

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

25 JUL 15 P1:35

RECEIVED BY: 

SENATE
S. B. No. 621

Introduced by SEN. WIN GATCHALIAN

**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**

EXPLANATORY NOTE

The taxation laws of the Philippines have been strengthened over the years. In fact, the enactment of Republic Act (RA) No. 11976 or the "Ease of Paying Taxes Act" shows the government's firm resolve in making tax compliance easier for all taxpayers.

In the collection of taxes, the government has the immense power and resources to pursue taxpayers, and in a number of cases, to their undue prejudice. This leaves no choice for the affected taxpayers but to hire lawyers and certified public accountants, which are relatively costly, in order to ensure that their rights are protected.

While RA No. 6713, or the "Code of Conduct and Ethical Standards for Public Officials and Employees" provide for specific rules of actions and behavior of government employees, it does not stop the deluge of reports of alleged abuses or harassment of some officers and employees of the Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC). Hence, legislating the Taxpayer Bill of Rights and Obligations (TBORO) would be a major leap in trying to address this systemic problem as the measure's objective is primarily to protect taxpayers against threats on their rights, particularly those emanating from the undue

discretions of tax authorities, and encourage them to pay taxes within the prescribed period of time.

From July 2022 to September 30, 2023, the Department of Finance (DOF) Revenue Integrity Protection Service (RIPS) has initiated 58 investigations against employees under its jurisdiction which include 23 investigations on BOC; 23 on the BIR; 6 on the Bureau of Local Government Finance; 1 on the Insurance Commission; 1 on the DOF; 3 on the Securities and Exchange Commission (SEC); and 1 on the Philippine Deposit Insurance Commission (PDIC).¹ On the other hand, in the April 2022 report of the DOF RIPS, 468 employees were investigated for the period of July 2016 to February 2022, 55% of which BOC while 38% were from the BIR. This led to the dismissal of 16 employees from the service, on top of the 10 who were found guilty in criminal cases, 35 were suspended, 9 were reprimanded and 7 were ordered to pay fines as penalties for the charges for which they were held liable.²

Taking into consideration the guidelines set by the Organisation for Economic Co-operation and Development (OECD) and international standards and practices, this measure proposes the TBORO, which contains fundamental information aimed to help taxpayers know their basic rights and obligations without having to consult the Tax Code and several tax laws that are complicated to understand.

Furthermore, this measure proposes the creation of the Office of a National Taxpayer Advocate that would take the cudgel in ensuring that not only these rights are safeguarded but would also serve as the champion of every taxpayer, especially those who are either ignored or taken advantage of.

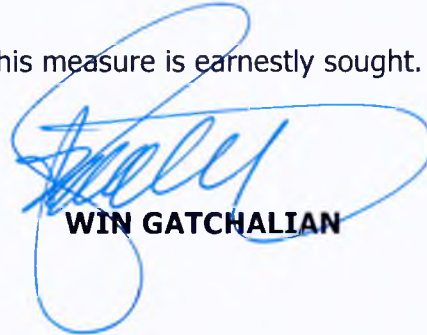
With this legislation, we hope that the taxpayer's experience in dealing with revenue authorities will be fair, transparent, and easy so as to elicit greater taxpayer's trust and

¹ Available at: <https://www.dof.gov.ph/dof-steps-up-anti-graft-drive-under-dioknos-watch/> (Date last accessed: June 23, 2025).

² Available at: <https://www.dof.gov.ph/dof-probes-468-employees-in-department-attached-agencies-for-various-complaints-under-duterte-administration/#:~:text=The%20anti%2Dcorruption%20arm%20of,found%20guilty%20in%20criminal%20cases.> (Date last accessed: June 23, 2025).

confidence in the government, thereby, improving their willingness to comply with their tax obligations, and consequently, increase government revenue collections.

In view of the foregoing, urgent approval of this measure is earnestly sought.



WIN GATCHALIAN

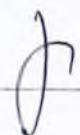
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*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 **SEC. 1. Title.** — This Act shall be known as "The Taxpayer's Bill of Rights and
2 Obligations Act."

