



HOUSE OF REPRESENTATIVES

H. No. 8554

BY REPRESENTATIVES ROMERO, SUAREZ, LIMKAICHONG, RELAMPAGOS, CORTES, RADAZA, SINGSON, GATCHALIAN, ALVAREZ (P.), FARINAS, CUA, DEFENSOR, QUIMBO, MACAPAGAL-ARROYO, SUANSING (E.), BOLILIA, ARCILLAS, ARENAS, CALDERON, CASTELO, DE VERA, SUANSING (H.), GARBIN, MANALO, ROMUALDO, SY-ALVARADO, DURANO, AMATONG, GARIN (S.), LEE, BATOCABE, BRAVO (A.), ROA-PUNO, YAP (A.), COLLANTES, SALON, VELASCO-CATERA, ONG (E.), ZUBIRI, AQUINO-MAGSAYSAY, UYBARRETA, MENDING, NOEL, CERILLES, DEL MAR, CUEVA, NOGRALES (J.J.), MONTORO, MERCADO, VILLAFUERTE, LOPEZ (B.), ABUEG, SARMIENTO (E.M.), ABAYON, ADIONG, REVILLA, BELMONTE (R.), SACDALAN, UY (J.), CASTRO (F.L.), KHO, ALCALA, BULUT-BEGTANG, TAMBUNTING, LOPEZ (M.L.), GONZALES (A.D.) AND NIETO, PER COMMITTEE REPORT NO. 926

AN ACT ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY GRANTING AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS

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

1

TITLE I

2

PRELIMINARY PROVISIONS

1 SECTION 1. *Short Title.* – This Act shall be known as the
2 “Tax Amnesty Act of 2018”.

3 SEC. 2. *Declaration of Policy.* – It is the policy of the State to
4 protect and enhance revenue administration and collection that will
5 increase the level of public tax consciousness. Toward this end, the
6 State shall endeavor to improve tax compliance by giving errant
7 taxpayers the opportunity to comply with tax laws and enter the
8 system with a clean slate, reduce the tax administrative and court
9 case backlogs of tax enforcement agencies and tax courts, and raise
10 additional revenue through widening of the tax net.

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

12 (a) *Total asset* refers to the amount of the aggregate assets
13 whether within or without the Philippines, real or personal,
14 tangible or intangible, or ordinary or capital; and

15 (b) *Basic tax assessed* refers to the latest amount of tax
16 assessment issued by the Bureau of Internal Revenue against the
17 taxpayer, whether it be preliminary, final or final decision on
18 disputed assessment, exclusive of interest penalties and surcharges.

19 TITLE II

20 ESTATE TAX AMNESTY

21 SEC. 4. *Coverage.* – The Estate Tax Amnesty shall cover
22 estate taxes of the estates of decedents who died in 2017 and prior
23 years, with or without assessments duly issued therefor, that have
24 remained unpaid as of December 31, 2017.

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

1 estate tax return was previously filed with the Bureau of Internal
2 Revenue, the estate tax rate of six percent (6%) shall be based on
3 net undeclared estate. The provisions of the National Internal
4 Revenue Code of 1997, as amended, on valuation, manner of
5 computation, and other related matters shall apply suppletorily, at
6 the time of the entitlement.

7 SEC. 6. *Availment of the Estate Tax Amnesty; When and*
8 *Where to File and Pay.* - The executor or administrator of the
9 estate, or if there is no executor or administrator appointed, the
10 legal heirs, transferees or beneficiaries, who wish to avail of the
11 Estate Tax Amnesty shall, within two (2) years from the effectivity
12 of the implementing rules and regulations of this Act, file with the
13 Revenue District Office of the Bureau of Internal Revenue which
14 has jurisdiction over the last residence of the decedent a sworn
15 Estate Tax Amnesty Return, in such forms as may be prescribed in
16 the implementing rules and regulations. The payment of the
17 amnesty tax shall be made at the time the return is filed: *Provided,*
18 *That for nonresident decedents, the Estate Tax Amnesty Return*
19 *shall be filed and the corresponding amnesty tax be paid at Revenue*
20 *District Office No. 39, or any other Revenue District Office which*
21 *shall be indicated in the implementing rules and regulations.*

22 SEC. 7. *Presumption of Correctness of the Estate Tax*
23 *Amnesty Returns.* - The Estate Tax Amnesty Returns filed shall
24 be presumed as true and correct except where the net estate are
25 proven to be understated by thirty percent (30%) or more. the proof
26 of understatement of estate tax amnesty returns shall be
27 established by the Bureau of Internal Revenue in a proceedings

1 initiated by the Bureau of Internal Revenue, or any of its
2 authorized representatives, or third party.

