

[ **PRESIDENTIAL DECREE NO. 631, January 06, 1975** ]

**GRANTING AN ULTIMATE TAX AMNESTY ON UNTAXED INCOME AND/OR WEALTH EARNED OR ACQUIRED IN 1973 AND PRIOR YEARS AND IMMUNITY FROM INVESTIGATION OF THE STATEMENT OF ASSETS, LIABILITIES, AND NET WORTH REQUIRED BY PRESIDENTIAL DECREE NO. 379, AS AMENDED.**

**WHEREAS**, consistent with its policy of persuasion and conciliation aimed at promoting national solidarity and cooperation, the government has launched a tax amnesty program whose main thrust has been to achieve reformation and change in the attitude and sense of values of errant taxpayers, instead of taking punitive action against them;

**WHEREAS**, to place the tax amnesty program in its proper perspective, the government is willing to give to all taxpayers concerned to make a true and faithful disclosure of their untaxed income and/or wealth for 1973 and prior years and opportunity to adjust their statements of assets, liabilities, and net worth, thereby earning the full benefits and immunities of tax amnesty; and

**WHEREAS**, the government, in requiring truthful disclosure of untaxed income as a token of reformation, is likewise willing to grant immunity from investigation of the statement of assets, liabilities, and net worth filed under Presidential Decree No. 379, as amended, by taxpayers who avail of tax amnesty for 1973 and prior years.

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby order and decree an ultimate and final tax amnesty on untaxed income and/or wealth, as follows:

**SEC. 1.** A tax amnesty is hereby granted to any person, natural or juridical, who has not availed to previous amnesty decrees on untaxed income and/or wealth, or having availed thereof, did not make a full and complete disclosure of his untaxed income and/or wealth, or who failed to declare for taxation purposes his true and correct income or receipts earned or received in 1973, which were taxable under the National Internal Revenue Code, if such person voluntarily renders a return of all untaxed income and/or wealth for 1973 and prior years and pays, an amount equivalent to twenty (20%) per centum of such untaxed income and/or wealth.

**SEC. 2.** The provisions of this Decree shall apply to untaxed income and/or wealth earned, received, or acquired in 1973 and prior years, except the following:

- a. Tax liabilities, with or without assessments, on withholding tax at source provided in sections 53 and 54 of the National Internal Revenue Code, as amended;
- b. Tax liabilities with assessment notices issued on or before the effectivity of this Decree;
- c. Criminal cases involving violations of internal revenue laws already filed in court or with the Fiscal's Office on or before the effectivity of this Decree;
- d. Property transferred by reason of death or by donation or sale, exchange, or other transfers for less than adequate consideration in money or money's worth during the years 1972 and 1973; and

- e. Tax cases pending investigation by the Bureau of Internal Revenue by reason of a valid information under Republic Act No. 2338, filed after July 1, 1974 and before the effectivity of this Decree.

**SEC. 3.** The tax amnesty return shall be filed in the prescribed BIR Form with the Office of the Commissioner of Internal Revenue, Regional Director or Revenue District Officer on or before February 28, 1975, showing the amount of untaxed income and/or wealth for 1973 and prior years. Together with the tax amnesty return, an amended statement of assets, liabilities and net worth which shall include the untaxed income and/or wealth correspondingly indicated in the particular kind of asset (s) should be filed. In no case shall the untaxed income or wealth disclosed for amnesty purposes be less than the difference between the total value of assets as adjusted and the value of assets per original statement.

**SEC. 4.** Any person who had taxed assets amounting to less than P50,000.00 as of December 31, 1973, and who also had as of that date hidden income or untaxed wealth, may avail of the tax amnesty by filing a return in the prescribed BIR Form: *Provided*, That when the previously taxed assets and the undisclosed untaxed income or wealth would amount to a total of P50,000.00 or more, the statement of assets, liabilities and net worth required under P.D. 379, as amended, shall likewise be filed.

**SEC. 5.** The amnesty tax imposed herein shall be paid as follows:

- a. If the amount due does not exceed P5,000.00, the tax must be paid at the time of the filing of the return, but not later than February 28, 1975;
- b. If the amount due exceeds P5,000.00 but is not more than P50,000.00, the tax may be paid in two equal installments, the first installment to be paid upon the filing of the return but not later than February 28, 1975, and the second installment on or before May 15, 1975;
- c. If the amount due exceeds P50,000.00, the tax may be paid in three equal installments, to wit:
  - 1. The first installment shall be paid upon the filing of the return but not later than February 28, 1975;
  - 2. The second installment shall be paid on or before May 15, 1975; and
  - 3. The third installment shall be paid on or before August 15, 1975.
- d. In highly meritorious cases and where the amount due exceeds P300,000.00, the Commissioner of Internal Revenue may grant extension of time for the payment of the tax in equal installments but the first installment must be paid at the time of the filing of the return but not later than February 28, 1975, and provided that the extended period of payment by installments does not exceed two years from the date the last installment or originally due.
- e. If any installment is not paid on the due date thereof, there shall be collected as part of the tax interest upon such unpaid amount at the rate of 14% per annum from the due date of the installment to the date of payment, which must be made not later than three (3) months from the due date of such installment, otherwise, the entire amount including all unpaid installments shall automatically become due on such date, and failure to pay the same within thirty (30) days shall render the amnesty granted herein null and void.

**SEC. 6.** Upon payment of the tax prescribed in Section 1 and in the manner provided in Section 5, both of this Decree, the taxpayer shall be relieved from any