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

Sec. 91 (B), NIRC
BIR Ruling No. 033-15
OT - 0626 - 2020
NOV 03 2020

H.E. ARCEO LAW OFFICE
GPP Bldg., MacArthur Highway
Tabang 1st, Guiguinto
Bulacan

Attention: **Atty. Hermin E. Arceo**

Gentlemen:

This refers to your letter dated December 18, 2017 requesting on behalf of the **Estate of Orencio E. Gabriel** for an extension of time within which to pay the estate tax thereon.

As represented, **Orencio E. Gabriel** (TIN:), with residence at #54 M.H. del Pilar St., Arkong Bato, Valenzuela City, Metro Manila, died on June 20, 2017 at St. Luke's Medical Center, Rizal Drive cor. 32nd St. and 5th Ave., Bonifacio Global City, Fort Bonifacio, Taguig City, Metro Manila, leaving some properties, assets and rights. You claim that the financial position of the decedent's heir, namely the surviving widow, Jennifer C. Gabriel, demonstrates the incapability to pay the estate taxes. As there is a Petition for Judicial Settlement of the estate filed in court, you request for a period of five (5) years extension within which to pay the aforesaid estate taxes.

In reply thereto, please be informed that Section 91 (B) of the National Internal Revenue Code of 1997, as amended provides, viz.:

> "*SEC. 91. Payment of tax. —*
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> x x x x x x x x x
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> *(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.*
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> x x x x x x x x x

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> *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."*

Based on the foregoing justifiable reasons, your request for extension of time within which to pay the estate tax of **Orencio E. Gabriel** is hereby granted up to the maximum period of five (5) years, reckoned from actual filing of the return or on December 20, 2017, 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 balance of the estate 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 thereon 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 National Internal Revenue Code of 1997, as amended.

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

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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