3 **SEC. 2. Declaration of Policy.** — It is hereby declared the policy of the State
4 to provide increased protection of taxpayers' rights in complying with their obligation
5 to pay national and local taxes to the government, to the end that abuses committed
6 against taxpayers are prevented, if not completely eradicated, and taxes are collected
7 responsibly. In turn, taxpayers are expected to faithfully comply with their tax
8 obligations to the government.

9 **SEC. 3. Definition of Terms.** — As used in this Act, the following terms shall
10 mean:

- 11 a) *Assessment* refers to the process of determining the amount of taxes, duties,
12 and other charges to be paid by the taxpayer;
13 b) *Revenue Authority* refers, singly or collectively, to the Bureau of Internal
14 Revenue (BIR), Bureau of Customs (BOC), Local Government Units (LGUs),
15 and other tax collecting agencies;

1 c) *Revenue Officers* refer to the officers, employees, and agents of the revenue
2 authorities;

3 d) *Summary Collection* refers to the civil remedy of the government for the
4 collection of accounts receivable or delinquent accounts by garnishment or
5 distraint of personal property, or levy of real property;

6 e) *Taxes* refer to all exactions for revenue-raising purposes imposed under the
7 National Internal Revenue Code (NIRC) of 1997, as amended, the Customs
8 Modernization and Tariff Act of 2016, the Local Government Code of 1991, as
9 amended, and all other tax laws.

10 f) *Taxpayer* refers to any person, whether natural or juridical, subject to the
11 tax imposed by the national and local government; and

12 g) *Tax Audit* refers to the examination into a taxpayer's obligation, and
13 compliance with tax laws, rules and regulations by the respective revenue
14 authorities.

15 **SEC. 4. *Taxpayer's Bill of Rights and Obligations.*** — Without prejudice
16 to the other rights and remedies of the taxpayer provided for in the National Internal
17 Revenue Code (NIRC) of 1997, as amended; Customs Modernization and Tariff Act
18 (CMTA); Republic Act (RA) No. 1125, creating the Court of Tax Appeals (CTA), as
19 amended; Book II of the Local Government Code of 1991, as amended; and all other
20 laws, rules and regulations, issuances, and circulars in support thereof, the taxpayer
21 is hereto granted basic taxpayer rights, whether at the administrative level or at the
22 judicial level. *Provided*, That nothing in this Act shall amend, modify, or repeal the
23 provisions of the abovementioned laws: *Provided, further*, That the taxpayer is
24 expected to observe and comply with tax obligations enumerated in this Act and in
25 other relevant laws, rules, and regulations that are implemented by revenue
26 authorities.

27 **SEC. 5. *Taxpayer's Basic Rights.*** — The following are the taxpayer's basic
28 rights:

29 a) *Right to be informed.* — The taxpayer shall have the right to know in a
30 simplified manner how one can comply with laws, rules and regulations
31 implemented by revenue authorities. The taxpayer is entitled to clear,
32 complete, accurate, and simplified explanation of tax laws, rules, regulations,

1 procedures, and other issuances, as well as be apprised of taxpayer's rights
2 and obligations in all tax forms, publications, notices, correspondences,
3 assessments, rulings, and decisions.

4 In case of any deficiency tax findings, alleged violations or any decisions
5 or rulings rendered by the revenue authorities, the taxpayer shall be informed
6 in the written decision or ruling, clearly and sufficiently of the facts and laws
7 thereon, including any supporting computation and documentation upon which
8 they are based.

9 The taxpayer shall have the right to be informed of any institution by
10 revenue authorities of a summary collection action, which requires sale or
11 seizure of property or the freezing of assets.

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

14 *b) Right to fair, uniform, and faithful application of laws.* - The taxpayer shall
15 have the right to a fair, uniform and faithful application of laws, rules,
16 regulations, and other issuances of revenue authorities in all proceedings
17 involving the taxpayer.

18 *c) Right to challenge the position of and be heard by Revenue Authorities.* -
19 The taxpayer shall have the right to challenge and raise objections against the
20 findings, assessments, rulings, or decisions of the revenue authorities.

21 The taxpayer shall have the right to be heard and that the evidence
22 presented by the taxpayer be duly considered in deciding any matter involving
23 the taxpayer.

