October 22, 2018

BIR RULING NO. 1284-18

Tax Code, Sec. 90 (C) of the NIRC, as amended; BIR Ruling No. 020-11

Delloro Espino & Saulog Law Office
Units 911 & 912 Citystate Centre Building,
709 Shaw Boulevard cor. Oranbu Drive,
Ortigas Center, Pasig City
1600 Philippines

Attention: *AAA*

Gentlemen :

This refers to your letter dated February 22, 2017 requesting in behalf of your clients, BBB and CCC for an extension of time to file the estate tax return of DDD and an extension of time to pay the estate tax thereon.

It is represented that DDD died on September 3, 2016 and that your reason for an extension to file the estate tax return is due to the undue hardship in collating the properties and properly settling the amount of the estate among the decedent's two sets of children with his first and second wives, and to give the parties' additional time within which to reach an amicable settlement. Hence, they are constrained to seek for an extension of thirty (30) days within which to file the required estate tax return and an extension of two (2) years within which to pay the corresponding estate tax due.

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."*

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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

"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 reasons, your request for an extension to file the estate tax return is hereby granted for a period of thirty (30) days counted from March 2, 2017, which is the last day for filing of the estate tax return of the late DDD. Moreover, your request for extension of the time within which to pay the estate tax is hereby granted up to the maximum period of five (5) years in case the estate is settled through the courts, or two (2) years in case the estate is settled extra-judicially, reckoned from actual filing of the return or on April 1, 2017 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 Tax Code of 1997.

Very truly yours,

(SGD.) CAESAR R. DULAY

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Commissioner of Internal Revenue