



S E N A T E

S. No. 1806

---

PREPARED BY THE COMMITTEE ON WAYS AND MEANS WITH  
SENATORS LAPID, GATCHALIAN, REVILLA JR.,  
VILLAR (C.), VILLANUEVA AND ZUBIRI AS AUTHORS  
THEREOF

---

AN ACT PROVIDING FOR THE BILL OF RIGHTS AND  
OBLIGATIONS OF TAXPAYERS, CREATING THE  
OFFICE OF THE NATIONAL TAXPAYER  
ADVOCATE, APPROPRIATING FUNDS THEREFOR,  
AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of  
the Philippines in Congress assembled:*

1           SECTION 1. *Title.* – This Act shall be known as “The  
2 Taxpayer’s Bill of Rights and Obligations Act”.

3           SEC. 2. *Declaration of Policy.* – It is hereby declared  
4 the policy of the State to provide increased protection of  
5 taxpayers’ rights in complying with their obligation to pay  
6 national and local taxes to the government, to the end that  
7 abuses committed against taxpayers are prevented, if not

1 completely eradicated, and taxes are collected responsibly.  
2 In turn, taxpayers are expected to faithfully comply with  
3 their tax obligations to the government.

4         SEC. 3. *Definition of Terms.* – As used in this Act,  
5 the following terms shall mean:

6         (a) *Assessment* refers to the process of determining  
7 the amount of taxes, duties, and other charges to be paid  
8 by the taxpayer;

9         (b) *Revenue Authority* refers, singly or collectively, to  
10 the Bureau of Internal Revenue (BIR), Bureau of Customs  
11 (BOC), Local Government Units (LGUs), and other tax  
12 collecting agencies;

13         (c) *Revenue Officers* refer to the officers, employees,  
14 and agents of the Revenue Authorities;

15         (d) *Summary Collection* refers to the civil remedy of  
16 the government for the collection of accounts receivable or  
17 delinquent accounts by garnishment or distraint of  
18 personal property, or levy of real property;

19         (e) *Taxes* refer to all exactions for revenue-raising  
20 purposes imposed under the National Internal Revenue

1 Code (NIRC) of 1997, as amended, the Customs  
2 Modernization and Tariff Act (CMTA), the Local  
3 Government Code of 1991, as amended, and all other tax  
4 laws;

5 (f) *Taxpayer* refers to any person, whether natural or  
6 juridical, subject to the tax imposed by the national and  
7 local government; and

8 (g) *Tax Audit* refers to the examination into a  
9 taxpayer's obligation, and compliance with tax laws, rules  
10 and regulations by the respective Revenue Authorities.

11 SEC. 4. *Taxpayer's Bill of Rights and Obligations.* –  
12 Without prejudice to the other rights and remedies of the  
13 taxpayer provided for in the National Internal Revenue  
14 Code (NIRC) of 1997, as amended; Customs Modernization  
15 and Tariff Act (CMTA); Republic Act (R.A.) No. 1125,  
16 creating the Court of Tax Appeals (CTA), as amended;  
17 Book II of the Local Government Code of 1991, as  
18 amended; and all other laws, rules and regulations,  
19 issuances, and circulars in support thereof, the taxpayer is  
20 hereto granted basic taxpayer rights, whether at the

1 administrative level or at the judicial level: *Provided*, That  
2 nothing in this Act shall amend, modify, or repeal the  
3 provisions of the abovementioned laws: *Provided, further*,  
4 That the taxpayer is expected to observe and comply with  
5 tax obligations enumerated in this Act and in other  
6 relevant laws, rules, and regulations that are implemented  
7 by Revenue Authorities.

8         SEC. 5. *Taxpayer's Basic Rights.* – The following are  
9 the taxpayer's basic rights:

10         (a) *Right to be Informed.* – The taxpayer shall have  
11 the right to know in a simplified manner how one can  
12 comply with laws, rules and regulations implemented by  
13 Revenue Authorities. The taxpayer is entitled to clear,  
14 complete, accurate, and simplified explanation of tax laws,  
15 rules, regulations, procedures, and other issuances, as well  
16 as be apprised of taxpayer's rights and obligations in all  
17 tax forms, publications, notices, correspondences,  
18 assessments, rulings, and decisions.

