

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

July 1, 2019

REVENUE MEMORANDUM CIRCULAR NO. 68-2019

SUBJECT : Provides Clarification on Certain Issues Relative to the Estate Tax Amnesty Under Title II of Republic Act (RA) No. 11213 or the Tax Amnesty Act, as Implemented by Revenue Regulations (RR) No. 6-2019

TO : All Internal Revenue Officers, Employees and Others Concerned

This Circular is hereby issued to clarify certain issues relative to the implementation of estate tax amnesty pursuant to the provisions of RA No. 11213 or the Tax Amnesty Act, to wit:

Q1: Who is qualified to avail of the estate tax amnesty under RA No. 11213?

A1: The estate of the decedent who died on or before December 31, 2017, who is not covered by the exceptions enumerated under Sec. 3 of RR No. 6-2019 dated May 29, 2019, is qualified to avail of tax amnesty.

Q2: Who shall file the estate tax amnesty?

A2: The executor or administrator, legal heirs, transferees or beneficiaries (or filer) shall file the estate tax amnesty return within two (2) years from the effectivity of RR No. 6-2019 or from June 15, 2019 to June 14, 2021.

Q3: Will a Taxpayer Identification Number (TIN) be issued for the estate of the decedent?

A3: Yes, if there is no existing TIN.

Q4: Are all heirs required to secure their own TIN?

A4: Yes, all heirs, including minors, without TIN are required to secure their respective TIN.

Q5: What BIR form will be used in the filing and payment of estate tax amnesty?

A5: BIR Form No. 2118-EA – Estate Tax Amnesty Return (ETAR) and BIR Form No. 0621-EA - Acceptance Payment Form (APF), duly endorsed for payment by the concerned Revenue District Officer, shall be used in filing and payment of estate tax amnesty.

Q6: When and where will the ETAR be filed?

A6: The ETAR shall be filed with the Revenue District Office (RDO) having jurisdiction over the last residence of the decedent, within two (2) years from the effectivity of RR No. 6-2019 or from June 15, 2019 to June 14, 2021. In case the estate has a previously issued TIN, the ETAR shall be filed with the RDO which issued the said TIN.

For non-resident decedent, the executor or administrator in the Philippines, shall file the return with the RDO where such executor/administrator is registered or if not yet registered, at the RDO having jurisdiction over the legal residence of the executor/administrator. If there is no executor or administrator, the return shall be filed with RDO No. 39- South Quezon City.

If the properties involved are common properties of multiple decedents emanating from the first decedent, and no estate tax returns have been previously filed, the amnesty tax returns for every stage of transfer/succession may be filed together in any one (1) RDO having jurisdiction over the last residence of any of the decedents.

Illustration:

How to file estate of decedents involving several stages of succession from a common property left by the 1st decedent

Stage of Succession	Property	Decedent	Date of Death	Last Residence	Where to file
1 st	TCT No. 12345	Alpha	Dec. 31, 1985	Caloocan City	All four (4) ETARs may be filed in one (1) of the following: RDO 27 RDO 23B RDO 87 RDO 112
2 nd	TCT No. 12345	Bravo (heir of Alpha)	July 27, 1992	Cabanatuan City, Nueva Ecija	
3 rd	TCT No. 12345	Charlie (heir of Bravo)	Dec. 31, 1997	Calbayog City, Samar	
4 th	TCT No. 12345	Delta (heir of Charlie)	Dec. 31, 2017	Tagum City, Davao Del Norte	

Q7: Where will the ETAR be filed if the estate has a previously issued TIN?

A7: The ETAR shall be filed with the RDO which issued the said TIN.

Q8: How many ETAR shall be filed?

A8: One (1) ETAR in triplicate copies shall be filed for the estate of every decedent.
Original - Document Processing Division (DPD)
Duplicate - Docket file
Triplicate - Taxpayer's Copy

Q9: Can the estate tax amnesty application be filed thru eBIR facility?

A9: No. The forms are downloadable from the BIR website and are not available in eBIRForms. Hence, the filing and payment of estate tax amnesty shall be done manually.

Q10: How many Extra Judicial Settlement (EJS) shall be submitted in case the estate involves multiple decedents?

A10: One (1) EJS for every stage of transfer/succession or one (1) EJS covering all the stages of transfer/succession with respect to the inherited share of the common property/ies emanating from the first decedent shall be submitted.

Q11: When no zonal valuation is available at the time of death, what will be used as reference for purposes of valuation of properties?