3 SEC. 8. *Immunities and Privileges.* – Those who avail of the
4 Estate Tax Amnesty under this Act, and after compliance with all
5 the conditions set herein, shall be entitled to the following
6 immunities and privileges:

7 (a) The taxpayer shall be immune from the payment of estate
8 taxes as well as any addition thereto, and from all appurtenant
9 civil, criminal or administrative cases and penalties under the
10 National Internal Revenue Code of 1997, as amended, arising from
11 the failure to pay any and all estate taxes for taxable year 2017 and
12 prior years;

13 (b) The taxpayer's Estate Tax Amnesty Returns for 2017 and
14 prior years shall not be admissible as evidence in all proceedings
15 that pertain to taxable year 2017 and prior years related to estate
16 settlement cases before any judicial, quasi-judicial or administrative
17 bodies in which taxpayer is the defendant or respondent, and except
18 for the purpose of ascertaining the gross estate for 2017 and prior
19 years, the same shall not be examined, inquired or looked into by
20 any person or government office. However, the taxpayer may use
21 this as a defense, whenever appropriate, in cases brought against
22 him; and

23 (c) The books of accounts and other records of the taxpayer
24 for the years covered by the Estate Tax Amnesty availed of shall not
25 be examined: *Provided,* That the Commissioner of Internal
26 Revenue may authorize in writing the examination of the said books
27 of accounts and other records to verify the validity or correctness of

1 a claim for any tax refund, tax incentives and exemptions under
2 existing laws.

3 All these immunities and privileges shall not apply where the
4 person failed to file an Estate Tax Amnesty Return and pay the
5 amnesty tax, or where the declared value or net undeclared estate,
6 as the case may be, is proven to be understated by thirty percent
7 (30%) or more.

8 SEC. 9. *Exceptions.* – The Estate Tax Amnesty shall not
9 extend to the following pending cases as of the effectivity of this Act:

10 (a) Those falling under the jurisdiction of the Presidential
11 Commission on Good Government (PCGG);

12 (b) Those involving unexplained or unlawfully acquired
13 wealth under the Anti-Graft and Corrupt Practices Act and
14 Republic Act No. 7080, otherwise known as An Act Defining and
15 Penalizing the Crime of Plunder;

16 (c) Those filed in court involving violation of the Anti-Money
17 Laundering Act;

18 (d) Those involved in criminal cases for tax evasion and other
19 criminal offenses under Chapter II of Title X of the National
20 Internal Revenue Code of 1997, as amended, and the felonies of
21 frauds, illegal exactions and transactions, and malversation of
22 public funds and property under Chapters III and IV of Title VII of
23 the Revised Penal Code; and

24 (e) Those with tax cases subject of final and executory
25 judgment by the courts.

26 TITLE III

27 GENERAL TAX AMNESTY

28 SEC. 10. *Coverage.* – The General Tax Amnesty shall cover
29 all national internal revenue taxes for taxable year 2017 and prior

1 years, with or without assessments duly issued therefor, that have
2 remained unpaid as of December 31, 2017.

3 SEC. 11. *Entitlement under General Tax Amnesty.* – Except
4 for the instances covered in Section 16 hereof, any person, whether
5 natural or juridical, may enjoy the immunities and privileges of the
6 General Tax Amnesty and pay an amnesty tax at the rate of two
7 percent (2%) based on the taxpayer's total assets as of December 31,
8 2017 as declared in the Statement of Total Assets.

9 SEC. 12. *Availment of the General Tax Amnesty; When and*
10 *Where to File and Pay.* – Any person, natural or juridical, who
11 wishes to avail of the General Tax Amnesty shall, within one (1)
12 year from the effectivity of the implementing rules and regulations,
13 file with the Bureau of Internal Revenue's Revenue District Office
14 or Large Taxpayer District Offices or Large Taxpayer Assistance
15 Division, as the case may be, which has jurisdiction over the
16 residence or principal place of business of the taxpayer a sworn
17 General Tax Amnesty Return accompanied by a notarized
18 Statement of Total Assets as of December 31, 2017. The payment of
19 the amnesty tax shall be made at the time the return is filed.