19         In case of any deficiency tax findings, alleged  
20 violations or any decisions or rulings rendered by the

1 Revenue Authorities, the taxpayer shall be informed in the  
2 written decision or ruling, clearly and sufficiently of the  
3 facts and laws thereon, including any supporting  
4 computation and documentation upon which they are  
5 based.

6 The taxpayer shall have the right to be informed of  
7 any institution by Revenue Authorities of a summary  
8 collection action, which requires sale or seizure of property  
9 or the freezing of assets.

10 The service of the notices and decisions to the  
11 taxpayers shall be made in accordance with laws, rules,  
12 and regulations;

13 (b) *Right to Fair, Uniform, and Faithful Application*  
14 *of Laws.* – The taxpayer shall have the right to a fair,  
15 uniform and faithful application of laws, rules, regulations,  
16 and other issuances of Revenue Authorities in all  
17 proceedings involving the taxpayer;

18 (c) *Right to Challenge the Position of and be Heard by*  
19 *Revenue Authorities.* – The taxpayer shall have the right to  
20 challenge and raise objections against the findings,

1 assessments, rulings, or decisions of the Revenue  
2 Authorities.

3 The taxpayer shall have the right to be heard and  
4 that the evidence presented by the taxpayer be duly  
5 considered by the Revenue Authorities in deciding any  
6 matter involving the taxpayer;

7 (d) *Right to Fair and Impartial Proceedings Before the*  
8 *Revenue Authorities.* – The taxpayer shall at all times be  
9 entitled to fair and impartial dispositions of the  
10 assessment cases, deficiency findings, requests for rulings,  
11 decisions, and other dispositions made by the Revenue  
12 Authorities concerning the taxpayer;

13 (e) *Right to Present Evidence and Witnesses.* – The  
14 taxpayer shall have the right to be given ample and  
15 adequate opportunity to present evidence in the possession  
16 of the taxpayer or any third party, and call on witnesses to  
17 testify, as the case may be, that would assist the taxpayer  
18 in the pursuit of any assessment or matter involving it;

19 (f) *Right to be Assisted or Represented by a Qualified*  
20 *Professional.* – The taxpayer shall have the right to be

1 assisted or represented by a competent and independent  
2 qualified professional, such as a legal counsel, accountant,  
3 or customs broker, of the taxpayer's own choice, in all  
4 administrative, civil, or criminal tax proceedings: *Provided,*  
5 That any communication, correspondence and/or  
6 documents submitted or exchanged between the taxpayer  
7 and the qualified professional that they engage shall be  
8 considered strictly confidential, except as otherwise  
9 provided under existing laws, rules and regulations.

10 In case the taxpayer experiences financial difficulty  
11 in engaging the services of a private counsel or qualified  
12 professional, the Office of the National Taxpayer Advocate  
13 (ONTA) shall provide free and effective representation to  
14 the taxpayer, upon the latter's request;

15 (g) *Right to Timely and Expeditious Completion and*  
16 *Finality of Tax Audits.* – The taxpayer shall have the right  
17 to have Revenue Authorities begin and complete tax audits  
18 and to address the requests and other matters pending  
19 before the Revenue Authorities in a timely and expeditious  
20 manner.

1           The taxpayer shall have the right to know when the  
2 Revenue Authorities have completed an audit or  
3 examination of the taxpayer;

4           (h) *Right Against Baseless Assessment.* – The tax  
5 authorities are prohibited from issuing assessments  
6 against taxpayers without the benefit of a proper audit  
7 conducted by authorized Revenue Authorities against  
8 taxpayers. Otherwise, such assessments shall be void;

9           (i) *Right to be Given an Opportunity for Amicable*  
10 *Settlement.* – Unless contrary to laws, the taxpayer shall  
11 have the opportunity to amicably settle the taxpayer's  
12 deficiencies and delinquencies, at any stage of the  
13 proceedings: *Provided,* That said settlement must be in  
14 writing and duly signed by the parties or their agent;

15           (j) *Right to Avail of Installment Payment.* – In so far  
16 as may be permitted by law, the taxpayer shall have the  
17 right to settle tax liabilities through installment payments;

18           (k) *Right to Pay No More Than the Correct Amount of*  
19 *Tax.* – The taxpayer shall have the right to pay only the



1 amount of tax legally due, including interests, surcharges,  
2 fines, and penalties;

