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

Secs. 90 (B), (C) and 91 (B) of the National Internal Revenue Code of 1997, as amended
Revenue Regulations No. 2-2003
BIR Ruling No. 99-2017
OT-014-2020
JAN 2 2 2020

ATTY. SHERWIN PROSE C. CASTAÑEDA
Legal Counsel for the Heirs of Bernardo B. Hizon
10-B, Boston St. Kaunlaran, Quezon City

Sir:

This refers to your letter dated January 20, 2019 requesting on behalf of your clients, the Heirs of Bernardo B. Hizon, for an *"extension of time to file the estate tax return and pay the estate tax due on the intestate estate of Bernardo B. Hizon"*[1].

It is represented that Bernardo B. Hizon died on January 22, 2018[2] and that the reason for extension to file the estate tax return and its payment is because the heirs are *"in the process of collating the properties forming part of the estate and securing all documentation needed to be submitted to the BIR for the computation of his estate tax."* Hence, your client is constrained to seek for an extension within which to file the required estate tax return and for its payment.

In reply thereto, please be informed that Sections 90 (B), (C) and 91 (B) of the National Internal Revenue Code (NIRC) of 1997, as amended, provide the following:

"SEC. 90. Estate Tax Returns. —

xxx xxx xxx

(B) Time for Filing. — For the purposes of determining the estate tax provided for in Section 84 of this Code, the estate tax return required under the preceding Subsection (A) shall be filed within one (1)year from the decedent's death.[3]

(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."

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[1] As stated in the letter dated January 20, 2019.
[2] As provided in the Certificate of Death.
[3] As amended by R.A. No. 10963, entitled as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law."

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"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"

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 January 21, 2019, which is the last day for filing of the estate tax return of the late Bernardo B. Hizon. Thus, the filing of the said estate tax return of the decedent is hereby extended up to February 20, 2019.

Moreover, the request for extension of the time within which to pay the estate tax is hereby granted up to the maximum period of two (2) years or five (5) years, whichever is applicable, reckoned from February 20, 2019 or the actual filing of the estate tax return, 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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