REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Sec. 85 of the Tax Code, as amended
BIR Ruling No. 23-12
,003-2018

1-10-2018

GRACE PATRICIA G. SANDOVAL
20 Gregoria de Jesus St., Caloocan City

Madam:

This refers to your letter dated July 12, 2016 requesting for a ruling allowing you to withdraw your share of deposits in the joint accounts without having to pay the estate tax of your deceased co-depositor.

It appears that George M. Sandoval died intestate on January 5, 2016 in Caloocan City; that at the time of his death, he maintains together with his daughter, a bank account with the Bank of Makati, Caloocan Branch, Savings Account Nos. [redacted] and [redacted] and Certificate of Deposit Nos. [redacted] and [redacted]; and that the account name of all accounts are George M. Sandoval OR Grace Patricia G. Sandoval.

In reply thereto, please be informed that pursuant to Section 85 of the Tax Code of 1997, the value of the gross estate of the decedent shall be determined by including the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated.

Moreover, interest on a deposit account maintained by two persons is deemed to be equally owned by them for income tax purposes. The same presumption may likewise apply for estate tax purposes, thus, only half of the balance of the deposit should be reported for estate tax purposes pertaining to the decedent. Accordingly, the one-half portion of the balance of the said accounts shall not be included in the computation of the gross estate of the decedent.

Based thereon, your request is hereby granted. This shall serve as authority for the Bank of Makati, Caloocan Branch to release half of the balances in the joint accounts between George M. Sandoval and Grace Patricia G. Sandoval. After the shares of Grace Patricia G. Sandoval in the said bank accounts have been paid to her, the accounts shall cease to be "or" accounts and shall be converted to individual accounts in the name of George M. Sandoval. The aforementioned bank is further required to submit reports to the Law Division, Bureau of Internal Revenue, National

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Office Building, that they have effected these changes within 30 days after the withdrawal by Grace Patricia G. Sandoval of her share in said bank accounts.

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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