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

SECS. 90 (C), 91 (B) & 249 NIRC of 1997, as amended; Revenue Regulations (RR) No. 02-2003
BIR Ruling No. 276-2015
#604-2018
1-10-2018

MARTINEZ VERGARA GONZALEZ & SERRANO
33rd Floor, The Orient Sqaure
F. Ortigas, Jr. Rd., Ortigas Center
1600 Pasig City

Attention: ATTY. JOANNESS S. BATIMANA

Gentlemen:

This refers to your letters dated August 10, 2016, September 13, 2016, October 10, 2016, and November 09, 2016 requesting on behalf of the heirs of Precioso C. Kuhonta for an extension of time to file the estate tax return and pay the estate tax due pursuant to Sections 90 (C) and 91 (B), respectively, of the National Internal Revenue Code of 1997, as amended.

It is represented that Precioso C. Kuhonta died on February 11, 2016; that the heirs are still in the process of collating all the relevant documents pertaining to the properties left by the Decedent; that the heirs anticipate that they will not be able to finalize and file the estate tax return as well as pay the estate tax by August 1[illegible], 2016 since they are and have been residing outside the Philippines; and that due to the foregoing, you are requesting for an extension to file the estate tax return and to fully pay the estate tax due thereon.

In reply thereto, please be informed that Sections 90 (C) and 91 (B) of the National Internal Revenue Code of 1997, as amended, 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 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 August 11, 2016, which is the last day for filing of the estate tax return of the late Precioso C. Kuhonta. Thus, the filing of the said estate tax return of the decedent is hereby extended up to September 10, 2016.

Moreover, your request for extension of the time within which to pay the estate tax is hereby granted up to the period of two (2) years in case the estate is settled extrajudicially or five (5) years in case the estate is settled through the courts, reckoned from actual filing of the return or on August 11, 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 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 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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