



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5310

Introduced by HON. GUS S. TAMBUNTING

**AN ACT ORDAINING A
BILL OF RIGHTS AND OBLIGATIONS OF THE TAXPAYER**

EXPLANATORY NOTE

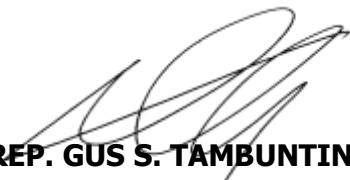
The government lives and breathes through taxation. A Supreme Court ruling provides that "Taxes are the nation's lifeblood through which government agencies continue to operate and which the State discharges its functions for the welfare of its constituents."¹

For every right, there is a corresponding responsibility. Sec. 28 (1) of the 1987 Constitution states that "The rule of taxation shall be uniform and equitable. The Congress shall evolve a progressive system of taxation." Philippine law follows the theoretical justice principle which states that a sound tax system must be based on the taxpayers' ability to pay.

The Doctrine of Symbiotic Relationship provides that "The State has the power to demand and receive taxes based on the reciprocal duties of support and protection between the State and its citizens."

This bill aims to have a simple yet comprehensive list of the rights and obligations of the taxpayer.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.



REP. GUS S. TAMBUNTING
2nd District, Parañaque City

¹ G.R. No. 230861 (Asian Transmission Commission v. CIR, 19 September 2018)

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

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

SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to provide increased protection of the taxpayer's rights in complying with the National Internal Revenue Code of 1997, as amended, the Customs Modernization and Tariff Act, and all other pertinent rules and regulations, to the end, that abuses committed against taxpayers are mitigated, if not completely avoided, and taxes are collected responsibly, with due regard for taxpayer's rights. In turn, the taxpayer is expected to faithfully comply with the basic tax obligations to the government.

SEC. 3. Taxpayer's Bill of Rights and Obligations. — In addition to the rights and remedies of the taxpayer as provided for in the National Internal Revenue Code (NIRC) of 1997, as amended; Customs Modernization and Tariff Act (CMTA), as amended; Republic Act (RA) No. 1125, as amended, creating the Court of Tax Appeals 1(CTA); and all other laws, rules and regulations, issuances and circulars in support

thereof, the taxpayer is hereto granted the following:

- a) taxpayer's basic rights,
- b) taxpayer's rights in civil cases, and
- c) taxpayer's rights in criminal cases,

whether at the administrative level or at the judicial level, concerning tax assessments, collection and refund, and prosecution for criminal cases.

On the other hand, the taxpayer is expected to observe and comply with basic tax obligations enumerated in this Act as well as in other relevant laws, rules and regulations that are implemented by the Department of Finance (DOF), Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC), which are singly or collectively referred herein as "revenue authority" or "revenue authorities," as may be applicable. For purposes of this Act, revenue officers, employees, and agents shall refer to the officers, employees, and agents of these revenue authorities.

SEC. 4. Taxpayer's Basic Rights — The following are the taxpayer's basic rights:

a) Right to obtain complete, dear, and accurate information, to receive simplified and non- technical statements, and to be assisted in complying with tax obligations. — The taxpayer is entitled to know in a simplified manner how one can comply with laws, rules, and regulations implemented by revenue authorities. The taxpayer is entitled to a clear, complete, accurate, and simplified explanation of these laws, rules, regulations, and procedures, as well as be apprised of the rights and obligations as a taxpayer in all tax forms, publications, notices, correspondences, assessments, rulings, and decisions.

Thus, all revenue officers, employees, and agents shall judiciously provide all taxpayers with clear, adequate, and non-technical written explanations of the findings, assessments, reason for audit selection, rulings, decisions, and the procedures, remedies, and rights available during an audit, appeals and collection proceedings. The written explanation shall include a narrative description that explains the basis of audit changes, proposed assessments, assessments, and denials of refunds; identifies any amount of tax, interest, or penalty due, including details of how the amount was calculated; and states the consequences of the taxpayer's failure to comply with the notice.

