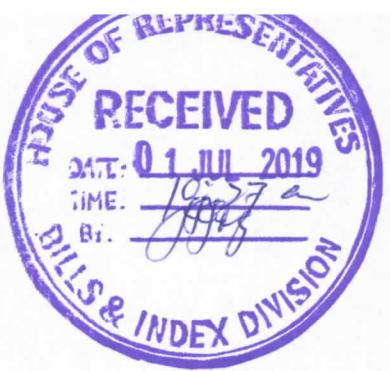


Republic of the Philippines  
House of Representatives  
Quezon City



Eighteenth Congress  
First Regular Session

House Bill No. 191

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Introduced by Representatives  
**Estrellita B. Suansing and Horacio P. Suansing, Jr.**

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**EXPLANATORY NOTE**

On February 14, 2019, President Rodrigo R. Duterte signed into law Republic Act 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" or the "Tax Amnesty Act", which aims to further the government's effort to improve tax administration and compliance, and give taxpayers an opportunity to settle outstanding tax liabilities and start anew.

The abovementioned laudable aims, notwithstanding, the provisions on general tax amnesty under Title III of RA No. 11213 were vetoed by the President on grounds of unconditional latitude granted therein. Hence, the President requested Congress to pass a version that includes provisions on the lifting of bank secrecy for fraud cases and exchange of information to realize fully the noble objectives of the proposed general tax amnesty.

This bill is hereby filed to heed the President's noble call. It contains the safeguards sought for a more balanced general tax amnesty. Given the refinements introduced, the much-needed benefits of general amnesty shall finally be attained both by the government and our people.

Accordingly, passage of the measure is earnestly sought.

REP. ESTRELLITA B. SUANSING  
1<sup>st</sup> District, Nueva Ecija

REP. HORACIO P. SUANSING, JR.  
2<sup>nd</sup> District, Sultan Kudarat

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AN ACT

ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY  
GRANTING AMNESTY ON ALL UNPAID IMPOSITIONS LEVIED BY  
GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS, AND FOR  
OTHER PURPOSES

*Be it enacted by the Senate and the House of Representatives of the Philippines  
in Congress assembled:*

1   **SECTION 1. Short Title.** – This Act shall be known as the “General Tax  
2   Amnesty Act.”  
3

4   **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the state  
5   to protect and enhance revenue administration and collection, and make the  
6   country’s tax system more equitable, by simplifying the tax compliance  
7   requirements. Towards this end, the State shall broaden the tax base by  
8   offering a general tax amnesty for all unpaid internal revenue taxes that will  
9   help cleanse, organize, and improve the Bureau of Internal Revenue’s  
10   database.  
11

12   **SEC. 3. Definition of Terms.** – As used in this Act:  
13

14   (a) Basic tax assessed refers to the latest amount of tax assessment issued  
15   by the Bureau of Internal Revenue against the taxpayer, exclusive of  
16   interest, penalties, and surcharges.  
17

18   (b) Statement of Assets, Liabilities, and Networth refers to a declaration of  
19   the assets, liabilities, and networth as of December 31, 2017, as follows:  
20

21   1. Assets within or without the Philippines, whether real or  
22   personal, tangible or intangible, whether or not used in trade or  
23   business: *Provided*, That property other than money shall be  
24   valued at the cost at which the property was acquired: *Provided*,  
25   further, that foreign currency assets and/or securities shall be

1 valued at the rate of exchange prevailing as of the date of the  
2 Statement of Assets, Liabilities, and Networth;

- 3
- 4 2. All existing liabilities which are legitimate and enforceable,  
5 secured or unsecured, whether or not incurred in trade or  
6 business; and  
7 3. The networth of the taxpayer, which shall be the difference  
8 between the total assets and total liabilities.

9

10 (c) Total Asset refers to the amount of the aggregate assets whether within  
11 or without the Philippines, real or personal, tangible or intangible, or  
12 ordinary or capital.