24 *d) Right to fair and impartial proceedings before the Revenue Authorities.* -
25 The taxpayer shall at all times be entitled to fair and impartial dispositions of
26 the assessment cases, deficiency findings, requests for rulings, decisions, and
27 other dispositions made by the revenue authorities concerning the taxpayer.

28 *e) Right to present evidence and witnesses.* - The taxpayer shall have the right
29 to be given ample and adequate opportunity to present evidence in the
30 possession of the taxpayer or any third party, and call on witnesses to testify,
31 as the case may be, that would assist the taxpayer in the pursuit of any
32 assessment or matter involving it.

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

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

13 *g) Right to timely and expeditious completion and finality of tax audits.* – The
14 taxpayer shall have the right to have revenue authorities begin and complete
15 tax audits and to address the requests and other matters pending before the
16 revenue authorities in a timely and expeditious manner.

17 The taxpayer shall have the right to know when the revenue authorities
18 have completed an audit or examination of the taxpayer.

19 *h) Right against baseless assessment.* – The tax authorities are prohibited from
20 issuing assessments against taxpayers without the benefit of a proper audit
21 conducted by authorized revenue authorities against taxpayers. Otherwise,
22 such assessments shall be void.

23 *i) Right to be given an opportunity for amicable settlement.* – Unless contrary
24 to laws, the taxpayer shall have the opportunity to amicably settle the
25 taxpayer's deficiencies and delinquencies, at any stage of the proceedings:
26 *Provided,* That said settlement must be in writing and duly signed by the parties
27 or their agent.

28 *j) Right to avail of installment payment.* – In so far as may be permitted by
29 law, the taxpayer shall have the right to settle tax liabilities through installment
30 payments.

1 *k) Right to pay no more than the correct amount of tax.* – The taxpayer shall
2 have the right to pay only the amount of tax legally due, including interest,
3 surcharges, fines, and penalties.

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

11 *m) Right to recover actual costs and actual damages arising from judicial*
12 *actions.* – The taxpayer shall have the right to recover actual costs and actual
13 damages, including attorney's fees and expenses of litigation, arising from
14 judicial actions, as may be determined by a court of competent jurisdiction.

15 *n) Right to privacy.* – The taxpayer shall have the right to expect that any
16 inquiry, examination or enforcement action by the government authorities shall
17 comply with the law and be no more intrusive than necessary, and will respect
18 all due process rights.

19 *o) Right to confidentiality.* – The taxpayer shall have the right to privacy of
20 communication and correspondence, as guaranteed by the Constitution, and
21 the Data Privacy Act of 2012. The taxpayer shall have the right that any
22 information provided to revenue authorities shall not be disclosed and shall be
23 kept confidential, unless disclosure is expressly authorized by law or by the
24 taxpayer.

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

27 *a) Obligation to Comply with Tax Laws.* – The taxpayer shall observe and
28 comply with tax laws, rules, and regulations with reasonable care and diligence;
29

30 *b) Obligation to Truthfully and Timely Disclose Information.* – The taxpayer
31 shall truthfully and timely disclose complete and accurate information as
32 required by tax laws, rules, and regulations, including but not limited to,

1 registered address, official email address, registered activities, tax type details,
2 and accounting period;

3 c) *Obligation to Lodge and Submit Required Documents Completely and on*
4 *Time.* – The taxpayer shall lodge and submit, either personally or through
5 electronic means, in a timely manner all relevant information, books of
6 accounts, reports, records, returns, and other documents to revenue
7 authorities on or before the dates set by tax laws, rules, and regulations;

8 d) *Obligation to Keep and Make Tax Records Available for Examination.* – The
9 taxpayer shall keep accurate records of the required books of accounts and
10 other tax information for the duration required by law, rules, and regulations,
11 and make them available for examination by revenue officers following proper
12 procedures;

13 e) *Obligation to Cooperate with Revenue Authorities in Tax Audit.* – The
14 taxpayer shall cooperate with revenue authorities in the latter's conduct of tax
15 audits in accordance with laws, rules, and regulations; and

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

18 **SEC. 7. *Creation of the Office of the National Taxpayer Advocate.* —**

19 In order to protect the rights of taxpayers, both substantive and procedural, the ONTA
20 is hereby created to promote tax compliance and assist taxpayers. The ONTA shall be
21 an independent and autonomous office attached to the Department of Justice (DOJ)
22 for purposes of policy and program coordination.