The taxpayer shall also have the right to participate in taxpayer dialogues and information or education campaigns of revenue authorities to elicit awareness and consciousness among taxpayers of rights and obligations and to help them faithfully comply with the revenue laws, rules and regulations;

b) Right to be clearly and timely informed of any law, rules, regulations, decisions, pending assessment, investigation, and other cases filed against the taxpayer. — The taxpayer shall have the right to be completely, clearly, and timely informed of any pending assessment, rulings, and decisions of revenues authorities about their tax account; any investigation for criminal tax cases; any collection or any other cases filed against or in favor of the taxpayer, including requests for third-party information involving the taxpayer.

Thus, revenue authorities shall clearly and timely explain within the prescribed period to the taxpayer the tax outcomes and consequences of any law, rules, regulations, decisions, pending assessment, investigation, request for third-party information, and other cases filed against or in favor of the taxpayer. Revenue authorities shall issue prior notice and conduct at least one public hearing or consultation before revenue regulations become valid and enforceable. Whenever necessary, revenue authorities are also mandated to issue and publish, within a prescribed period, revenue memorandum circulars providing guidelines on the implementation of new supreme court decisions affecting the taxpayer;

c) Right to professional and quality service and assistance. — The taxpayer all have the right to be treated professionally, courteously, fairly, and reasonably in all transactions with revenue authorities. Thus, all revenue officers, employees, and agents shall provide prompt, courteous, and professional assistance in all dealings with the taxpayer, including giving available information and prompt, and accurate responses to questions and requests for tax assistance. Revenue authorities shall issue guidelines setting standards for service delivery to be followed by all revenue officers, employees, and agents. Standards for service delivery shall include the results of a feedback mechanism on the services received by taxpayers, which shall be published on the website of revenue authorities.

Regular training on technical skills development, proper ethics and decorum, accountability, and good governance shall be undertaken by all revenue officers, employees, and agents. Revenue authorities shall also formulate, develop, publish and implement regular monitoring and evaluation of compliance with the standards for service delivery in a periodic manner, such as handling of customer relations and accountability, as well as evaluation of a variety of performance goals and job criteria of all revenue officers, employees and agents.

d) Right to a consistent application of laws, rules, and regulations; due process; prompt and objective disposition of cases. — The taxpayer shall have the right to the consistent application of laws, rules, regulations, and other issuances of revenue authorities regarding assessments, refunds, or any other proceedings including requests for advisory rulings, clearances,

termination letters, and lifting of seizure, garnishment and forfeiture orders. The taxpayer shall have the right to challenge and raise objections regarding the findings, assessments, rulings, or decisions, whether it be against the taxpayer or against the officials and staff of the revenue authorities and other government agencies including government-owned and -controlled corporations (GOCCs), government financial institutions (GFIs), and local government units (LGUs) tasked with the enforcement of revenue or banking and financial laws, whether of local or national application. The taxpayer shall have a right to provide additional documentation in response to the actions taken by the proper authorities. In so doing, all proper authorities, revenue officers, employees, and agents shall consider such objections, and promptly and impartially act and resolve these cases;

e) Right to privacy. — The taxpayer shall have the right to privacy of communication and correspondence, as guaranteed by the Constitution, and the right to have any case or proceeding, including those involving third-party information requests against or involving the taxpayer, to be devoid of publicity, whether through radio, television, newspaper or any alternative media, while said case or proceeding is pending. Thus, revenue authorities shall respect the privacy of the taxpayer by following due process of law at all times, and not being more intrusive than necessary in any inquiry, examination, or enforcement action, especially in the recording of interviews during tax determination or collection processes conducted by revenue authorities;