3 (l) *Right to Relief from Paying Interests, Surcharges*  
4 *and Penalties.* – The taxpayer shall be entitled to a  
5 reduction of interests, surcharges and penalties levied on  
6 their tax liabilities in case of any excessive assessment or  
7 undue delay caused by the Revenue Authorities, including  
8 instances of loss of records, personnel transfers, extended  
9 illness or leaves of absence, and personnel training,  
10 resignation, retirement, or termination from service of the  
11 concerned personnel;

12 (m) *Right to Recover Actual Costs and Actual*  
13 *Damages Arising from Judicial Actions.* – The taxpayer  
14 shall have the right to recover actual costs and actual  
15 damages, including attorney’s fees and expenses of  
16 litigation, arising from judicial actions, as may be  
17 determined by a court of competent jurisdiction;

18 (n) *Right to Quality Service and Assistance.* – The  
19 taxpayer shall have the right to receive prompt, courteous  
20 and professional assistance in their dealings with the

1 Revenue Authorities, to be spoken to in a way the taxpayer  
2 can easily understand, to receive clear and easily  
3 understandable communications from the Revenue  
4 Authorities and to be provided with a mechanism to  
5 address inadequate service;

6 (o) *Right to Privacy.* – The taxpayer shall have the  
7 right to expect that any inquiry, examination or  
8 enforcement action by the government authorities shall  
9 comply with the law and be no more intrusive than  
10 necessary, and will respect all due process rights; and

11 (p) *Right to Confidentiality.* – The taxpayer shall have  
12 the right to privacy of communication and correspondence,  
13 as guaranteed by the Constitution and the Data Privacy  
14 Act of 2012. The taxpayer shall have the right that any  
15 information provided to revenue authorities shall not be  
16 disclosed and shall be kept confidential, unless disclosure  
17 is expressly authorized by law or by the taxpayer.

18 SEC. 6. *Taxpayer's Basic Obligations.* – Complementary  
19 to the above taxpayer's rights are the following duties and  
20 responsibilities of the taxpayer:

1           (a) *Obligation to Comply with Tax Laws.* – The  
2 taxpayer shall observe and comply with tax laws, rules,  
3 and regulations with reasonable care and diligence;

4           (b) *Obligation to Truthfully and Timely Disclose*  
5 *Information.* – The taxpayer shall truthfully and timely  
6 disclose complete and accurate information as required by  
7 tax laws, rules, and regulations, including but not limited  
8 to, registered address, official email address, registered  
9 activities, tax type details, and accounting period;

10           (c) *Obligation to Lodge and Submit Required*  
11 *Documents Completely and on Time.* – The taxpayer shall  
12 lodge and submit, either personally or through electronic  
13 means, in a timely manner all relevant information, books  
14 of accounts, reports, records, returns, and other documents  
15 to Revenue Authorities on or before the dates set by tax  
16 laws, rules, and regulations;

17           (d) *Obligation to Keep and Make Tax Records*  
18 *Available for Examination.* – The taxpayer shall keep  
19 accurate records of the required books of accounts and  
20 other tax information for the duration required by law,

1 rules, and regulations, and make them available for  
2 examination by revenue officers following proper  
3 procedures;

4 (e) *Obligation to Cooperate with Revenue Authorities*  
5 *in Tax Audit.* – The taxpayer shall cooperate with Revenue  
6 Authorities in the latter’s conduct of tax audits in  
7 accordance with laws, rules, and regulations; and

8 (f) *Obligation to Timely Pay Taxes.* – The taxpayer  
9 shall timely pay the taxes due to the government through  
10 any available payment channels.

11 SEC. 7. *Creation of the Office of the National Taxpayer*  
12 *Advocate.* – In order to protect the rights of taxpayers, both  
13 substantive and procedural, the ONTA is hereby created to  
14 promote tax compliance and assist taxpayers. The ONTA  
15 shall be an independent and autonomous office attached to  
16 the Department of Justice (DOJ) for purposes of policy and  
17 program coordination.

18 The ONTA shall have the power to provide for the  
19 structural organization and staff of its offices, create  
20 divisions and units, including regional or provincial offices,

1 as may be necessary, and designate and appoint officers  
2 and employees of the Office, subject to the approval of the  
3 Department of Budget and Management (DBM) and in  
4 accordance with civil service laws, rules, and regulations.

