April 3, 2018

BIR RULING NO. 591-18

Tax Code, Secs. 90 (C) and 91 (B) of the NIRC of 1997, as amended; BIR Ruling No. 533-2012

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Sir :

This refers to your letter dated June 6, 2017, requesting on behalf of the other heirs of BBB, an extension of time within which to file the estate tax return and pay the corresponding estate tax.

It is represented that BBB died on December 14, 2016 in Pasig City and the reason for your request of an extension to file the estate tax return is that you are still verifying the properties left by the decedent and you are still in the process of putting up the amount required to pay for his estate tax.

In reply thereto, please be informed that Sections 90 (C) and 91 (B) of the Tax 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 extrajudicially. In such case,

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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 reason, your request for an extension to file the estate tax return for the Estate is hereby granted for a period of thirty (30) days counted from June 14, 2017, which is the last day for filing of the estate tax return of the late BBB. Thus, the filing of the estate tax return of the decedent is hereby extended up to July 13, 2017. *(BIR Ruling No. 533-12 dated August 29, 2012)*

Further, since you are still in the process of collating and verifying all the properties left by the decedent, your request for extension is 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 on or before July 13, 2019, 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. 533-12 dated August 29, 2012)*

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. 533-12 dated August 29, 2012)*

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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