

[BIR REVENUE MEMORANDUM CIRCULAR NO. 34-2013, April 22, 2013]

CLARIFICATION ON THE PROPER ACCOMPLISHMENT AND FILING OF ESTATE TAX RETURNS

I. Background

It has been observed that there is a proliferation of improperly filled up estate tax returns with no other data entries except "exempt" or "late filing". In most cases, these returns are no longer presented to the officer-of-the-day for checking before filing. Since the quality and integrity of inputs into our Integrated Tax System (ITS) are greatly affected by the absence of data, we cannot extract the needed information for the Revenue District Offices' (RDOs') enforcement activities, as well as, useful information for management's policy formulation and decision-making.

Hence, there is a need to stress the importance for the decedent's heir/executor/administrator to complete all the fields in the estate tax return forms to eliminate the occurrence of suspended tax returns brought about by the non-capture of the vital information into the ITS.

II. Responsibilities of the Heir/Executor/Administrator

In all cases of transfers subject to tax, or where, though exempt from tax, the gross value of the estate exceeds Twenty Thousand Pesos (P20,000), Section 89 of the National Internal Revenue Code of 1997 (Tax Code), as amended, provides that the executor, administrator or any of the legal heirs, shall send a written notice of death to the Commissioner within two (2) months after the decedent's death or within a like period after an executor or administrator qualify as such. However, the estate tax return shall be filed under any of the following situations:

1. In all cases of transfers subject to estate tax; or
2. Where, though exempt from estate tax, the gross value of the estate exceeds two hundred thousand pesos (P 200,000.00); or
3. Where, regardless of the gross value, the estate consists of registered or registrable property such as real property, motor vehicle, shares of stocks or other similar property for which a clearance from the Bureau of Internal Revenue (BIR) is required as a prerequisite for the transfer of ownership thereof in the name of the transferee.

The heirs/authorized representative/administrator/executor shall file the estate tax return and pay the corresponding estate tax with the Authorized Agent Bank (AAB), Revenue Collection Officer (RCO) or duly authorized Treasurer of the city or municipality in the Revenue District Office having jurisdiction over the place of domicile of the decedent at the time of his death, pursuant to Section 90(D) of the Tax Code, as amended. In case of a non-resident decedent, with executor or administrator in the Philippines, the estate tax return shall be filed with the AAB of