

[ **PRESIDENTIAL DECREE NO. 1054, November 25, 1976** ]

**AMENDING SECTION 91 OF THE NATIONAL INTERNAL REVENUE CODE**

**WHEREAS**, the fair market value of the gross estate left by a decedent is the value to be used in determining the estate tax;

**WHEREAS**, under Section 91, the current and fair market value as reflected in the schedule of values prepared by Provincial or City Assessors, pursuant to Presidential Decree Nos. 76 and 261, shall be the appraised value of real property which may be included in the gross estate for estate tax purposes;

**WHEREAS**, the valuation made by the Provincial and City Assessors under PD 76 is not adjusted and updated to conform to the most recent increases in value of real properties and, in almost all cases, the valuation under PD 76 is now obsolete for estate tax purposes;

**WHEREAS**, to protect the interest of the government, the fair market value at the time of death or as of six months thereafter, shall be used for purposes of determining the estate tax;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

**SECTION 1.** Section 91 of the National Internal Revenue Code is hereby amended to read as follows:

"Determination of value of usufruct, annuities and other property. — To determine the value of the right of usufruct, use of habitation, as well as that of annuity, there shall be taken into account the probable life of the beneficiary in accordance with the American Tropical Experience Table calculated at eight per centum annual interest.

The estate shall be appraised at its fair market value as of the time of death, or as of six months thereafter, at the election of the executor or administrator. However, the fair market value of real property shall be either (a) the current and fair market value as shown in the schedules of values fixed by provincial and city assessor pursuant to Presidential Decree No. 76, as amended, or (b) the fair market value as determined by the Commissioner of Internal Revenue, whichever is higher.

**SECTION 2.** *Repealing Clause.* — All laws or decrees which are inconsistent herewith are hereby repealed or modified accordingly.

**SECTION 3.** *Effectivity.* — This Decree shall take effect upon approval.

DONE in the City of Manila, this 25th day of November, in the year of Our Lord, Nineteen Hundred and Seventy-Six.

(Sgd.) **FERDINAND E. MARCOS**