5 SEC. 8. *Powers, Functions and Responsibilities of the*  
6 *Office of the National Taxpayer Advocate.* – The ONTA  
7 shall have the following functions, powers, and  
8 responsibilities:

9 (a) Assist the public in their queries and concerns  
10 relative to taxes by providing legal and procedural advice,  
11 including guidance on remedial measures that can be  
12 availed of, which may be in writing upon request of the  
13 taxpayer;

14 (b) Represent low income taxpayers, and assist,  
15 initiate, and intervene, as may be applicable, in tax cases,  
16 complaints, and proceedings, after due evaluation:

17 *Provided*, That the ONTA shall have the power to set  
18 qualifications of taxpayers who shall be given priority in  
19 the ONTA's representation services pursuant to Section 5(f)  
20 of this Act. The ONTA may collaborate with qualified

1 professionals to assist in the representation of low income  
2 taxpayers who have a dispute with Revenue Authorities  
3 and to provide education and outreach program to low  
4 income taxpayers;

5 (c) Engage in regular information, education, and  
6 communication programs for all taxpayers on tax laws,  
7 rules, regulations, circulars, including those that  
8 implement Supreme Court decisions, and other issuances  
9 that affect them, including their rights and remedies under  
10 the law;

11 (d) Recommend remedial administrative measures to  
12 Revenue Authorities by way of continuing policy review,  
13 and to the Anti-Red Tape Authority (ARTA) for purposes of  
14 reducing regulatory burden to taxpayers;

15 (e) Monitor tax issuances of Revenue Authorities, and  
16 propose recommendations, when necessary, at the  
17 administrative level, to ensure that taxpayers' rights as  
18 provided in this Act are upheld;

1 (f) Develop capacity building programs, and conduct  
2 the necessary trainings for the officials and employees of  
3 ONTA; and

4 (g) Perform such other powers and functions as may  
5 be necessary to enhance the ONTA's performance of its  
6 powers, functions, and responsibilities, as enumerated in  
7 this Act.

8 SEC. 9. *Qualifications, Appointment, Term, and*  
9 *Rank of the National Taxpayer Advocate and Deputy*  
10 *National Taxpayer Advocate.* – The ONTA shall be headed  
11 by the National Taxpayer Advocate, who shall have the  
12 primary authority and responsibility for the effective  
13 exercise of its mandate and the discharge of its powers and  
14 functions and to be assisted by four (4) Deputy National  
15 Taxpayer Advocates from the National Capital Region,  
16 Luzon, Visayas, and Mindanao, at least two (2) of whom  
17 are women.

18 The National Taxpayer Advocate and Deputy  
19 National Taxpayer Advocates shall be Filipino citizens,  
20 members of the Philippine Bar in good standing or

1 Certified Public Accountants in the case of the Deputy  
2 National Taxpayer Advocates, with at least ten (10) years  
3 of practice in the field of taxation, and with proven  
4 integrity and competence.

5 The National Taxpayer Advocate and Deputy  
6 National Taxpayer Advocates shall be appointed by the  
7 President and shall serve for a term of three (3) years with  
8 one (1) re-appointment.

9 In case of vacancy arising from retirement,  
10 resignation, removal, permanent incapacity, or death of the  
11 National Taxpayer Advocate or Deputy National Taxpayer  
12 Advocate, the President shall appoint a successor to serve  
13 a fresh term of three (3) years with one (1) re-appointment.

14 The appointment and re-appointment of the National  
15 Taxpayer Advocate and Deputy National Taxpayer  
16 Advocates shall be subject to the mandatory retirement  
17 age provided under the Civil Service Commission (CSC)  
18 rules.

19 The National Taxpayer Advocate and Deputy  
20 National Taxpayer Advocates shall have the equivalent



1 rank, salaries, allowances, and retirement benefits as an  
2 Undersecretary and Assistant Secretary, respectively.

3       SEC. 10. *Disqualification.* – An individual cannot be  
4 appointed as the National Taxpayer Advocate or Deputy  
5 National Taxpayer Advocate if such individual has been an  
6 employee or officer of, or has rendered service as  
7 consultant or in any other capacity to any of the Revenue  
8 Authorities for two (2) years prior to such appointment, or  
9 has been convicted of any crime involving moral turpitude  
10 or a violation of any tax law.

11       SEC. 11. *Submission of Annual Reports.* – The  
12 Congressional Oversight Committee on the Comprehensive  
13 Tax Reform Program (COCCTRP) shall exercise oversight  
14 powers over the implementation of this Act.