23 The ONTA shall have the power to provide for the structural organization and
24 staff of its offices, create divisions and units, including regional or provincial offices,
25 as may be necessary, and designate and appoint officers and employees of the Office,
26 subject to the approval of the Department of Budget and Management (DBM) and in
27 accordance with civil service laws, rules, and regulations: *Provided,* That all employees
28 shall be subject to Republic Act No. 6758, otherwise known as the Salary
29 Standardization Act.

30 **SEC. 8. *Powers, Functions and Responsibilities of the Office of the***
31 ***National Taxpayer Advocate.* —** The ONTA shall have the following functions,
32 powers, and responsibilities:

- 1 a) Assist the public in their queries and concerns relative to taxes by providing
2 legal and procedural advice, including guidance on remedial measures that can
3 be availed of, which may be in writing upon request of the taxpayer;
- 4 b) Represent low income taxpayers, and assist, initiate, and intervene, as may
5 be applicable, in tax cases, complaints, and proceedings, after due evaluation:
6 *Provided, That the ONTA shall have the power to set qualifications of taxpayers*
7 *who shall be given priority in the ONTA's representation services pursuant to*
8 *Section 5(f) of this Act. The ONTA may collaborate with qualified professionals*
9 *to assist in the representation of low income taxpayers who have a dispute*
10 *with revenue authorities and to provide education and outreach program to*
11 *low income taxpayers.*
- 12 c) Engage in regular information, education, and communication programs for
13 all taxpayers on tax laws, rules, regulations, circulars, including those that
14 implement Supreme Court decisions, and other issuances that affect them,
15 including their rights and remedies under the law;
- 16 d) Recommend remedial administrative measures to revenue authorities by
17 way of continuing policy review, and to the Anti-Red Tape Authority (ARTA) for
18 purposes of reducing regulatory burden to taxpayers;
- 19 e) Monitor tax issuances of revenue authorities, and propose
20 recommendations, when necessary, at the administrative level, to ensure that
21 taxpayers' rights as provided in this Act are upheld;
- 22 f) Develop capacity building programs, and conduct the necessary trainings for
23 the officials and employees of ONTA; and
- 24 g) Perform such other powers and functions as may be necessary to enhance
25 the ONTA's performance of its powers, functions, and responsibilities, as
26 enumerated in this Act.

27 **SEC. 9. *Qualifications of the National Taxpayer Advocate and Deputy***
28 ***National Taxpayer Advocate.*** – The ONTA shall be headed by the National
29 Taxpayer Advocate, who shall have the primary authority and responsibility for the
30 effective exercise of its mandate and the discharge of its powers and functions. The
31 National Taxpayer Advocate shall be assisted by Deputy National Taxpayer Advocates,
32 one (1) each for the National Capital Region, Luzon, Visayas, and Mindanao.

1 The National Taxpayer Advocate, who is a member of the Philippine Bar in
2 good standing, and deputy national taxpayer advocate, who is a member of the
3 Philippine Bar in good standing or a Certified Public Accountant, shall be Filipino
4 citizens, with at least ten (10) years of practice in the field of taxation with proven
5 integrity and competence and must not have been convicted of any crime involving a
6 violation of any tax laws and rules, and of any crime involving moral turpitude.

7 **SEC. 10. *Appointment, Term, and Rank.*** – The National Taxpayer
8 Advocate and Deputy National Taxpayer Advocates shall be appointed by the
9 President. The National Taxpayer Advocate may recommend the Deputy National
10 Taxpayer Advocates who shall be appointed by the President: *Provided*, That
11 preferably at least two (2) of the Deputy National Taxpayer Advocates are women.
12 The National Taxpayer Advocate and the four (4) Deputy National Taxpayer Advocates
13 shall, subject to the mandatory retirement age provided under the civil service
14 commission (csc) rules, serve for a term of three (3) years with one (1) re-
15 appointment.

16 In case of vacancy arising from retirement, resignation, removal, permanent
17 incapacity, or death of the National Taxpayer Advocate or Deputy National Taxpayer
18 Advocate, the President shall appoint a successor to serve a fresh term of three (3)
19 years and shall be eligible for one (1) reappointment.

