REVENUE MEMORANDUM CIRCULAR NO. 26-2019 issued on February 26, 2019 circularizes Republic Act (RA) No. 11213 entitled “An Act Enhancing Revenue Administration and Collection by Granting an Amnesty on All Unpaid Internal Revenue Taxes Imposed by the National Government for Taxable Year 2017 and Prior Years with Respect to Estate Tax, Other Internal Revenue Taxes, and Tax on Delinquencies”, otherwise known as “Tax Amnesty Act”, together with the Veto Message of President Rodrigo R. Duterte.

The Estate Tax Amnesty shall cover the estate of decedents who died on or before December 31, 2017, with or without assessments duly issued therefor, whose Estate Taxes have remained unpaid or have accrued as of December 31, 2017. Provided, however, that the Estate Tax Amnesty authorized and granted shall not cover instances enumerated under the Exceptions of the Act.

Except for instances covered by Section 9 of the Act, the estate may enjoy the immunities and privileges of the Estate Tax Amnesty and pay an estate amnesty tax at the rate of six percent (6%) based on the decedent’s total net estate at the time of death: Provided, That, if an Estate Tax Return was previously filed with the BIR, the Estate Tax rate of six percent (6%) shall be based on net undeclared estate.

The provisions of the National Internal Revenue Code (NIRC) of 1997, as amended, or the applicable Estate Tax laws prevailing at the time of death of the decedent, on valuation, manner of computation, and other related matters, shall apply suppletorily at the time of entitlement. Provided, further, That if the allowable deductions applicable at the time of death of the decedent exceed the value of the gross estate, the heirs, executors, or administrators may avail of the benefits of tax amnesty under Title II of the Act, and pay the minimum estate amnesty tax of Five Thousand Pesos ($5,000.00).

The executor or administrator of the estate, or if there is no executor or administrator appointed, the legal heirs, transferees or beneficiaries, who wish to avail of the Estate Tax Amnesty shall file with the Revenue District Office (RDO) which has jurisdiction over the last residence of the decedent a sworn Estate Tax Amnesty Return, within two (2) years from the effectivity of the Implementing Rules and Regulations of the Act.

The payment of the amnesty tax shall be made at the time the Return is filed. Provided, That for nonresident decedents, the Estate Tax Amnesty Return shall be filed and the corresponding amnesty tax shall be paid at RDO No. 39, or any other RDO which shall be indicated in the Implementing Rules and Regulations.

The availment of the Estate Tax Amnesty and the issuance of the corresponding Acceptance Payment Form do not imply any admission of criminal, civil or administrative liability on the part of the availing estate.

Estates covered by the Estate Tax Amnesty, which have fully complied with all the conditions set forth in the Act, including the payment of the estate amnesty tax shall be immune from the payment of all Estate Taxes, as well as any increments and additions thereto, arising from the failure to pay any and all Estate Taxes for taxable year 2017 and prior years and from all appurtenant civil, criminal and administrative cases and penalties under the NIRC of 1997, as amended.

Without prejudice to compliance with applicable laws on succession as a mode of transfer, the BIR, in coordination with the applicable regulatory agencies, shall set up a system enabling the transfer of title over properties to heirs and/or beneficiaries and cash withdrawals from the bank accounts of the decedent, when applicable.

The Estate Tax Amnesty under Title II of the Act shall not extend to Estate Tax cases which shall have become final and executory and to properties involved in cases pending in appropriate courts:

a. Falling under the jurisdiction of the Presidential Commission on Good Government;
b. Involving unexplained or unlawfully acquired wealth under RA No. 3019 (Anti-Graft and Corrupt Practices Act) and RA No. 7080 (An Act Defining and Penalizing the Crime of Plunder);

c. Involving violations of RA No. 9160, (Anti-Money Laundering Act), as amended;

d. Involving tax evasion and other criminal offense under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended; and

e. Involving felonies of frauds, illegal exactions and transactions and malversation of public funds and property under Chapters III and IV of Title VII of the Revised Penal Code.

