February 11, 2019

BIR RULING NO. 149-19

Secs. 90 (B) (C), 91 (B) and 249 of the NIRC, as amended; BIR Ruling No. 475-2017

Estate of AAA

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Attention: *BBB*

Sirs/Madame :

This refers to your letter dated December 11, 2017, requesting an extension of time within which to file the estate tax return and pay the corresponding estate tax.

It is represented that AAA died on June 16, 2017 at University of Santo Tomas Hospital in España, Manila and that your reason for requesting an extension to file the estate tax return and pay estate tax is that the surviving heirs are still in the process of selling some of the identified properties left by the decedent constituting his estate for the purpose of raising funds to pay the corresponding tax.

In reply thereto, please be informed that pursuant to provisions of Sections 90 (B), (C) and 91 (B) of the Tax Code of 1997, as amended, which states, to wit:

> *"SEC. 90. Estate Tax Returns. —*
>
> xxx xxx xxx
>
> *(B) Time for Filing. — x x x the estate tax return required under the preceding Subsection (A) shall be filed within six (6) months [1] from the decedent's death.*
>
> 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. —*

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(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, your request for an extension to file the estate tax return is hereby GRANTED for a period of thirty (30) days counted from December 16, 2017, which is the last day for filing of the estate tax return of the late AAA. Thus, the filing of the estate tax return of the decedent is hereby extended up to January 15, 2018. *(BIR Ruling No. 475-17 dated October 12, 2017)*

Further, since you are still in the process of selling some of the identified properties left by the decedent constituting his estate for the purpose of raising funds to pay the corresponding tax, your request for extension to settle the estate tax obligation is also GRANTED, such that the executor/administrator or heirs of AAA shall pay the estate tax within two (2) years from actual filing of the estate tax return or on or before January 15, 2020, 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. *(BIR Ruling No. 475-17 dated October 12, 2017)*

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, as amended. *(BIR Ruling No. 475-17 dated October 12, 2017)*

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.

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Very truly yours,

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. Now, One (1) year, effective January 1, 2018.

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