f) Right to be assisted by the National Taxpayer Advocate. — The taxpayer shall have the right to seek assistance, upon application, from the National Taxpayer Advocate, which shall be responsible for facilitating the resolution of taxpayer complaints and problems not resolved through the normal administrative channels within revenue authorities, including any taxpayer complaints regarding unsatisfactory treatment by revenue officers, employees and agents. The assigned Taxpayer Advocate may issue a stay order to suspend the execution of any order or decision of the Commissioner of Internal Revenue or Commissioner of Customs or his duly authorized representative if a taxpayer has suffered or is about to suffer irreparable loss as a result of an unjust action by the revenue authorities, without prejudice to other remedies available in this Act and existing laws. Revenue authorities, officers, employees, and agents who will not comply with the stay order issued by the assigned Taxpayer Advocate shall be liable for contempt;

g) Right to confidentiality. — The taxpayer shall have the right to expect that any information they provide to revenue authorities will not be disclosed and will be kept confidential unless disclosure is authorized by law or by the taxpayer. Thus, revenue authorities shall take appropriate actions against their officers, their employees, agents of taxpayers, and others who

wrongfully use or disclose the taxpayer's return information;

h) Right to timely and expeditious completion of tax audits. — The taxpayer is entitled to have revenue authorities begin and complete tax audits in a timely and expeditious manner after notification of the intent to audit through a letter of authority. Thus, revenue authorities, their officers, employees, and agents shall conduct the tax audit at a reasonable time and place, except in criminal and internal investigations. They shall complete the tax audit and investigation of the taxpayer, including inspection of the

tax records and interview of the taxpayer or its authorized representatives, within one hundred eighty (180) calendar days from the taxpayer's receipt 10 of a letter of authority or notice;

i) Unless otherwise provided by law, a single audit team of revenue officers, employees and agents coming from the same office shall conduct the complete audit of the books and records of the taxpayer once a year. The audit team shall not commence an audit covering more than two (2) consecutive taxable years against the same taxpayer unless proven that fraud has been committed by the taxpayer. Similarly, revenue authorities, their officer, employees, and agents are prohibited from conducting a simultaneous audit of the books and records of the same taxpayer involving several taxable years, unless the right is waived. Interest arising from deficiency tax based on a particular tax audit shall not accrue beyond five (5) years;

j) Right to request for installment payment of tax liabilities under certain circumstances. — The taxpayer shall have the right to request for installment payment of tax liabilities under any compromise settlement or any assessed tax liabilities under the Taxpayer Assistance Order under Section 9 of this Act. Thus, revenue authorities shall consider the facts and circumstances that might affect the taxpayer's underlying liabilities and ability to pay in granting requests for installment payment of tax liabilities; k) Right to recover attorney's fees and litigation costs for tax assessments under certain circumstances. — The taxpayer shall have the right to recover attorney's fees and litigation costs for (i) tax assessments made without

substantial justification, and (ii) for claims for tax refunds that are not acted upon for an unreasonable length of time at the administrative level, or denied at the administrative level but subsequently allowed by the CTA if it appears that such denial was unjustified. The award of attorney's fees and costs of litigation shall be included in the order upholding the taxpayer's claim;

l) Right to relief from paying interests and penalties of their tax liabilities due to extraordinary circumstances. — The taxpayer shall be provided relief from paying interests and penalties on their tax liabilities in case of any unjustifiable error or delay caused by the tax authorities or their agents, including ministerial acts such as loss of records, personnel transfers, extended illness, or leaves of absence, and personnel training. Thus, revenue authorities shall abate interests and penalties on tax liabilities or obligations of taxpayers upon whom unjustifiable error or delay has been 14 caused by any revenue officer, employee, or agent; and

m) Right to be represented or assisted by a competent and independent counsel or a qualified representative. — The taxpayer shall have the right to be assisted or represented by a competent and independent counsel, especially in criminal proceedings, preferably of his own choice, or by a qualified representative at any time in administrative

interactions with the revenue authorities. If the person cannot afford the services of a private counsel, counsel from the office of the National Taxpayer Advocate shall be provided to the taxpayer upon request.