The Tax Amnesty on Delinquencies shall cover all national internal revenue taxes such as, but not limited to, Income Tax, Withholding Tax, Capital Gains Tax, Donor’s Tax, Value-Added Tax (VAT), other Percentage Taxes, Excise Tax and Documentary Stamp Tax collected by the BIR, including VAT and Excise Taxes collected by the Bureau of Customs for taxable year 2017 and prior years.

The Tax Amnesty on Delinquencies may be availed of in the following instances:

a. Delinquencies and assessments, which have become final and executory, including delinquent tax account, where the application for compromise has been requested on the basis of: (1) doubtful validity of the assessment; (2) financial incapacity of the taxpayer, but the same was denied by the Regional Evaluation Board or the National Evaluation Board, as the case may be, on or before the Implementing Rules and Regulations take effect;

b. Pending criminal cases with the Department of Justice or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the NIRC of 1997, as amended, with or without assessments duly issued;

c. Tax cases subject of final and executory judgment by the courts on or before the Implementing Rules and Regulations take effect; and

d. Withholding tax agents who withheld taxes but failed to remit the same to the BIR.

Any person may enjoy the immunities and privileges of the Tax Amnesty on Delinquencies and pay the following tax amnesty rates:

a. Delinquencies and assessments which have become final and executory – 40% of the basic tax assessed;

b. Tax cases subject of final and executory judgment by the courts – 50% of the basic tax assessed;

c. Pending criminal cases with the criminal information filed with the Department of Justice or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the NIRC of 1997, as amended, with assessments duly issued and otherwise excluded in Title II and III hereof – 60% of the basic tax assessed; and

d. Withholding agents who withheld taxes but failed to remit the same to the BIR - 100% of the basic tax assessed.

Any person natural or juridical, who wishes to avail of the Tax Amnesty on Delinquencies shall, within one (1) year from the effectivity of the Implementing Rules and Regulations of the Act, file with the appropriate office of the BIR, which has jurisdiction over the residence or principal place of business of the taxpayer, a sworn Tax Amnesty on Delinquencies Return accompanied by a Certification of Delinquency. The payment of the amnesty tax shall be made at the time the Return is filed.

Provided, That the Revenue District Officer shall issue and endorse an Acceptance Payment Form, in such form as may be prescribed in the Implementing Rules and Regulations of the Act authorizing the authorized agent bank, or in the absence thereof, the Revenue Collection Agent or Municipal Treasurer concerned, to accept the amnesty payment.
Provided, further, That the availment of the Tax Amnesty on Delinquencies and the issuance of the corresponding Acceptance Payment Form do not imply any admission of criminal, civil or administrative liability on the part of the availing taxpayer.

The tax delinquency of those who avail of the Tax Amnesty on Delinquencies and have fully complied with all the conditions set forth in the Act and upon payment of the amnesty tax shall be considered settled and the criminal case under Section 18(c) and its corresponding civil or administrative case, if applicable, be terminated, and the taxpayer shall be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal, and administrative cases, and penalties under the NIRC of 1997, as amended, as such relate to the taxpayer’s assets, liabilities, networth, and internal revenue taxes that are subject of the tax amnesty, and from such other investigations or suits insofar as they relate to the assets, liabilities, networth and internal revenue taxes that are subject of the tax amnesty: Provided, That any notices of levy, attachments and/or warrants of garnishment issued against the taxpayer shall be set aside pursuant to a lifting of notice of levy/garnishment duly issued by the BIR or its authorized representative: Provided, further, That the Authority to Cancel Assessment (ATCA) shall be issued by the BIR in favor of the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission to the BIR of the Acceptance Payment Form and the Tax Amnesty on Delinquencies Return. Otherwise, the duplicate copies, stamped as received, of the Acceptance Payment Form, and Tax Amnesty on Delinquencies Return shall be deemed as sufficient proof of availment: Provided, furthermore, That the Tax Amnesty on Delinquencies Return and the Acceptance Payment Form shall be submitted to the RDO after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of the Act.