13

14 **SEC. 4. Coverage.** – There is hereby authorized and granted a tax amnesty,  
15 hereinafter called General Tax Amnesty, which shall cover all national internal  
16 revenue taxes such as, but not limited to, income tax, withholding tax, capital  
17 gains tax, donor's tax, value-added tax, percentage taxes, excise tax, and  
18 documentary stamp tax collected by the Bureau of Internal Revenue,  
19 including value-added tax and excise taxes collected by the Bureau of  
20 Customs for taxable year 2017 and prior years, with or without assessments  
21 duly issued therefor, that have remained unpaid: *Provided*, however, That the  
22 General Tax Amnesty hereby authorized and granted shall not cover persons  
23 or cases enumerated under Section 10 of this Act.

24

25 **SEC. 5. Entitlement Under the General Tax Amnesty.** – Except for  
26 instances covered under Section 10 of this Act, any person, whether natural  
27 or juridical, may enjoy the immunities and privileges of the General Tax  
28 Amnesty by paying, at the taxpayer's option, an amnesty tax at:

- 29
- 30 i. the rate of two percent (2%) based on the taxpayer's total assets as of  
31 December 31, 2017, as declared in the Statement of Total Assets; or
- 32
- 33 ii. based on the taxpayer's total networth as of December 31, 2017, as  
34 declared in the Statement of Assets, Liabilities, and Networth filed  
35 pursuant to Section 6 of this Act, and in accordance with the following  
36 schedule of amnesty tax rates and minimum amnesty tax payments  
37 required:
- 38
- 39 a. Individual (whether resident or nonresident citizens, including  
40 resident or nonresident aliens), Trusts, and Estates – 5% or  
41 P75,000, whichever is higher.
- 42
- 43 b. Corporations:
- 44
- 45 1. With subscribed capital of above P50 million – 5% or  
46 P1,000,000, whichever is higher.
- 47

1           2. With subscribed capital of above P20 million up to  
2           P50 million – 5% or P500,000, whichever is higher.

3           4. With subscribed capital of P5 million up to P20  
4           million – 5% or P250,000, whichever is higher.

5           6. With subscribed capital of below P5 million – 5% or  
6           P100,000, whichever is higher.

7           7. Other juridical entities, including but not limited to cooperatives  
8           and foundations, that have become taxable as of December 31,  
9           2017 – 5% or P75,000, whichever is higher:

10          11 *Provided*, that if the taxpayer opts to pay the amnesty tax based on total  
12          networth, and the computed networth is negative, the taxpayer may still  
13          avail of the benefit of tax amnesty under this Act by paying the  
14          minimum amnesty tax.

15          **SEC. 6. Availment of the General Tax Amnesty; When and Where to File**  
16          **and Pay.** – Any person, natural or juridical, who wishes to avail of the General  
17          Tax Amnesty shall, within One (1) year from the effectivity of the Implementing  
18          Rules and Regulations, file with the appropriate office of the Bureau of  
19          Internal Revenue, which has jurisdiction over the taxpayer, a sworn General  
20          Tax Amnesty Return accompanied by a notarized Statement of Total Assets  
21          or notarized Statement of Assets, Liabilities, and Networth, as the case may  
22          be, as of December 31, 2017. The payment of the amnesty tax shall be made  
23          at the time the General Tax Amnesty Return is filed:

24          *Provided*, that the Revenue District Officer shall issue and endorse an  
25          Acceptance Payment Form, in such form as may be prescribed in the  
26          Implementing Rules and Regulations of this Act, authorizing the authorized  
27          agent bank, or in the absence thereof, the revenue collection agent or  
28          municipal treasurer concerned, to accept the amnesty tax payment:

29          *Provided*, further, That the availment of the General Tax Amnesty and the  
30          issuance of the corresponding Acceptance Payment Form do not imply the  
31          admission of any criminal, civil, or administrative liability on the part of the  
32          availing taxpayer:

33          *Provided*, furthermore, that if the tax amnesty is availed based on the period  
34          indicated hereunder, the taxpayer shall be entitled to the corresponding  
35          reduction in the total amnesty tax due:

36          (a) If paid on or before the end of the third calendar month from the  
37          effectivity of the Implementing Rules and Regulations – 20%;

38          (b) If paid after the end of the third calendar month until the end of

the sixth calendar month from the effectivity of the Implementing Rules and Regulations – 15%;

(c) If paid after the end of the sixth calendar month until the end of the ninth calendar month from the effectiveness of the Implementing Rules and Regulations – 10%.