A11: The Fair Market Value (FMV) appearing in the tax declaration issued at the date of death or the succeeding available tax declaration issued nearest to the date of death shall be used as reference in computing the value of the property at the time of death.

Q12: Will the filer be required to submit certificate of zonal valuation from the RDO where the property is located?

A12: No, verification of zonal values can be made thru <http://www.bir.gov.ph/index.php/zonal-values.html>.

Q13: If there is no tax declaration available at the time of death, what will be used as basis to comply with the requirement?

A13: The succeeding available tax declaration issued nearest to the date of death shall be used as reference.

Q14: What will be the estate tax amnesty rate? Is there a minimum amount to be paid to avail of the estate tax amnesty?

A14: A rate of six percent (6%) based on the decedent's total net taxable estate at the time of death shall be imposed at every stage of succession. The minimum amount is Five Thousand Pesos (P5,000.00) per decedent.

Illustration:

The decedent died on December 20, 2017. Upon computation, the estate tax due is P3,500.00.

In this case, in order to avail of the estate tax amnesty, the heirs shall pay the minimum amount of Five Thousand Pesos (P5,000.00).

Q15: What is the basis in computing the estate tax amnesty due on undeclared properties for the previously filed estate tax return/ETAR?

A15: An estate tax amnesty rate of six percent (6%) shall be imposed on the value of the undeclared properties at the time of death, **without deductions which are deemed to have been claimed in the previous estate tax return filed**, except for the share of the surviving spouse on the undeclared conjugal property. However, in no case shall the payment be lower than Five Thousand Pesos (P5,000.00).

Example No. 1. Mr. X died on June 30, 2017. After filing the estate tax return under BIR Form 1801 on November 15, 2017, the heirs discovered that a conjugal real property with FMV of P3,000,000.00 was not included in the gross estate declared.

Since there is an estate tax return previously filed, an estate amnesty amount of P90,000.00, after deducting the share of surviving spouse, shall be computed as follows:

FMV of the property	3,000,000.00
Less: Share of surviving spouse	<u>1,500,000.00</u>
Net undeclared property	<u>1,500,000.00</u>
Multiply by	<u>6%</u>
Estate Tax Amnesty Amount Due	<u><u>90,000.00</u></u>

Example No. 2. Mr. X died on June 30, 2017. Since no estate tax return has been previously filed, the heirs availed of the estate tax amnesty on June 26, 2019. After few months, the heirs discovered that a conjugal real property with FMV of P3,000,000.00 was not included in the gross estate declared.

Since there is an ETAR previously filed, the amount of P90,000.00, after deducting the share of surviving spouse, shall be computed as follows:

FMV of the property	3,000,000.00
Less: Share of surviving spouse	<u>1,500,000.00</u>
Net undeclared property	<u>1,500,000.00</u>
Multiply by	<u>6%</u>
Estate Tax Amnesty Amount Due	<u><u>90,000.00</u></u>

Q16: Can the filer still avail of the estate tax amnesty for undeclared property if the estate has an existing estate tax delinquency?

A16: Yes, provided that the undeclared property is not included in the list of properties covered in the existing estate tax delinquency. Further, the ETAR shall be filed in the RDO that issued the assessment.

Q17: The basic estate tax due of a decedent who died on December 31, 2017 was voluntarily paid on August 15, 2018, but the taxpayer failed to pay the corresponding penalties. Can the taxpayer avail of the estate tax amnesty on the unpaid penalties?

A17: Yes, by paying the minimum estate tax amnesty amount of Five Thousand Pesos (P5,000.00) and filing the required ETAR.

Q18: When will the APF be approved and endorsed for payment by the Revenue District Officer?

A18: The APF shall be approved and endorsed by the Revenue District Officer for payment after the pre-evaluation of the complete documentary requirements submitted by the filer and upon computation of the estate tax amnesty due.

Q19: Where will the estate tax amnesty be paid and what document shall be presented for payment?

A19: Payment shall be made to any Authorized Agent Bank (AAB) under the jurisdiction of the concerned RDO by presenting the duly endorsed APF.

However, payment may be made to the Revenue Collection Officer (RCO) under the following instances:

- a. In case of cash payment and the amount involved is Twenty Thousand Pesos (P20,000.00) and below; and
- b. If the payment is thru manager's/cashier's check, irrespective of amount.

If there is no AAB in the RDO, payment shall be made to the RCO subject to the conditions in "a" and "b" above.

Q20: Will the BIR allow a partial or total withdrawal of cash in bank for payment of estate tax amnesty?

