September 27, 2019

BIR RULING NO. 542-19

Sec. 91 (B) of the National Internal Revenue Code of 1997, as amended; Revenue Regulations No. 02-2003; BIR Ruling Nos. 099-17 and 004-18

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Sir :

This refers to your letter dated January 17, 2018 requesting for an extension of time within which to pay the estate tax due pursuant to Section 91 (B) of the National Internal Revenue Code of 1997, as amended.

It is represented that BBB died on July 25, 2017, and that the reason for an extension to pay the estate tax due is because *"her heirs are still in the process of collating pertinent documents pertaining to the assets that make up her estate."* [1] Hence, you are constrained to seek for an extension within which to pay the estate tax.

In reply thereto, please be informed that Section 91 (B) of the National Internal Revenue Code of 1997, as amended, provide, *viz.*:

"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

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

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

Footnotes

1. As stated in the letter dated January 17, 2018.

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