Any information or data contained in, derived from or provided by a taxpayer in the Tax Amnesty Return, Statement of Total Assets or Statement of Assets, Liabilities, and Networth, as the case may be and appurtenant documents shall be confidential in nature and shall not be used in any investigation or prosecution before any judicial, quasi-judicial and administrative bodies.

Any statement of assets, liabilities and networth, financial statements, information sheets, and any such other statements or disclosure that may have been previously submitted by the taxpayer as required by existing laws are deemed to have been amended by the Tax Amnesty Return and/or the Statement of Total Assets or Statement of Assets, Liabilities, and Networth, as the case may be, filed under the Act and may not be the subject of any investigation or prosecution or be used in any investigation or prosecution before any judicial, quasi-judicial and administrative bodies.

The Department of Finance, in coordination with the BIR, Land Registration Authority, Department of Trade and Industry, Securities and Exchange Commission, Land Transportation Office, and other agencies concerned, shall institute an Information Management Program for the effective use of information declared or obtained from the Tax Amnesty Returns and Statements of Total Assets or Statement of Assets, Liabilities, and Networth, as the case may be, required to be filed under the Act.

All the statements and returns required under the Act shall be filed and processed separately from all other records of the BIR in accordance with the Implementing Rules and Regulations of the Act.

If the data requirements consist of information found in the Income Tax Return of taxpayers, the requirements under Section 71 of the National Internal Revenue Code (NIRC) of 1997, as amended, shall still be complied with. The Information Management System shall also comply with the provisions of RA No. 10173 (Data Privacy Act) and such other laws relating to confidentiality of information.

Except as provided in Section 6(F) and 71 of the NIRC of 1997, as amended, and Section 26 of RA No. 6388, any officer or employee of the BIR who divulge to any person or...
makes known in any other manner than may be provided by law information regarding the
business, income, or estate of any taxpayer, the secrets, operation, style or work, or apparatus of
any manufacturer or producer, or confidential information regarding the business of any
taxpayer, knowledge of which was acquired by him in the discharge of his official duties, shall,
upon conviction for each act or omission, be punished by a fine of not less than Fifty Thousand
Pesos (₱50,000.00) but not more than One Hundred Thousand Pesos (₱100,000.00), or suffer
imprisonment of not less than two (2) years but not more than five (5) years, or both.

Any officer or employee of the BIR who divulges or makes known in any other manner
to any person other than the requesting foreign tax authority information obtained from banks
and financial institutions pursuant to Section 6(F), knowledge or information acquired by him in
the discharge of his official duties, shall, upon conviction, be punished by a fine of not less than
Five Hundred Thousand Pesos (₱500,000.00) but not more than One Million Pesos
(₱1,000,000.00), or suffer imprisonment of not less than (2) years but not more than five (5)
years, or both.

It shall be unlawful for any person having knowledge of the Tax Amnesty Return and
appurtenant documents, to disclose any information relative thereto, and any violation hereof
shall be penalized a fine of One Hundred Fifty Thousand Pesos (₱150,000.00) and
imprisonment of not less than six (6) years but not more than ten (10) years. Provided, that if the
offender is an officer or employee of the BIR or any government entity, the penalties under
Section 270 of the NIRC of 1997, as amended, shall apply. Provided, further, that the offender
shall likewise suffer an additional penalty of perpetual disqualification to hold public office.

The Secretary of Finance shall, in coordination with the Commissioner of Internal
Revenue, promulgate and publish the necessary rules and regulations of the Act within ninety
(90) days from its effectivity. The failure of the Secretary of Finance to promulgate the said
rules and regulations shall not prevent the implementation of the Act upon its effectivity.

The message showing the items in RA No. 11213 vetoed by President Duterte formed
part of RMC No. 26-2019 as Annex B.