A20: The Commissioner or the Revenue District Officer may, upon written request of the taxpayer, issue a letter (Annex A) allowing partial or total withdrawal of the cash equivalent to the estate tax amnesty due without subjecting to the final withholding tax.

The form of payment to be issued by the bank should be a manager's/cashier's check which shall indicate in the space provided for "PAY TO THE ORDER OF":
(1) presenting/collecting bank or the bank where the payment is to be coursed and
(2) FAO (For the Account of) Bureau of Internal Revenue as payee.

Q21: Can the estate tax amnesty be paid in installment?

A21: No. For purposes of estate tax amnesty, installment payment is not allowed.

Q22: Do we compute both estate and inheritance taxes in case the decedent died at the time when there were estate and inheritance taxes imposed?

A22: No. The estate amnesty tax rate of six percent (6%), which shall cover both the unpaid estate and inheritance taxes, shall be computed based on the net taxable estate.

Q23: What are the deductions to be applied in the computation of net taxable estate?

A23: The deductions to be applied in the estate tax amnesty shall be based on the estate tax law prevailing at the time of death (see Annex A of RR No. 6-2019).

Q24: Can the estate involving judicial settlement/last will of testament pending in court avail the estate tax amnesty?

A24: Yes, provided that the filer shall submit a certified true copy of the court resolution or leave of court together with all the documentary requirements for estate tax amnesty within the two-year availment period. However, only the CA shall be issued to the filer.

The ONETT Team of the RDO who will prepare the CA shall encode the details of the property/ies listed in the inventory of properties/last will of testament pending in court on the lower portion of the CA after the caveat or at the back of the CA.

Q25: In relation to Q24, when will the electronic Certificate Authorizing Registration (eCAR) be issued?

A25: The eCAR shall be issued upon presentation of the final order of the court.

Q26: If there is an on-going expropriation case on the property, can the taxpayer avail of the estate tax amnesty?

A26: Yes. If the expropriation happened after the death of the decedent, the expropriated property will form part of the gross estate of the decedent and can avail of the amnesty. However, if the expropriation happened during the lifetime of the decedent, the expropriated property will not form part of the gross estate of the decedent.

Q27: In case of multiple succession, how will the names of the estates and the corresponding heirs be presented on the eCAR?

A27: All the names of the decedents as stated on EJS or Judicial Settlement, as the case may be, will be shown on the eCAR. A brief explanation as to consolidation of the estates and the corresponding payment for all estates must be clearly stated on the "Remarks" and "Payment Details" fields, of the eCAR, respectively.

Q28: How many eCARs shall be issued for a real property covered by one (1) Title involving multiple succession?

A28: One (1) eCAR only will be issued per real property, including the improvements, if any, provided that the ETARs are filed simultaneously at only one (1) RDO.

Q29: Is delinquent estate tax liability covered by the RR on Estate Tax Amnesty?

A29: No, it is covered by Sec. 3 of RR No. 4-2019 on tax amnesty on delinquencies, quoted hereunder:

"SECTION 3. COVERAGE. All persons, whether natural or juridical, with internal revenue tax liabilities covering taxable year 2017 and prior years, may avail of Tax Amnesty on Delinquencies within one (1) year from the effectivity of these Regulations, under any of the following instances:

- A. Delinquent Accounts as of the effectivity of these Regulations, including the following:
 - 1. Delinquent Accounts with application for compromise settlement either on the basis of (a) doubtful validity of the assessment or (b) financial incapacity of the taxpayer, whether the same was denied by or still pending with the Regional Evaluation Board (REB) or the National Evaluation Board (NEB), as the case may be, on or before the effectivity of these Regulations;
 - 2. Delinquent Withholding Tax liabilities arising from non-withholding of tax; and
 - 3. Delinquent Estate Tax liabilities."

Q30: Can the estate still avail of the tax amnesty if the filer failed to submit the validated APF with proof of payment to the concerned RDO within the two-year availment period of tax amnesty?

A30: No. Failure to submit the validated APF with proof of payment within the two-year period from the effectivity of RR No. 6-2019 is tantamount to non-availment of the Estate Tax Amnesty. However, any payment made may be applied against the total regular estate tax due inclusive of penalties.

Q31: The decedent died on December 20, 2017. The corresponding estate tax return indicating estate tax due of P500,000.00 was filed on May 15, 2018 but only P350,000.00 was paid. Can the taxpayer avail of estate tax amnesty for the unpaid tax due?