*Provided*, finally, That, notwithstanding any contrary provision of Republic Act No. 1405, otherwise known as the "Bank Secrecy Law", Republic Act No. 6426, otherwise known as the "Foreign Currency Deposit Act of the Philippines" and other general or special laws, and for purposes of validation relative to availment of the General Tax Amnesty, the filing of a sworn General Tax Amnesty Return authorizes the Commissioner of Internal Revenue for the duration of the one (1) year period of availment of the General Tax Amnesty to inquire into and receive information on the taxpayer's bank deposits and other related data held by local and foreign financial institutions, and to exchange information with a foreign tax authority pursuant to an international convention, agreement, or treaty to which the Philippines is a signatory or a party thereof, duly ratified and concurred in by the Senate of the Philippines.

**SEC. 7. Contents of the Statement of Total Assets and Statement of Assets, Liabilities, and Networth. –**

- A. The Statement of Total Assets shall contain a declaration of the total assets as of December 31, 2017, as follows:

  1. Assets within or without the Philippines, whether real or personal, tangible or intangible, whether or not used in trade or business:
    - a. Real properties shall be accompanied by a description of their classification, exact location, and valued at acquisition cost, if acquired by purchase, or the zonal valuation or fair market value as shown in the schedule of values of the provincial, city, or municipal assessors at the time of inheritance or donation, whichever is higher, if acquired through inheritance or donation;
    - b. Personal properties other than money, shall be accompanied by a specific description of the kind and number of assets (e.g. automobiles, shares of stock, etc.) or other investments, indicating the acquisition cost less the accumulated depreciation or amortization, or the corresponding book value for shares of stock, in proper cases, if acquired by purchase, or the fair market price or value at the date of the Statement of Total Assets, if

acquired through inheritance or donation;

- c. Assets denominated in foreign currency shall be converted into the corresponding Philippine currency equivalent, at the rate of exchange prevailing as of the date of the Statement of Total Assets; and
  - d. Cash on hand and in bank in Peso as of the date of the Statement of Total Assets, as well as cash on hand and in bank in foreign currency, converted to Philippine peso at the rate of exchange prevailing as of the date of the Statement of Total Assets.

B. Statement of Assets, Liabilities, and Networth shall contain a true and complete declaration of assets, liabilities, and networth of the taxpayer as of December 31, 2017, as follows:

1. Assets within or without the Philippines, whether real or personal, tangible or intangible, whether or not used in trade or business:
    - a. Real properties shall be accompanied by a description of their classification, exact location, and valued at acquisition cost, if acquired by purchase, or the zonal valuation or fair market value as shown in the schedule of the provincial, city, or municipal assessors, at the time of inheritance or donation, whichever is higher, if acquired through inheritance or donation;
    - b. Personal properties other than money, shall be accompanied by a specific description of the kind and number of assets ( e.g. automobiles, shares of stocks, etc.) or other instruments, indicating the acquisition cost less the accumulated depreciation or amortization, or the corresponding book value for shares of stock, in proper cases, if acquired by purchase, or the fair market price or value at the date of the Statement of Assets, Liabilities, and Networth, if acquired through inheritance or donation;
    - c. Assets denominated in foreign currency shall be converted into the corresponding Philippine currency equivalent, at the rate of exchange prevailing as of the date of the Statement of Assets, Liabilities, and Networth; and
    - d. Cash on hand and in bank in Peso as of the date of the Statement of Assets, Liabilities, and Networth, as well as cash on hand and in bank in foreign currency, converted to Philippine Peso at the rate of exchange prevailing as of the date of the Statement of Assets, Liabilities, and Networth;

## Networth.

2. All existing liabilities, which are legitimate and enforceable, secured or unsecured, whether or not incurred in trade or business, disclosing or indicating clearly the name and address of the creditor and the amount of the corresponding liability.
  3. The total networth of the taxpayer, which shall be the difference between the total assets and total liabilities.

