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

Secs. 90(C); 91(B) & 249, 1997 NIRC, RR No. 2-2003
BIR Ruling No. 276-2015 BIR Ruling No. 247-2015
#068-2018

1-25-2018

Ms. Leonila Robes
Matias Compound, Evergreen Subdivision
Bagumbong, Caloocan City

Madam:

This refer to your undated letter received by this Office on December 14, 2016 stating that Lapaz Zuñiga Matias died on June 23, 2016. By reason of the decedent being previously hospitalized, the heirs are now financially depleted and now request for an extension of time within which to file the estate tax return and to pay the estate tax due thereon.

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.*
> *xxx xxx xxx*
>
> *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 reason, your request for an extension to file the estate tax return is hereby granted for a period of thirty (30) days counted from December 23, 2016, which is the last day for filing of the estate tax return of the late Lapaz Zuñiga Matias. Thus, the filing of the said estate tax return of the decedent is hereby extended up to January 22, 2017.

Furthermore, since you are to collate documents and information necessary for the preparation of the said return, you have two (2) years (where the estate will be settled extra-judicially) within which to pay the estate tax. Thus, the heirs shall pay the estate tax within 2 years reckoned from actual filing of the return or on before December 23, 2016, 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 tax shall be liable for the corresponding interest that shall have accrued from January 22, 2017 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, as amended. (*BIR Ruling No. 247-15 dated July 15, 2015)*

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,

CAESAR R. DULAY
Commissioner of Internal Revenue
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