20 The National Taxpayer Advocate and Deputy National Taxpayer Advocates shall
21 have the equivalent rank, salaries, allowances, and retirement benefits as an
22 Undersecretary and Assistant Secretary, respectively.

23 **SEC. 11. *Disqualification.*** – An individual cannot be appointed as the
24 National Taxpayer Advocate or Deputy National Taxpayer Advocate if such individual
25 has been an employee or officer of, or has rendered service as consultant or in any
26 other capacity to any of the revenue authorities for two (2) years prior to such
27 appointment.

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

1 To this end, the ONTA shall submit a detailed report on its activities and
2 identified problem areas, either personally or through electronic means, to the
3 COCCTRP on or before December 31 of every year, copy furnished the Secretaries of
4 Justice and Finance, particularly on identified areas in which taxpayers have problems
5 in dealing with revenue authorities.

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

11 **SEC. 13. *Penalties for the Violation of the Bill of Rights of Taxpayers.***

12 — Notwithstanding the administrative remedies provided in the National Internal
13 Revenue Code (NIRC) of 1997, as amended; the Customs Modernization and Tariff
14 Act of 2016 (CMTA); R.A. No. 1125 creating the Court of Tax Appeals (CTA), as
15 amended; and Book II of the Local Government Code of 1991, as amended, any
16 person or revenue officer who is found to have violated Section 5 of this Act shall be
17 punished with imprisonment of not less than six (6) months nor more than six (6)
18 years, or a fine of not less than One Hundred Thousand Pesos (Php100,000.00) but
19 not more than One Million Five Hundred Thousand Pesos (Php1,500,000.00), or both.

20 Violations penalized by this act shall prescribe after twelve (12) years.
21 Prescription shall begin to run from the day of the commission of the violation of the
22 law, and if the same be not known at the time, from the discovery thereof and the
23 institution of judicial proceeding for its investigation and punishment: *Provided, That*
24 the prescription shall be interrupted when proceedings are instituted against the guilty
25 person, and shall begin to run again if the proceedings are dismissed for reasons not
26 constituting jeopardy.

27 **SEC. 14. *Accessibility of the Taxpayer's Bill of Rights and Obligations.***

28 — The Taxpayer's Bill of Rights and Obligations shall be made available in all offices
29 of revenue authorities, free of charge, whether printed, digital or otherwise, and shall
30 be posted in their respective websites, in English and Filipino languages.

31 **SEC. 15. *Integration of Taxpayer's Bill of Rights and Obligations in***
32 ***Higher Education Curriculum.*** — All public and private higher education

1 institutions shall integrate the Taxpayer's Bill of Rights and Obligations as part of the
2 curriculum. The Commission on Higher Education (CHED), pursuant to its mandate
3 under RA No. 7722, otherwise known as the "Higher Education Act of 1994," shall
4 develop the program to execute and implement this section.

5 **SEC. 16. Appropriations.** — The amount necessary for the implementation
6 of this Act, including the funding for the establishment, yearly operations and
7 maintenance of the ONTA, shall be included in the Annual General Appropriations Act.

8 **SEC. 17. Implementing Rules and Regulations.** — Within sixty (60)
9 calendar days from the effectivity of this Act, the DOJ, in consultation with the DOF,
10 DBM, DILG, BIR, BOC, Bureau of Local Government Finance (BLGF), CSC, CHED, and
11 ARTA, shall promulgate the necessary rules and regulations, for the effective
12 implementation of this Act.

13 **SEC. 18. Separability Clause.** — If any provision of this Act is declared
14 invalid or unconstitutional, other provisions hereof which are not affected thereby
15 shall remain in full force and effect.

16 **SEC. 19. Repealing Clause.** — All laws, orders, decrees, rules and
17 regulations, and other parts thereof inconsistent with the provisions of this Act are
18 hereby repealed, amended or modified accordingly.

19 **SEC. 20. Effectivity.** — This Act shall take effect fifteen (15) days after its
20 publication in the *Official Gazette* or in at least two (2) national newspapers of general
21 circulation.

22
Approved,