

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4133**



---

Introduced by Representative Eric D. Singson

---

**EXPLANATORY NOTE**

In the first quarter of 2016, the Bureau of Treasury reported a 121.7 Billion budget deficit for fiscal year 2015. This is 66% higher than that of 2014. There is a need of increasing revenue and one way of doing this is by increasing the tax base. Republic Act No. 9480 which gave tax amnesty coverage from the year 2005 and prior years proved effective as it generated 5.902 billion accounting to two (2) percent of the total income taxes collected and increased the number of taxpayers by 20,069 on 2008.

This bill will seek to provide tax amnesty coverage from January 1, 2006 to June 30, 2016. The intention is to "clean the slate" for delinquent taxpayers and to encourage all taxpayers to avail of this program and register with the Bureau of Internal Revenue resulting to increased compliance to national tax policies and widening the tax base. The granting of tax amnesty would also help cleanse, organize and improve BIR's database of erring taxpayers. It will encourage business and investments in the country, and attract overseas capital to enter the domestic economy to further boost Philippine economic growth. Various sectors are clamoring for another tax reform to make our tax system more equitable. However, the government should first consider granting a general tax amnesty program as a prelude to the adoption of a comprehensive tax reform program.

The provision for immunity from civil, criminal or administrative penalties arising from previous non—payment of correct taxes will encourage those in the informal economy to surface. By helping legitimize these underground businesses, the government can collect more income and other forms of taxes.

Therefore the approval of this measure is earnestly sought.

  
**ERIC D. SINGSON**

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4133**

---

Introduced by Representative Eric D. Singson

---

**AN ACT**  
**GRANTING TAX AMNESTY ON ALL UNPAID INTERNAL REVENUE TAX**  
**LIABILITIES FOR TAXABLE PERIOD JANUARY 1, 2006 TO JUNE 30, 2016**

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

**SECTION 1. *Short Title*** – This act shall be known as “The Tax Amnesty Act of 2016.”

**SEC. 2. *Coverage***. – The tax amnesty shall apply to all national internal revenue taxes for period January 1, 2006 to June 30, 2016, with or without assessment duly issued therefor, that have remained unpaid as of June 30, 2016: Provided, however, That the amnesty hereby authorized and granted shall not cover persons or cases enumerated under Section 5 hereof.

**SEC. 3. *Scope and Condition of Tax Amnesty*** – Any person, natural or juridical, who wishes to avail of the benefits of the tax amnesty shall file in triplicate a notice and Tax Amnesty Return accompanied by a Statement of Assets, Liabilities and Networth as of June 2016 with the Bureau of Internal Revenue, in such form as shall be prescribed by the Commissioner of Internal Revenue and pay the applicable amnesty tax within six months from the effectivity of the law.

**SEC. 4. *Grant of Tax Amnesty*** – Except for the persons or cases covered in Section 5 hereof, any person, whether natural or juridical, may avail himself of the benefits of tax amnesty under this Act, and pay the amnesty tax due thereon, based on his networth as of June 30, 2016 as declared in the SALN as of said period, in accordance with the following schedule of amnesty tax rates and minimum amnesty tax payments required:

(a) Individuals (whether resident or nonresident citizens, including resident or nonresident aliens), Trusts and Estates ..... 5% or P50,000, whichever is higher

(b) Corporations

(1) With subscribed capital of above P50 Million... 5% or P500,000, whichever is higher

(2) With subscribed capital of above P20 Million  
up to P50 Million ..... 5% or P250,000, whichever is higher

(3) With subscribed capital of P5 Million to P20 Million ..... 5% or P100,000, whichever is higher

(4) With subscribed capital of below P5 Million..... 5% or P25,000, whichever is higher

(c) Other juridical entities, including, but not limited to, cooperatives and foundations, that have become taxable as of June 30, 2016 ..... 5% or P50,000, whichever is higher.

(d) Taxpayers who filed their balance sheet/SALN, together with their income tax returns for 2015, and who desire to avail of the tax amnesty under this Act shall amend such previously filed statements by including still undeclared assets and/or liabilities and pay an amnesty tax equal to five percent (5%) based on resulting increase in networth: *Provided*, That such taxpayers shall likewise be categorized in accordance with, and subjected to the minimum amounts of amnesty prescribed under the provisions of this Section.

**SEC. 5. *Exceptions*** – All taxpayers may avail themselves of the amnesty granted herein except that the immunities in Section 7 shall not apply to the following cases, insofar as the internal revenue tax liabilities involved therein are concerned:

- a. Withholding agents with respects to their withholding tax liabilities;
- b. Those with pending cases falling under the jurisdiction of the Presidential Commission on Good Government;
- c. Those with pending cases involving unexplained or unlawfully acquired wealth or under the Anti-Graft and Corrupt Practices Act;
- d. Those with pending cases filed in court involving violation of the Anti-Money Laundering Law;
- e. Those with pending criminal cases for tax evasion and other criminal offenses under Chapter II of Title X of the National Internal Revenue Code of 1997, as amended, and the 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; and
- f. Tax cases subject of final and executory judgment by the courts.

