October 1, 2019

BIR RULING NO. 550-19

Secs. 90 (C) & 91 (B), Tax Code; BIR Ruling No. 033-15

Martinez Vergara Gonzalez & Serrano
33rd Floor, The Orient Square
F. Ortigas, Jr. Road, Ortigas Center
1600 Pasig City

Attention: *AAA*
BBB

Gentlemen :

This refers to your letter dated July 18, 2017 requesting on behalf of the heirs of the late **CCC** (TIN 000-000-000) for an additional period of thirty (30) days to file the Estate Tax Return and pay the estate tax due based on Sections 90 (C) and 91 of the National Internal Revenue Code (NIRC) of 1997, as amended.

It is represented that **CCC**, with address at _____, died on January 21, 2017 in San Francisco, California, United States of America. Notice of Death was filed with the Bureau of Internal Revenue on March 20, 2017.

The request is premised on the following reasons:

(i) *Open Cases with RDO 49*. After the death of decedent, you applied for a Tax Identification Number (TIN) for his estate and was only then apprised of the open cases attached to his personal TIN. The heirs are currently in the process of resolving these pending cases.

(ii) *Appraisal Reports*. Majority of the assets left by the decedent are shares of stocks in various companies. The appraisal reports for some of the properties have been prepared but the remaining reports may not be available in time for the filing of the estate tax return.

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. —

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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.

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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 for the Estate of **CCC** is hereby granted for a period of thirty (30) days counted from July 21, 2017 or until August 20, 2017 which is the last day for filing of the estate tax return of the late **CCC**.

Further, since the heirs are having difficulty in collating all important documents required for the filing of the estate tax return, your request for extension to pay the estate tax is hereby granted, such that the executor/administrator or heirs of **CCC** shall pay the estate tax within two (2) years from actual filing of the estate tax return on or before August 20, 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.

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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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