**SEC. 8. Presumption of Correctness of Statement of Total Assets, and Statement of Assets, Liabilities, and Networth.** – The Statement of Total Assets or the Statement of Assets, Liabilities, and Networth, filed at the option of the taxpayer, shall be conclusively presumed as true, correct, and final upon filing thereof, and shall be deemed complete upon full payment of the amount due.

The Acceptance Payment Form, and the General Tax Amnesty Return shall be submitted to the Revenue District Office after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of this Act. A certificate of availment of the general tax amnesty shall be issued by the Bureau of Internal Revenue within Fifteen (15) calendar days from submission to the Bureau of Internal Revenue of the Acceptance Payment Form and the General Tax Amnesty Return. Otherwise, the duplicate copies, stamped as received, of the Acceptance Payment Form, and the General Tax Amnesty Return shall be deemed as sufficient proof of availment.

**SEC. 9. Immunities and Privileges.** – Those who avail of the General Tax Amnesty and have fully complied with all the conditions set forth in this Act and upon payment of the amnesty tax shall be entitled to the following immunities and privileges:

- (a) With respect to the years covered by the tax amnesty, the taxpayer shall be immune from the payment of taxes, as well as additions thereto, and from all appurtenant civil, criminal, and administrative cases and penalties under the National Internal Revenue Code of 1997, as amended, arising from the failure to pay any and all internal revenue taxes for taxable year 2017 and prior years 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
  - (b) 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-

1 judicial, and administrative bodies. However, the taxpayer may use this  
2 as a defense, whenever appropriate, in cases brought against the  
3 taxpayer.

- 4
- 5 (c) The books of accounts and other records of the taxpayer for the years  
6 covered by the tax amnesty availed of shall not be examined by the  
7 Bureau of Internal Revenue: Provided, that the commissioner of  
8 Internal Revenue may authorize in writing the examination of the said  
9 books of accounts and other records to verify the validity or correctness  
10 of a claim for any tax refund, tax credit (other than refund or credit of  
11 taxes withheld on wages), tax incentives, and/or exemptions under  
12 existing laws.

13

14 All these immunities and privileges shall not apply when the taxpayer  
15 failed to file a General Tax Amnesty Return and a Statement of Total  
16 Assets, or Statement of Assets, Liabilities, and Networth, as the case may  
17 be.

18

19 Upon full compliance with all the conditions set forth in this Act and  
20 payment of the corresponding general amnesty tax, the amnesty granted  
21 under this Act shall become final and irrevocable.

22

23 **SEC. 10. *Exceptions.*** – The General Tax Amnesty under this Act shall not  
24 extend to the following:

- 25
- 26 (a) Withholding tax agents who withheld taxes but failed to remit the  
27 same to the Bureau of Internal Revenue;
- 28
- 29 (b) Taxpayers with cases pending in appropriate courts involving:
- 30
- 31 1. Those that fall under the jurisdiction of the Presidential  
32 Commission on Good Government;
- 33
- 34 2. Unexplained or unlawfully acquired wealth under Republic  
35 Act No. 3019, otherwise known as the Anti-Graft and Corrupt  
36 Practices Act, and Republic Act No. 7080 or an Act Defining  
37 and Penalizing the Crime of Plunder;
- 38
- 39 3. Violation of Republic Act No. 9160, otherwise known as the  
40 Anti-Money Laundering Act, as amended;
- 41
- 42 4. Tax evasion and other criminal offenses under Chapter II of  
43 Title X of the National Internal Revenue Code of 1997, as  
44 amended; and
- 45
- 46 5. Felonies of Frauds, Illegal Exactions and Transactions, and  
47 Malversation of Public Funds and Property under Chapters III  
48 and IV of the Revised Penal Code;

- 1  
2       (c) Tax cases that have become final and executory; and  
3  
4       (d) Delinquencies and assessments that have become final and  
5                    executory.