20 SEC. 13. *What to Declare in the Statement of Total Assets.* –
21 The Statement of Total Assets shall contain a declaration of the
22 total assets as of December 31, 2017: *Provided*, That property other
23 than money shall be valued at the cost at which the property was
24 acquired: *Provided, further*, That the foreign currency assets and/or
25 securities shall be valued at the exchange rate prevailing as of the
26 date of the Statement of Total Assets.

27 SEC. 14. *Presumption of Correctness of the Statement of*
28 *Total Assets.* – The Statement of Total Assets filed shall be
29 presumed as true and correct except where the total assets are

1 proven to be understated by thirty percent (30%) or more. The proof
2 of understatement of Statement of Total Assets shall be established
3 by the Bureau of Internal Revenue in a proceedings initiated by the
4 Bureau of Internal Revenue, or its authorized representatives or
5 third party: *Provided*, That such proceedings must be completed
6 within one (1) year from the date of filing of the General Tax
7 Amnesty Return and the Statement of Total Assets: *Provided*,
8 *further*, That the information provided by the third party shall be
9 treated as confidential information, and shall only be considered if
10 strictly compliant with the following requisites:

11 (a) It shall be under oath, personally executed before the
12 Bureau of Internal Revenue, and personally filed by the third party
13 informer with the Bureau of Internal Revenue;

14 (b) It shall state under oath that the third party informer is
15 not related within the sixth (6th) civil degree of consanguinity or
16 affinity to any official or employee of the Bureau of Internal
17 Revenue, or any other public official or employee;

18 (c) The facts constituting the alleged understatement must be
19 definite, credible, and not merely a general statement or allegation;
20 and

21 (d) The factual allegations must be supported by substantial
22 evidence.

23 The rules on processing confidential information under
24 Section 282 of the National Internal Revenue Code of 1997, as
25 amended, shall apply suppletorily.

26 Findings of or admissions in congressional hearings, other
27 administrative agencies of government, and/or of courts shall be

1 admissible to prove a thirty percent (30%) underdeclaration within
2 one (1) year from filing of the General Tax Amnesty Return.

3 The scope of the administrative proceedings by the Bureau of
4 Internal Revenue in ascertaining the correctness of the Statement
5 of Total Assets shall be limited to the determination that all the
6 assets of the taxpayer were properly valued and reported in the
7 Statement of Total Assets.

8 After one (1) year from the filing of the General Tax Amnesty
9 Return and payment thereof, the same shall be deemed approved
10 and that a Certificate of Availment of Amnesty shall be issued by
11 the Bureau of Internal Revenue to the taxpayer as proof thereof.

12 SEC. 15. *Immunities and Privileges.* – Those who avail of the
13 General Tax Amnesty and after compliance with all the conditions
14 set herein, shall be entitled to the following immunities and
15 privileges:

16 (a) With respect to the years covered by the tax amnesty, the
17 taxpayer shall be immune from the payment of taxes, as well as any
18 addition thereto, and from all appurtenant civil, criminal or
19 administrative cases and penalties under the National Internal
20 Revenue Code of 1997, as amended, arising from failure to pay any
21 and all internal revenue taxes for taxable year 2017 and prior years.

22 (b) The General Tax Amnesty Return and Statement of Total
23 Assets filed by the taxpayer shall not be admissible as evidence
24 against him or her in any and all proceedings before any judicial,
25 quasi-judicial or administrative bodies. Except for ascertaining the
26 taxpayers' total assets beginning January 1, 2018, the General Tax
27 Amnesty Return and Statement of Total Assets shall not be
28 examined, inquired or looked into by any person or government
29 office: *Provided*, That the provisions of this subsection shall not

1 preclude the taxpayer from using his or her filed General Tax
2 Amnesty Return or Statement of Total Assets as a defense in any
3 case brought against him.

4 (c) The books of accounts and other records of the taxpayer
5 for the years covered by the general tax amnesty availed of shall not
6 be examined by the Bureau of Internal Revenue: *Provided*, That
7 the Commissioner of Internal Revenue may authorize in writing the
8 examination of the said books of accounts and other records to verify
9 the validity or correctness of a claim for any tax refund, tax credit
10 (other than refund or credit of taxes withheld on wages), tax
11 incentives, and/or exemptions under existing laws: *Provided*,
12 *further*, That this shall not preclude other government agencies
13 exercising their own regulatory powers to examine the said books of
14 accounts and records.

15 All these immunities and privileges shall not apply when the
16 taxpayer fails to file a General Tax Amnesty Return and/or
17 Statement of Total Assets, or when the amount of total assets as of
18 December 31, 2017 is proven to be understated by thirty percent
19 (30%) or more.

