REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

BUREAU OF INTERNAL REVENUE
RECEIVED
4:20 P.M.
JUN 05 2018
RECORDS MGT. DIVISION

May 21, 2018

REVENUE MEMORANDUM CIRCULAR NO. 46-2018

SUBJECT : Circularizing the Ruling on the Proper Interpretation of Section 214 of the National Internal Revenue Code of 1997, as Amended

TO : All Internal Revenue Officials, Employees and Others Concerned

---

The provisions of Section 214 of the National Internal Revenue Code of 1997, as amended prescribe that:

> *"**SEC. 214. Redemption of Property Sold.** – Within one (1) year from the date of sale, the delinquent taxpayer, or any one for him, shall have the right of paying to the Revenue District Officer the amount of public taxes, penalties, and interest thereon from the date of delinquency to the date of sale, together with interest on said purchase price at the rate of fifteen percent (15%) per annum from the date of purchase to the date of redemption, and such payment shall entitle the person paying to the delivery of the certificate issued to the purchaser and a certificate from the Revenue District Officer that he has thus redeemed the property, and the Revenue District Officer shall forthwith pay over to the purchaser the amount by which such property has thus been redeemed, and said property thereafter shall be free from the lien of such taxes and penalties.*
>
> *The owner shall not, however, be deprived of the possession of the said property and shall be entitled to the rents and other income thereof until the expiration of the time allowed for its redemption."* (underscoring ours)

For the guidance of the taxpaying public and revenue officials of this Bureau, more particularly, the respective national and regional committees designated to conduct the public auction of seized/forfeited properties from delinquent taxpayers, the following provisions are the pertinent excerpt of the ruling dated March 13, 2018 issued by the Commissioner of Internal Revenue in the proper interpretation of the said provisions of Section 214, in case of redemption of the seized/forfeited properties by delinquent taxpayers:

> *"The above provision of the National Internal Revenue Code of 1997, as amended, is clear that in case of redemption of property sold in public auction, the delinquent taxpayer or any one for him shall have the right to pay to the Revenue District Officer the following:*
>
> 1. *public taxes;*
> 2. *penalties prescribed under section 248 of the National Internal Revenue Code of 1997, as amended;*

3. *interest prescribed under Section 249 of the National Internal Revenue Code of 1997, as amended, from the date of delinquency to the date of sale; and*
4. *interest on purchase price at the rate of fifteen percent (15%) per annum from the date of purchase to the date of redemption.*

Thus, for redemption to be valid, all public taxes including interests and penalties must be paid. Otherwise stated, failure on the part of the delinquent taxpayer or any one for him to pay all public taxes including interest and penalties shall make the redemption invalid."

All internal revenue officers and employees are hereby enjoined to give this circular as wide a publicity as possible.

CAESAR R. DULAY
Commissioner of Internal Revenue

017053

J-FAMU

