

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

April 22, 2013

REVENUE MEMORANDUM CIRCULAR NO. 34-2013

SUBJECT: Clarification on the Proper Accomplishment and Filing of Estate Tax Returns

TO : All Internal Revenue Officials, Employees and Others Concerned

I. Background

It has been observed that there is a proliferation of improperly filled up estate tax returns with no other data entries except “exempt” or “late filing”. In most cases, these returns are no longer presented to the officer-of-the-day for checking before filing. Since the quality and integrity of inputs into our Integrated Tax System (ITS) are greatly affected by the absence of data, we cannot extract the needed information for the Revenue District Offices’ (RDOs’) enforcement activities, as well as, useful information for management’s policy formulation and decision-making.

Hence, there is a need to stress the importance for the decedent’s heir/executor/administrator to complete all the fields in the estate tax return forms to eliminate the occurrence of suspended tax returns brought about by the non-capture of the vital information into the ITS.

II. Responsibilities of the Heir/Executor/Administrator

In all cases of transfers subject to tax, or where, though exempt from tax, the gross value of the estate exceeds Twenty Thousand Pesos (P 20,000), Section 89 of the National Internal Revenue Code of 1997 (Tax Code), as amended, provides that the executor, administrator or any of the legal heirs, shall send a written notice of death to the Commissioner within two (2) months after the decedent’s death or within a like period after an executor or administrator qualify as such. However, the estate tax return shall be filed under any of the following situations:

1. In all cases of transfers subject to estate tax; or
2. Where, though exempt from estate tax, the gross value of the estate exceeds two hundred thousand pesos (₱ 200,000.00); or
3. Where, regardless of the gross value, the estate consists of registered or registrable property such as real property, motor vehicle, shares of stocks or other similar property for which a clearance from the Bureau of Internal Revenue (BIR) is required as a prerequisite for the transfer of ownership thereof in the name of the transferee.

The heirs/authorized representative/administrator/executor shall file the estate tax return and pay the corresponding estate tax with the Authorized Agent Bank (AAB), Revenue Collection Officer (RCO) or duly authorized Treasurer of the city or municipality in the Revenue District Office having jurisdiction over the place of domicile of the decedent at the time of his death, pursuant to Section 90(D) of the Tax Code, as amended. In case of a non-resident decedent, with executor or administrator in the Philippines, the estate tax return shall be filed with the AAB of the RDO where such executor/administrator is registered or is domiciled, if not yet registered with the BIR. For non-resident decedent with no executor or administrator in the Philippines, the estate tax return shall be filed with the AAB under the jurisdiction of RDO No. 39–South Quezon City.

In filling out the return, the executor, administrator or any of the legal heirs shall exercise due diligence in accomplishing the same properly, filling out completely items with values and entering “0” in the box to indicate none or nil, if there is no applicable value.

The heir/authorized representative/administrator/executor shall submit all the applicable documentary requirements as prescribed in Annexes A-6 and A-6.1 of Revenue Memorandum Order (RMO) No. 15-2003 and proof of payment to the RDO having jurisdiction over the place of residence of the decedent or the RDO where the executor or administrator is registered, or RDO No. 39 – South, Quezon City, whichever is applicable.

III. Responsibilities of the RDO and Document Processing Division (DPD)

The RDO shall process the estate tax returns in accordance with the procedures indicated in RMO No. 15-2003. For tax returns exempt from estate tax which have to be filed directly with the RDO and estate tax returns with payment which shall be received by the RCO, the same shall not be received by the RDO/RCO if they are not properly accomplished.

For tax returns with payment filed directly with the AABs, it is the responsibility of the RDO or DPD (for Regional Offices with DPD), to scrutinize the entries in the returns and determine any missing/incomplete information. Within five (5) days from discovery, the DPD head shall transmit a list of estate tax returns with missing/incomplete information. Within five (5) days from receipt of the list, the RDO shall view and print the returns and shall notify in writing the heir/authorized representative/administrator/executor of the estate of such fact and require the amendment of the return within five (5) days from receipt of the written notice. Likewise, the RDO shall impose the compromise penalty for violation of Section 255 of the Tax Code, as amended, prescribed under RMO No. 19-2007. Further, in case of late filing, the applicable penalties under the Tax Code, as amended, shall be imposed.

All internal revenue officials, employees and others concerned, are hereby enjoined to be guided by the provisions of this Circular.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue