

AN ACT TO AMEND CERTAIN SECTIONS OF THE ADMINISTRATIVE CODE, AS AMENDED BY ACTS NUMBERED TWENTY-EIGHT HUNDRED AND THIRTY-FIVE AND THREE THOUSAND AND THIRTY-ONE, REGARDING TAX ON...

Act No. 3606, December 02, 1929

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section fifteen hundred and thirty-eight of the Administrative Code is hereby amended so as to read as follows:

"SEC. 1538. Exemption in favor of surviving spouse, children, and the Insular Government or any political subdivision thereof.—For purposes of the tax fixed in this article, the surviving spouse, and the legitimate or recognized natural or adopted children, shall each be entitled to an exemption of three thousand pesos.

"All property passing to the Insular Government or to any political subdivision thereof by way of legacy, devise, or bequest shall be exempt from the tax imposed in this article."

SEC. 2. Section fifteen hundred and thirty-nine of the Administrative Code is hereby amended so as to read as follows:

"SEC. 1539. Deductions to be made in determining net taxable amount.—In order to determine the net sum which must bear the tax, when an inheritance is concerned, there shall be deducted, in case of a resident, the expenses of the funeral and burial of the deceased, the proper capital of the surviving spouse, and his or her part of the conjugal property, the proven debts, the exempted portions, the judicial expenses of the testamentary or intestate proceedings, and claims against insolvent persons.

"In the case of a nonresident, there shall be deducted from the value of that part of his gross estate which at the time of his death is situated in the Philippine Islands that proportion of the deductions specified in the preceding paragraph which the value of such part bears to the value of his entire gross estate, wherever situated, but in no case shall the amount so deducted exceed ten per centum of the value of that part of his gross estate which at the time of his death is situated in the Philippine Islands: Provided, That no deduction shall be allowed in the case of a non-resident unless the executors or administrators or the heirs, as the case may be, furnish the Collector of Internal Revenue with a list of the gross estate not situated in the Philippine Islands and its corresponding value at the time of his death."

SEC. 3. Section fifteen hundred and forty-four of the Administrative Code, as amended by Acts Numbered Twenty-eight hundred and thirty-five and Three thousand and thirty-one, is hereby further amended so as to read as follows:

"SEC. 1544. When return to be filed and tax to be paid.—In all cases of inheritance or transfers subject to tax, or where though exempt from tax, the gross value of the estate exceeds three thousand pesos, the corresponding return shall be filed, and the corresponding tax paid as follows:

"(a) In the second and third cases of the next preceding section, the return must be filed before entrance into possession of the property and the tax paid within twenty days after service of notice of assessment by the Collector of Internal Revenue.

"(b) In other cases, within six months after the death of the predecessor, and the tax paid within twenty days after service of notice of assessment; but if judicial testamentary or intestate proceedings shall be instituted prior to the expiration of said period, the return must be filed by the executor or administrator within thirty days after the date of approval by the court of the schedule of partition and the tax paid within twenty days after service of assessment notice by the Collector of Internal Revenue. In cases where no schedule of partition is presented, or if presented, is not approved or acted upon by the Court of First Instance within a period of eighteen months from the filing of the action, the Collector of Internal Revenue shall assess the proper tax on the best evidence obtainable, file the return for the taxpayers, and demand payment of the taxes due from the executor or administrator within twenty days from the service of the notice of assessment. The difference between the tax assessed and paid and the amount found to be properly due as ascertained after the judicial proceedings are terminated shall be collected or refunded, as the case may be.

"If the tax is not paid within the time hereinbefore prescribed, there shall be added to the tax a surcharge of twenty-five per centum and an interest at the rate of twelve per centum per annum to be counted from the date of delinquency, or in case the return is not filed in due time, from the date when it should have been filed, until paid, both surcharge and interest to form a part of the tax.

"A certified copy of all letters testamentary or of administration as well as certified copies of the schedule of partition and the order of the Court of First Instance approving the same shall be furnished the Collector of Internal Revenue by the clerk of court within thirty days after the issuance of such letters testamentary or of administration, and within a like period after the promulgation of such order."

SEC. 4. Section fifteen hundred and forty-five of the Administrative Code is hereby amended so as to read as follows:

"SEC. 1545. Liability of heirs for the payment of tax.—In the absence of contrary disposition by the predecessor, there shall be charged to the account of each beneficiary the part of the tax which pertains to him, in proportion to the value of the benefit received, and in accordance with the scale fixed for the class or group to which he pertains: Provided, That in cases where the heirs divide extra judicially the property left to them by their predecessor or otherwise convey, sell, transfer, mortgage, or encumber the same without paying the corresponding inheritance tax within the period prescribed in the preceding section, they shall be solidarily liable for the payment of the tax to the extent of the estate they have received."

SEC. 5. Section twenty-seven hundred and forty of the Administrative Code is hereby amended so as to read as follows:

"SEC. 2740. Concealment of property subject to inheritance tax.—Any administrator, executor, donee, legatee, or heir who conceals any goods, rights, credits, or transfers subject to the tax imposed in article eleven of the Internal Revenue Law shall be punished by a fine of not less than twenty-five per centum of the value of that which he may have concealed, nor more than said value, or by imprisonment for not more than one year or by both penalties."

SEC. 6. This Act shall take effect on January first, nineteen hundred and thirty.

Approved, December 2, 1929.

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