A31: Yes, the filer can avail the tax amnesty on the difference between the net taxable estate per original declaration and net taxable estate applicable to the estate tax amount paid, computed using the applicable scheduled rates, as presented below:

		Per Return
Gross Estate		7,933,333.35
Less: Allowable Deductions		
Funeral Expense	200,000.00	
Medical Expense	500,000.00	
Family Home	1,000,000.00	
Standard Deduction	1,000,000.00	2,700,000.00
Total Net Estate		5,233,333.35
Less: Share of Surviving Spouse (assuming none)		0.00
Net Taxable Estate (with estate tax due of P500,000.00)		5,233,333.35
Net Taxable Estate applicable to the paid P350,000.00		
Taxable Estate:		
Applicable to P135,000.00	P2,000,000.00	
Applicable to Excess (P350,000 - P135,000)/11%	<u>1,954,545.45</u>	
	<u>P3,954,545.45</u>	3,954,545.45
Net Taxable Estate subject to tax amnesty		1,278,787.90
Estate Tax Amnesty Due (6%)		76,727.27

The ETAR shall be filed in the same RDO where the estate tax return was filed and the following documents shall be presented:

- Copy of Estate Tax Return previously filed; and
- Certificate of Payment from the RDO if available, otherwise, secure from Revenue Accounting Division (RAD) in the National Office.

Q32: Using the same facts on Q31, after the taxpayer paid the estate tax amnesty amounting to P76,727.27 as computed, it was later on discovered that a certain real property owned by the decedent with FMV per tax declaration of P1,500,000.00 and ZV of P1,000,000.00 (no improvement) was not declared in the previously filed ETAR. Can the taxpayer still avail of the estate amnesty on the undeclared property and what would be the estate tax amnesty amount?

A32: Yes, the estate tax amnesty due is 6% of P1,500,000.00, which is the higher value between FMV and ZV of the undeclared real property.

Q33: If the undeclared property on Q32 is a conjugal property, how much is the estate tax amnesty amount?

A33: The estate tax amnesty amount shall be computed as follows:

FMV of the property	1,500,000.00
Less: Share of surviving spouse	<u>750,000.00</u>
Net undeclared property	<u>750,000.00</u>
Multiply by	<u>6%</u>
Estate Tax Amnesty Amount Due	<u><u>45,000.00</u></u>

Q34: Will the withdrawal from the bank of the estate be allowed after presentation of the Certificate of Availment only?

A34: No, withdrawal can only be allowed upon presentation of the eCAR, except when a written request allowing partial or total withdrawal of cash of the taxpayer was approved by the Commissioner or the Revenue District Officer.

Q35: What document will be submitted in case there is no death certificate issued by the Philippine Statistics Authority (PSA)?

A35: The Certificate of No Record of Death from PSA and any valid secondary evidence including but not limited to those issued by any government agency/office sufficient to establish the fact of death of the decedent may be submitted.

Q36: Can the filer avail of the estate tax amnesty if there is an on-going investigation on estate tax liabilities?

A36: Yes, since there is no estate tax due that is considered delinquent.

Q37: Can the taxpayer avail of the estate tax amnesty on the estate tax deficiency resulting from post review made by the Assessment Division?

A37: Yes, the taxpayer can avail of the estate tax amnesty.

Q38: Formal Assessment Notice (FAN) covering deficiency estate tax was issued against the estate of X who died on December 31, 2017. Within thirty (30) days from receipt of the FAN, the heirs of X filed a valid protest. Can the heirs of X avail of the estate tax amnesty?

A38: Yes, the heirs can avail of the estate tax amnesty since the deficiency estate tax assessment is not yet considered delinquent.

Q39: Can the holder/buyer in a deed of sale transaction avail of the estate tax amnesty on behalf of the heirs?

A39: Yes, provided that holder/buyer shall present the notarized EJS signed by all heirs together with complete documentary requirements.

Q40: Will the voluntary payment made under Payment Form No. 0605, supposedly for estate tax amnesty, prior to the effectivity of RR No. 6-2019 be considered as valid payment for the amnesty?

A40: No, because at the time of payment, the estate tax amnesty is not yet effective. Moreover, the proper form for amnesty payment is BIR Form No. 0621-EA - APF which must be duly approved and endorsed by the concerned Revenue District Officer.

The voluntary payment in this case may be claimed for refund subject to existing rules and regulations on refund.

All internal revenue officials, employees and others concerned are hereby enjoined to give this circular as wide publicity as possible.

(Original Signed)
CAESAR. R. DULAY
Commissioner of Internal Revenue

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