15       To this end, the ONTA shall submit a detailed report  
16 on its activities and identified problem areas, either  
17 personally or through electronic means, to the COCCTRP  
18 on or before December 31 of every year, copy furnished the  
19 Secretaries of Justice and Finance, particularly on

1 identified areas in which taxpayers have problems in  
2 dealing with revenue authorities.

3 Afterwards, on or before June 1 of every year, the  
4 Secretaries of Justice and Finance shall submit their  
5 comments in relation to the ONTA's report, either  
6 personally or through electronic means, to the COCCTRP  
7 and shall include appropriate remedial action, if any, or  
8 proposed legislation, and other recommendations on the  
9 proper implementation of this Act.

10 SEC. 12. *Penalties for the Violation of the Bill of*  
11 *Rights of Taxpayers.* – Notwithstanding the administrative  
12 remedies provided in the NIRC of 1997, as amended; the  
13 Customs Modernization and Tariff Act (CMTA); R.A. No.  
14 1125 creating the Court of Tax Appeals (CTA), as amended;  
15 and Book II of the Local Government Code of 1991, as  
16 amended, any person or revenue officer who is found to  
17 have violated Section 5 of this Act, except Section 5(n),  
18 shall be punished with imprisonment of not less than six  
19 (6) months nor more than six (6) years, or a fine of not less  
20 than One hundred thousand pesos (P100,000.00) but not

1 more than One million five hundred thousand pesos  
2 (P1,500,000.00), or both. The violation of Section 5(n) shall  
3 be penalized under the provisions of R.A. No. 6713,  
4 otherwise known as the “Code of Conduct and Ethical  
5 Standards for Public Officials and Employees”.

6 Violations penalized by this Act shall prescribe after  
7 twelve (12) years. Prescription shall begin to run from the  
8 day of the commission of the violation of the law, and if the  
9 same be not known at the time, from the discovery thereof  
10 and the institution of judicial proceeding for its  
11 investigation and punishment: *Provided*, That the  
12 prescription shall be interrupted when proceedings are  
13 instituted against the guilty person, and shall begin to run  
14 again if the proceedings are dismissed for reasons not  
15 constituting jeopardy.

16 SEC. 13. *Accessibility of the Taxpayer’s Bill of Rights*  
17 *and Obligations*. – The Taxpayer’s Bill of Rights and  
18 Obligations shall be made available in all offices of  
19 Revenue Authorities, free of charge, whether printed,

1 digital or otherwise, and shall be posted in their respective  
2 websites, in English and Filipino languages.

3         SEC. 14. *Integration of Taxpayer’s Bill of Rights and*  
4 *Obligations in Higher Education Curriculum.* – All public  
5 and private higher education institutions shall integrate  
6 the Taxpayer’s Bill of Rights and Obligations as part of the  
7 curriculum. The Commission on Higher Education  
8 (CHED), pursuant to its mandate under R.A. No. 7722,  
9 otherwise known as the “Higher Education Act of 1994”,  
10 shall develop the program to execute and implement this  
11 section.

12         SEC. 15. *Appropriations.* – The amount necessary for  
13 the implementation of this Act, including the funding for  
14 the establishment, yearly operations and maintenance of  
15 the ONTA, shall be included in the annual General  
16 Appropriations Act.

17         SEC. 16. *Implementing Rules and Regulations.* –  
18 Within sixty (60) calendar days from the effectivity of this  
19 Act, the DOJ, in consultation with the DOF, DBM,  
20 Department of the Interior and Local Government (DILG),

1 BIR, BOC, Bureau of Local Government Finance (BLGF),  
2 CSC, CHED, and ARTA, shall promulgate the necessary  
3 rules and regulations, for the effective implementation of  
4 this Act.

5 SEC. 17. *Separability Clause.* – If any provision of this  
6 Act is declared invalid or unconstitutional, other provisions  
7 hereof which are not affected thereby shall remain in full  
8 force and effect.

9 SEC. 18. *Repealing Clause.* – All laws, orders, decrees,  
10 rules and regulations, and other parts thereof inconsistent  
11 with the provisions of this Act are hereby repealed,  
12 amended or modified accordingly.

13 SEC. 19. *Effectivity.* – This Act shall take effect fifteen  
14 (15) days after its publication in the *Official Gazette* or in  
15 at least two (2) national newspapers of general circulation.

Approved,