**SEC. 6. *When and Where to File and Pay*** – The notice and amnesty return, together with the Statement of Assets, Liabilities and Networth, if applicable, shall be prepared and filed in triplicate, and shall be filed on or before December 31, 2017 at the Office of the Revenue District Officer which has jurisdiction over the legal residence or principal place of business of the filer. The Revenue District Officer shall issue an acceptance of payment form to an authorized agent bank, or in the absence thereof, the Collection Agent or Municipal Treasurer concerned to accept the amnesty tax. The Commissioner of Internal Revenue may extend the time allowed for filing the amnesty return provided that such extension shall not be later than February 28, 2018.

**SEC. 7. Immunities and Privileges** – Those who avail themselves of the tax amnesty under Section 5 hereof, and have fully complied with all its conditions shall be entitled to the following immunities and privileges:

- (a) The taxpayer shall be immune from the payment of taxes, as well as addition thereto, and the appurtenant civil, criminal or administrative 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 period January 2006 to June 2016.
- (b) The taxpayer's Tax Amnesty Returns and the SALN as of June 30, 2016 shall not be admissible as evidence in all proceedings that pertain to taxable period January 2006 to June 2016, insofar as such proceeding relate to internal revenue taxes, before judicial, quasi-judicial or administrative bodies in which he is a defendant or respondent, and except for the purpose of ascertaining the networth beginning July 1, 2016, the same shall not be examined, inquired or looked into by any person or government office. However, the taxpayer may use this as a defense, whenever appropriate, in cases brought against him.
- (c) The books of accounts and other records of the taxpayer for the years covered by the tax amnesty availed of shall not be examined: provided, That the Commissioner of Internal Revenue may authorize in writing the examination of the said books of accounts and other records to verify the validity or correctness of the claim for any tax refund, tax credit (other than refund or credit of taxes withheld on wages), tax incentives, and/or exemptions under existing laws.

All these immunities and privileges shall not apply where the person failed to file a SALN and the Tax Amnesty Return, or where the amount of networth as of June 30, 2016 is proven to be understated to the extent of thirty percent (30%) or more, in accordance with the Provisions of Section 3 hereof.

**SEC. 8. Unlawful Divulgence of Amnesty Tax Return and Statement of Assets, Liabilities and Networth** – Except as otherwise provided herein and in Section 14 hereof, it shall be unlawful for any person having knowledge of the Tax Amnesty Return and SALN filed pursuant hereto, to disclose any information relative to such declaration and statement, and any violation hereof shall subject the offender to the penalties under Section 10 (c) of this Act: Provided, however, That the Commissioner of Internal Revenue may disclose the content of the Tax Amnesty Return and the SALN upon the request of Congress pursuant to and in accordance with Section 20 (A) of Section 290 of the National Internal Revenue Code of 1997, as amended.

**SEC. 9. Penalty** –

- a. Any person who, having filed a statement or Tax Amnesty Return under this Act, willfully understates his networth to the extent of thirty percent (30%) or more shall, upon conviction, be subject to the penalties of perjury under the Revised Penal Code.
- b. The willful failure to declare any property in the statement and/or in the Tax Amnesty Return shall be deemed a prima facie evidence of fraud and shall constitute a ground upon which attachment of such property may be issued in favor of the BIR to answer for the satisfaction of any judgment that may be acquired against the declarant.

c. In addition to the penalties provided in paragraphs (a) and (b) above, immediate tax fraud investigation shall be conducted to collect all taxes due, including increments, and to criminally prosecute those found to have willfully evaded lawful taxes due.

d. In the case of associations, partnerships, or corporations, the penalty shall be imposed on the partner, president, general manager, branch manager, treasurer, officer-in-charge and employees responsible for the violation.

e. Any person who makes an unlawful divulgence of the Tax Amnesty Return or the SALN shall be penalized by a fine of not less than Fifty thousand pesos (P50,000.00) and imprisonment of not less than six (6) years but not more than ten (10) years.

If the offender is an officer or employee of the BIR or any government entity, he/she shall likewise suffer an additional penalty of perpetual disqualification to hold public office, to vote and to participate in any public election.

**SEC. 10.** This Act shall not, in any way, mend, alter or repeal the provisions of Republic Act No. 1405, otherwise known as "The Bank Secrecy Law."

**SEC. 11. *Implementing Rules and Regulations.*** — The Secretary of Finance shall upon the recommendation of the Commissioner of Internal Revenue, promulgate and publish the necessary rules and regulations within sixty (60) days from the effectivity of this Act. Such rules and regulations shall be strictly confined to and based on the provisions herein stipulated.

**SEC. 12. *Repealing Clause*** – All laws, decrees, executive orders, rules and regulations and issuances or part thereof which are inconsistent with this Act are hereby repealed or amended accordingly.

**SEC. 13. *Effectivity.*** — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two (2) newspapers of general circulation in the Philippines, whichever comes earlier.

Approved,