March 23, 2018

BIR RULING NO. 534-18

Sections 90 (C), 91 (B) & 249, NIRC;
Revenue Regulations No. 2-2003; BIR
Ruling Nos. 99-2017, 344-16, 59-2015 &
374-2012

AAA

_____

_____

Sir :

This refers to your letters dated September 21, 2017, October 11, 2017 and February 13, 2018 requesting for an extension of time to file and pay the estate tax due of your parents pursuant to Sections 90 (C) and 91 (B), respectively, of the National Internal Revenue Code of 1997, as amended.

It is represented that your late parents, BBB and CCC, died on _____ and _____, respectively. Due to the number of documents required, you will need more time to gather the requirements to file and pay the estate tax. Hence, you are requesting for an extension to file the estate tax return and to fully pay the estate tax due thereon due to the following reasons:

a) the Decedent has numerous properties located at Quezon City, Caloocan City and Bulacan and records are yet to be consolidated;

b) the heirs are dealing with voluminous records and incomplete documents;

c) the heirs are still in the process of extra-judicially settling the properties of the Decedent; and

d) three of the heirs are currently residing outside the Philippines.

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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(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 extra-judicially. 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.

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 the last day of filing the estate tax return. Thus, for BBB, the filing of the estate tax return is hereby extended up to January 3, 2002 while for CCC, the filing of the estate tax return is hereby extended up to October 25, 2017.

Furthermore, since you are to collate all documents and information necessary for the preparation of the said returns, you have two (2) years (where the estate will be settled extra-judicially) within which to pay the estate tax. Thus, the heirs shall pay the estate tax within 2 years reckoned from actual filing of the return or on January 3, 2002, for BBB, and October 25, 2017, for CCC, 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.

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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,

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

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