6  
7 **SEC. 11. Confidentiality and Non-use of Information and Data in the**  
8 **Statement of Total Assets and Statement of Assets, Liabilities, and**  
9 **Networth.** – Any information or data contained in, derived from, or provided  
10 by a taxpayer in the Tax Amnesty Return, Statement of Total Assets, or  
11 Statement of Assets, Liabilities, and Networth, as the case may be, and  
12 appurtenant documents shall be confidential in nature and shall not be used  
13 in any investigation or prosecution before any judicial, quasi-judicial, or  
14 administrative bodies.

15  
16 Any Statement of Assets, Liabilities, and Networth, financial statements,  
17 information sheets, and any such other statements or disclosures that may  
18 have been previously submitted by the taxpayer as required by existing laws  
19 are deemed to have been amended by the Tax Amnesty Return, and/or the  
20 Statement of Total Assets or Statement of Assets, Liabilities, and Networth,  
21 as the case may be, filed under this Act and may not be subject of any  
22 investigation or prosecution or be used in any investigation or prosecution  
23 before any judicial, quasi-judicial and administrative bodies.

24  
25 **SEC. 12. Unlawful Divulgance of Tax Amnesty Return and Other**  
26 **Relevant Documents.** - It shall be unlawful for any person having knowledge  
27 of the Tax Amnesty Return and appurtenant documents, to disclose any  
28 information relative thereto, and any violation hereof shall be penalized by a  
29 fine of One Hundred Fifty Thousand Pesos (P150,000), and imprisonment of  
30 not less than six (6) years but not more than Ten (10) years: *Provided*, that if  
31 the offender is an officer or employee of the Bureau of Internal Revenue or any  
32 government entity, the penalties under Section 270 of the National Internal  
33 Revenue Code of 1997, as amended, shall apply: *Provided*, further, that the  
34 offender shall likewise suffer an additional penalty of perpetual  
35 disqualification to hold public office.

36  
37 **SEC. 13. Disposition of Proceeds from the General Tax Amnesty.** – All  
38 proceeds from the General Tax Amnesty shall be allocated to augment the  
39 appropriations needed for the social mitigating measures and the  
40 Government's Build Build Build infrastructure projects, as provided under  
41 Section 82 of Republic Act No. 10963, otherwise known as the "Tax Reform  
42 for Acceleration and Inclusion ("TRAIN") Act.

43  
44 **SEC. 14. Report to Oversight Committee.** – The Commissioner shall submit  
45 to the Oversight Committee referred to in Section 290 of the NIRC of 1997, as  
46 amended, through the Chairpersons of the Committee on Ways and Means of

1 the Senate and House of Representatives, a detailed report on the  
2 implementation of this Act within six (6) months after the one (1) year period  
3 of availment of the General Tax Amnesty under this Act

4  
5 **SEC. 15. Implementing Rules and Regulations.** - The Secretary of Finance  
6 shall, in coordination with the Commissioner of Internal Revenue, promulgate  
7 and publish the necessary rules and regulations within ninety (90) days from  
8 the effectivity of this Act.

9  
10 The failure of the Secretary of Finance to promulgate the said rules and  
11 regulations shall not prevent the implementation of this Act upon its  
12 effectivity.

13  
14 **SEC. 16. Separability Clause.** - If any provision of this Act is subsequently  
15 declared invalid or unconstitutional, the other provisions hereof which are not  
16 affected thereby shall remain in full force and effect.

17 **SEC. 17. Repealing Clause.** - all other laws, acts, presidential decrees, rules  
18 and regulations or parts thereof inconsistent with the provisions of this Act  
19 are hereby expressly repealed, amended or modified accordingly.

20  
21 **SEC. 18. Effectivity.** - This Act shall take effect fifteen (15) days after its  
22 complete publication in the Official Gazette or in at least one (1) newspaper of  
23 general circulation.

*Approved,*