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

22 (a) Withholding agents with respect to their withholding tax
23 liabilities;

24 (b) Pending cases as of the effectivity of this Act on the
25 following:

26 (1) Those falling under the jurisdiction of the Presidential
27 Commission on Good Government (PCGG);

28 (2) Those involving unexplained or unlawfully acquired
29 wealth under the Anti-Graft and Corrupt Practices Act and

1 Republic Act No. 7080, otherwise known as "An Act Defining and
2 Penalizing the Crime of Plunder";

3 (3) Those filed in court involving violation of the Anti-Money
4 Laundering Act;

5 (4) Those involved in criminal cases for tax evasion and other
6 criminal offenses under Chapter II of Title X of the National
7 Internal Revenue Code of 1997, as amended;

8 (5) Those involved in felonies of frauds, illegal exactions and
9 transactions, and malversation of public funds and property under
10 Chapters III and IV of the Revised Penal Code;

11 (c) Those cases falling under Title IV of this Act.

12 TITLE IV

13 TAX AMNESTY ON DELINQUENCIES

14 SEC. 17. *Coverage.* - The Tax Amnesty on Delinquencies
15 shall cover all national internal revenue taxes for taxable year 2017
16 and prior years arising from the following instances:

17 (a) Delinquent taxes and assessments which have become
18 final and executory on or before the issuance of the implementing
19 rules and regulations of this Act;

20 (b) Tax cases subject of final and executory judgment by the
21 courts on or before the issuance of the implementing rules and
22 regulations of this Act; or

23 (c) Pending criminal cases with the Department of Justice or
24 the courts for tax evasion and other criminal offenses under
25 Chapter II of Title X of the National Internal Revenue Code of 1997,
26 as amended, with or without assessments duly issued and otherwise
27 excluded in Title III hereof, on or before the issuance of the
28 implementing rules and regulations of this Act.

1 (d) Withholding agents with respect to their withholding tax
2 liabilities.”

3 SEC. 18. *Entitlement of Tax Amnesty on Delinquencies.* -

4 Any person may enjoy the immunities and privileges of the Tax
5 Amnesty on Delinquencies and pay the following tax amnesty rates:

Nature of Delinquency	Rate
Delinquencies and assessments which have become final and executory.	40% of the basic tax
Tax cases subject of final and executory judgment by the courts.	50% of the basic tax
Pending criminal cases with criminal information filed in court for tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended, with or without assessments duly issued and otherwise excluded in Title III hereof.	60% of the basic tax
Withholding agents with respect to their withholding tax liabilities.	100% of the basic tax

6 SEC. 19. *Availment of the Tax Amnesty on Delinquencies;*

7 *When and Where to File and Pay.* - Any person, natural or
8 juridical, who wishes to avail of the Tax Amnesty on Delinquencies
9 shall, within one (1) year from the effectivity of the implementing
10 rules and regulations of this Act, file with the Bureau of Internal
11 Revenue's Revenue District Office or Large Taxpayer District
12 Offices or Large Taxpayer Assistance Division, as the case may be,

1 which has jurisdiction over the residence or principal place of
2 business of the taxpayer a sworn Tax Amnesty on Delinquencies
3 Return accompanied by a Certification of Delinquency. The
4 payment of the amnesty tax shall be made at the time the return is
5 filed.

6 SEC. 20. *Immunities and Privileges.* – Those who avail of the
7 Tax Amnesty on Delinquencies and have fully complied with all the
8 conditions set herein shall, upon payment of the amnesty tax, be
9 immune from the payment of said delinquency or assessment, as
10 well as addition thereto, and any appurtenant civil, criminal, and
11 administrative cases and penalties under the National Internal
12 Revenue Code of 1997, as amended, and any pending case shall be
13 terminated.

14 TITLE V

15 COMMON PROVISIONS

16 SEC. 21. *Establishment of Tax Database.* – The Bureau of
17 Internal Revenue shall, in coordination with the appropriate
18 regulatory agencies, establish a tax database of all taxpayers
19 availing of the tax amnesty under this Act, list of total assets of
20 applicants, and other relevant taxpayer information. The
21 information contained in this tax database shall be used by the
22 Bureau of Internal Revenue for purposes of determining compliance
23 with the provisions of this Act as well as for purposes of tax
24 enforcement and administration activities.

25 All the statements and returns required under this Act shall
26 be filed and processed separately from all other records of the
27 Bureau of Internal Revenue in accordance with the implementing
28 rules and regulations of this Act.

