REPUBLIC C THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Secs. 90(C); 91(B) & 249 NIRC
Revenue Regulations No. 02-2003
BIR Ruling No. 276-2015
BIR Ruling No. 059-2015
#341-2016

6-29-2016

Ms. Anjeleen P. de Castro
Block 20, Lot 6, Alfani St.
Portofino Heights, Las Piñas City

Madam:

This refers to your letter dated July 30, 2015 requesting on behalf of the heirs of the late Mario Dela Cruz De Castro for an extension of time within which to file the estate tax return and to pay the estate tax due thereon.

Documents submitted show that Ms. Anjeleen P. De Castro is the surviving spouse of the late Mario D. De Castro who died on February 4, 2015, and as you represented there are serious disagreements interposed by the children from his first marriage (which was eventually annulled by the Regional Trial Court) over their cumulative shares as heirs with that of the share of the surviving spouse, and over expenses involve in any settlement. By reason of said disagreements, it would be hard to draft an extrajudicial settlement, which you believe could end up to litigation. Apart from the said complexities, there is also the difficulty raising the cash amount needed to pay the estate tax. The net taxable estate is estimated at P29 million and the corresponding estate tax is more the

In reply thereto, please be informed that Sections 90 (C) and 91 (B) of the Tax Code of 1997 provide, viz.:

> *"SEC. 90. Estate Tax Returns. —*
>
> *xxx xxx xxx*
>
> *(C) Extension of Time. — The Commissioner shall have authority to grant, in meritorious cases, a reasonable extension not exceeding thirty (30) days for filing the return."*
>
> *"SEC. 91. Payment of tax.*
>
> *xxx xxx xxx*
>
> *(B) Extension of Time. — When the Commissioner finds that the payment on the due date of the estate tax or of any part thereof would impose undue hardship upon the estate or any of the heirs, he may extend the time for payment of such tax or any part thereof not to exceed five (5) years, in case the estate is settled through the courts, or two (2) years in case the estate is settled extrajudicially. In such case, the amount in respect of which the extension is granted shall be paid on or before the date of the expiration of the period of the extension, and the running of the Statute of Limitations for assessment as provided in Section 203 of this Code shall be suspended for the period of any such extension.*
>
> *If an extension is granted, the Commissioner may require the executor, or administrator, or beneficiary, as the case may be, to furnish a bond in such amount, not exceeding double the amount of the tax and with such sureties as the Commissioner deems necessary, conditioned upon the payment of the said tax in accordance with the terms of the extension."*

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Based on the foregoing representations, this Office finds justifiable reason to grant the request for an extension to file the estate tax return of thirty (30) days counted from August 4, 2015, which is the last day for filing of the estate tax return of the late Mario D. De Castro. Thus, the filing of the said estate tax return of the decedent is hereby extended up to September 3, 2015.

Furthermore, since you are to collate all documents and information necessary for the preparation of the said return, the request for extension of 5 years (where the estate will be settled judicially) within which to pay the estate tax is hereby granted.

Thus, the heirs shall pay the estate tax within 5 years reckoned from actual filing of the return or on September 3, 2015, whichever comes first, provided that the executor, or administrator, or beneficiary, shall furnish a bond in such amount, not exceeding double the amount of the tax and with such sureties as the Commissioner deems necessary, conditioned upon the payment of the said tax in accordance with the terms of the extension.

It shall be understood, however, that the estate shall be liable for the corresponding interest that shall have accrued from September 3, 2015 up to the time of payment of the estate tax due on the transmission by the said estate of its properties in favor of the heirs pursuant to Section 249 of the Tax Code of 1997. (*BIR Ruling No. 506-14* dated December 29, 2014)

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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JUN 24 2016