REPUBLIC OF 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. 506-14 |
| 343-2016 |

6-29-2016

**Verano Law Firm**
Unit 5-C, 5/F Raha Sulayman Bldg.
108 Benavidez St., Legaspi Village
Makati City

Attention : Atty. Jacqueline C.L. Verano

Gentlemen:

This refers to your letter dated October 8, 2014, requesting on behalf of the heirs of Manuel Jose B. Igual 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 Manuel Jose B. Igual died on April 21, 2014 due to cardiac arrest at the Makati Medical Center, Makati City. Manuel Domingo Igual, one of the heirs of the deceased had already prepared a listing of all the expenses necessary for the computation of the estate tax of the decedent, however, the other heirs have not yet executed an Extra-Judicial Settlement for they had a difficult time searching and completing important documents relative to the former's estate.

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 October 20, 2014, which is the last day for filing of the estate tax return of the late Manuel Jose B. Igual. Thus, the filing of the said estate tax return of the decedent is hereby extended up to November 19, 2014.

Furthermore, since you are collating all documents and information necessary for the preparation of the said return, your request for extension of two (2) years (where the estate will be settled extra-judicially) within which to pay the estate tax is hereby granted. Thus, the heirs shall pay the estate tax within 2 years reckoned from actual filing of the return or on November 19, 2014, 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 November 19, 2014 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

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