1 For purposes of enhancing revenue administration, revenue
2 collection and policy formulation, the Department of Finance, in
3 coordination with the Bureau of Internal Revenue, Department of
4 Trade and Industry, and Securities and Exchange Commission, and
5 other national government agencies, local government units, and
6 government agencies and instrumentalities, including government
7 financial institutions, and government-owned or -controlled
8 corporations, shall be allowed exchange of information relevant to
9 tax assessment, verification, audit and enforcement purposes.

10 If the data requirements consist of information found in the
11 income tax return of taxpayers, the requirements under Section 71
12 of the National Internal Revenue Code of 1997, as amended, shall
13 still be complied with.

14 SEC. 22. *Disposition of Proceeds from the Tax Amnesty.* – An
15 amount equivalent to Five hundred million pesos (P500,000,000.00)
16 of the collection from the tax amnesty herein granted shall accrue to
17 the Department of Finance and shall be used exclusively for
18 purposes of establishing tax database under Section 21 of this Act.

19 TITLE VI

20 OFFENSES AND PENALTIES

21 SEC. 23. *Offenses and Penalties.* –

22 (a) Any person who, having filed any Tax Amnesty Return
23 under this Act, willfully understates the valuation of his
24 declarations to the extent of thirty percent (30%) or more shall,
25 upon conviction, be subjected to the penalties of perjury under the
26 Revised Penal Code.

27 (b) The willful failure to declare any other property in the
28 appropriate Tax Return filed shall be deemed a *prima facie* evidence
29 of fraud and shall constitute a ground upon which attachment of

1 such property may be issued in favor of the Bureau of Internal
2 Revenue to answer for the satisfaction of any judgment that may be
3 acquired against the declarant.

4 (c) Any person who, having knowledge of the Tax Amnesty
5 Return and other relevant documents, discloses in any other
6 manner provided by law any information relative to such
7 declaration and statement shall be penalized by a fine of not less
8 than One hundred fifty thousand pesos (P150,000.00) and
9 imprisonment of not less than six (6) years but not more than ten
10 (10) years.

11 If the offender is an officer or employee of the Bureau of
12 Internal Revenue or any government entity, the offender shall
13 likewise suffer the additional penalties of perpetual disqualification
14 from holding public office, from exercising the right to vote and to be
15 voted for any public elective office.

16 *Provided, That*, in addition to the penalties provided under
17 paragraph (c), immediate tax fraud investigation shall be initiated
18 to collect all unpaid taxes still due, as well as addition thereto, and
19 any appurtenant civil, criminal, and administrative penalties, and
20 to criminally prosecute those found to have willfully evaded lawful
21 taxes due: *Provided, further*, That in the case of associations,
22 partnerships, or corporations, the penalty shall be imposed on the
23 partner, president, general manager, treasurer, officer-in-charge
24 and employees responsible for the violation.

25 TITLE VII

26 OVERSIGHT COMMITTEE

27 SEC. 24. *Report to Oversight Committee.* – The Commissioner
28 shall submit to the Oversight Committee referred to in Section 290
29 of the National Internal Revenue Code of 1997, as amended,

1 through the Chairpersons of the Committee on Ways and Means of
2 the Senate and House of Representatives, a detailed report on the
3 implementation of this Act within six (6) months after the one (1)
4 year period of availment of the General Tax Amnesty and Tax
5 Amnesty on Delinquencies, and two (2) year period of availment of
6 the Estate Tax Amnesty.

7 TITLE VIII

8 OTHER PROVISIONS

9 SEC. 25. *Implementing Rules and Regulations.* - The
10 Secretary of Finance shall, in coordination with the Commissioner
11 of Internal Revenue, promulgate and publish the necessary rules
12 and regulations of this Act within ninety (90) days from its
13 effectivity.

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

17 SEC. 26. *Separability Clause.* - If any provision of this Act is
18 subsequently declared invalid or unconstitutional, the other
19 provisions hereof which are not affected thereby shall remain in full
20 force and effect.

21 SEC. 27. *Repealing Clause.* - All other laws, acts,
22 presidential decrees, rules and regulations or parts thereof
23 inconsistent with the provisions of this Act are hereby expressly
24 repealed, amended or modified accordingly.

- 1 SEC. 28. *Effectivity.* – This Act shall take effect fifteen (15)
2 days after its complete publication in the *Official Gazette* or in at
3 least one (1) newspaper of general circulation.

Approved,

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