question. However, as with any other privilege, it is open to abuse. I am of the view that we must balance this privilege with *accountability*.

Succession is complex. Beyond the transfer of property, rights, and obligation to the heirs, legatees, and devisees, the valuation of the subject properties is a technical aspect that cannot be left to mere self-declaration. An erroneous valuation not only impacts the revenue for the current estate but will also carry-over to the subsequent transfer of the property regardless if it will be through sale, donation, gift or succession.

Implementing agencies cannot act as mere stamping pads of approval and instead must be empowered to correct apparent misinformation and misdeclaration made in the course of the amnesty. There must be an opportunity to evaluate the truthfulness of the declarations made by the taxpayers. Else, the declarations will be nothing more than pieces of paper, without value or purpose.

**III. CLOSING STATEMENT**

The Amnesty Law is an important part of this administration's tax reform program and I strongly encourage our taxpayers to avail of the opportunity to wipe the slate clean.

With the estate tax amnesty, long unsettled estates can now be transferred. Without the burden of tax liabilities, the heirs can focus on making idle properties productive thereby bringing economic benefit to their families. The amnesty on delinquency, will help taxpayers failing in their tax obligations to have a fresh start and be free from the civil and criminal consequences of their neglect of their obligations to pay taxes. It is the hope of this administration that with the decongestion of the dockets, our administrative and judicial bodies can focus on resolving cases of more significance.

More than the much-welcomed revenue to be generated by this law, the amnesty is about rebuilding trust between the government and the people – an opportunity for citizens to disclose past failings and for the government to forgive them with the expectation of better compliance in the future.

Very truly yours,

*Benigno Aquino III*  


Copy furnished:

**Sen. Vicente C. Sotto III**  
Senate President  
The Philippine Senate  
Pasay City

**Sec. Adelino B. Sitoy**  
Head  
Presidential Legislative Liaison Office  
2/F New Executive Bldg.  
Malacañang, Manila

