

**[ EXECUTIVE ORDER NO. 41, August 22, 1986 ]**

**DECLARING A ONE-TIME TAX AMNESTY COVERING UNPAID  
INCOME TAXES FOR THE YEARS 1981 TO 1985**

WHEREAS, to raise more revenues, certain income tax evaders should be encouraged to declare voluntarily their untaxes income and pay the tax due thereon;

WHEREAS, the grant of a tax amnesty to the said income tax evaders will greatly contribute to the attainment of the aforesaid objective;

WHEREAS, to impress upon the taxpayers that henceforth the government will vigorously enforce the tax laws, no further amnesties shall be granted;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. SCOPE OF AMNESTY. - A one-time tax amnesty covering unpaid income taxes for the years 1981 to 1985 is hereby declared.

SECTION 2. CONDITIONS OF THE AMNESTY. - A taxpayer who wishes to avail himself of the tax amnesty shall, on or before October 31, 1986:

- a) file a sworn statement declaring his net worth as of December 31, 1985;
- b) file a certified true copy of his statement declaring his net worth as of December 31, 1980 on record with the Bureau of Internal Revenue, or if no such record exists, file a statement of said net worth therewith, subject to verification by the Bureau of Internal Revenue;
- c) file a return and pay a tax equivalent to ten per cent (10%) of the increase in net worth from December 31, 1980 to December 31, 1985; Provided, That in no case shall the tax be less than P5,000.00 for individuals and P10,000.00 for juridical persons.

SECTION 3. COMPUTATION OF NET WORTH. - In computing the net worths referred to in Section 2 hereof, the following rules shall govern:

- a) Non-cash assets shall be valued at acquisition cost.
- b) Foreign currencies shall be valued at the rates of exchange prevailing as of the date of the net worth statement.

SECTION 4. EXCEPTIONS. - The following taxpayers may not avail themselves of the amnesty herein granted:

- a) Those falling under the provisions of Executive Order Nos. 1, 2 and 14;
- b) Those with income tax cases already filed in Court as of the effectivity hereof;
- c) Those with criminal cases involving violations of the income tax law already filed in court as of the effectivity hereof;
- d) Those that have withholding tax liabilities under the National Internal Revenue Code, as amended, insofar as the said liabilities are concerned;
- e) Those with tax cases pending investigation by the Bureau of Internal Revenue as of the effectivity hereof as a result of information furnished under Section 316 of the National Internal Revenue Code, as amended;
- f) Those with pending cases involving unexplained or unlawfully acquired wealth before the Sandiganbayan;
- g) Those liable under Title Seven, Chapter Three (Frauds, Illegal Exactions and Transactions) and Chapter Four (Malversation of Public Funds and Property) of the Revised Penal Code, as amended.

SECTION 5. SCHEDULE OF PAYMENT OF AMNESTY TAX. - The amnesty tax imposed herein shall be paid as follows:

- a) If P50,000.00 or less, the tax must be paid at the time of the filing of the return, but not later than October 31, 1986;
- b) If more than P50,000.00 but not exceeding P500,000.00 the tax may be paid in two equal installments: the first, upon the filing of the return but not later than October 31, 1986; and the second, on or before November 30, 1986.
- c) If more than P500,000.00, the tax may be paid in three equal installments: the first, upon the filing of the return but not later than October 31, 1986; the second, on or before November 30, 1986; and the last, on or before December 31, 1986.

If the amnesty tax or any installment thereof is not paid on its due date, a surcharge equivalent to 25% of the unpaid amount shall be collected. The unpaid tax or installment and the surcharge shall be paid not later than one month from the due date thereof, otherwise the application for tax amnesty shall be denied. No case hereunder shall result in a refund.

SECTION 6. IMMUNITIES AND PRIVILEGES. - Upon full compliance with the