April 5, 2019

BIR RULING NO. 239-19

Secs. 90 (C) & 91 (B), Tax Code; BIR Ruling No. 33-15

AAA

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Dear AAA,

This refers to your letter dated March 20, 2017 requesting on behalf of the Estate of BBB for an extension of time within which to file the estate tax return and pay the estate tax due thereon.

Document shows that your spouse, BBB died on November 16, 2016. You claim that the prescribed periods for filing the estate tax return and the payment of the corresponding estate tax thereon would impose undue hardship upon the estate considering that the estate is encountering difficulty in gathering and collating the necessary documents required and in support of the payment of the aforesaid estate tax.

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. —*
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> XXX XXX XXX
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> *(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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> XXX XXX XXX
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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*

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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 of time to file the estate tax return for the **Estate of BBB** is hereby granted for a period of thirty (30) days counted from May 16, 2017 or until June 15, 2017 which is the last day for filing of the estate tax return of the late BBB.

Further, since the heirs appear to have difficulty in gathering and collating the necessary documents required and in support of the payment of the aforesaid estate tax, an extension to pay the estate tax is hereby granted, such that the executor/administrator or heirs of **BBB** shall pay the estate tax within two (2) years from actual filing of the estate tax return or on June 15, 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 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 ascertained that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

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

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