SEC. 5. Taxpayer's Rights in Civil Tax Cases. — The following are the taxpayer's rights in civil tax cases:

a) Right to be given an opportunity for amicable settlement in civil tax cases.

— The taxpayer shall have the opportunity to amicably settle a civil tax case filed against him, as the case may warrant. Applications for a compromise settlement, where the taxpayer has paid the minimum amount required by law, should be deemed automatically granted if not disapproved by the revenue authority in writing within one hundred eighty (180) calendar days from payment: Provided, That in every stage of the proceeding, whether in the administrative or judicial level, the parties shall always be given the

2 chance to exhaust all and every remedy available for the speedy settlement of the case: Provided, however, That nothing in this Act shall deprive the court of competent jurisdiction of its judicial prerogatives;

b) Rights of a person subject to a summary collection action by revenue authorities. — The taxpayer shall have the right to be informed of the impending institution by revenue authorities of a summary collection action which requires sale or seizure of property or freezing of assets, except jeopardy assessments. The taxpayer shall have at least thirty (30) calendar days from notice of institution of the collection action within which to pay the delinquent account or seek further review. Revenue authorities shall be prohibited from instituting summary collection actions while the deficiency tax assessment is under dispute;

c) Right to suspension of other collection actions under certain circumstances.

— The taxpayer shall have the right to have all other collection actions attempted before a jeopardy assessment is suspended, unless delay will endanger collection. After a jeopardy assessment, the taxpayer shall have the right to have an immediate review of the jeopardy assessment. As used herein, jeopardy assessment is a tax assessment made by an authorized revenue officer (RO) without the benefit of a complete or partial audit, considering the RO's judgment that the assessment and collection of a deficiency tax will be jeopardized by a delay caused by the taxpayer's failure to (1) comply with audit and investigation requirements to present his books of accounts and/or pertinent records; or (2) substantiate all or any of the deductions, exemptions or credits claimed in his return;

d) Right to seek review of decisions adverse to the taxpayer and to seek administrative stay enforcement action. — The taxpayer shall have the right to seek review, through formal or informal proceedings, of any adverse decisions relating to determinations in the audit or collection processes. The taxpayer shall have the right to seek a reasonable

administrative stay enforcement action from the Office of the National Tax Advocate simultaneous with other administrative remedies available under the law;

e) Right to be informed of procedures for conditional termination of tax obligations. — Revenue authorities shall inform the taxpayer of the procedures for conditional termination of tax obligations through installment payment agreements that recognize both the taxpayer's financial condition and the best interests of the state: Provided, that the taxpayer gives accurate and current information and meets all other tax obligations on schedule;

f) Right to be informed of procedures for requesting cancellation, release, or modification of liens. — Revenue authorities shall inform the taxpayer of the procedures for requesting cancellation, release, or modification of liens filed by the revenue authorities and for requesting that any lien which is filed in error be annotated on the lien cancellation filed by the revenue authority,

with public notice to any credit agency at the taxpayer's request;

g) Right to recover all costs of administrative or judicial actions under certain circumstances. — the taxpayer shall have the right to recover all costs of the administrative or judicial action filed against him, including reasonable attorney's fees, when the action is brought or maintained without the support of justifiable issues of fact or law; and

h) Right to relief from interest due to errors or delays caused by revenue authorities. — The taxpayer is entitled to relief or waiver by revenue authorities of interest that accrues as the result of errors or delays caused by a revenue officer, employee, or agent. The total interest that shall be assessed and collected on any unpaid amount of tax as provided under Section 249 of the National Internal Revenue Code, as amended, shall in no case exceed sixty (60) months.

SEC. 6. Taxpayer's Rights in Criminal Tax Cases. — The following are the taxpayer's rights in criminal tax cases:

a) Right to be informed of criminal charges arising from tax liabilities. - The taxpayer shall have the right to be knowledgeably and intelligently informed of the criminal charges against him as contained in any properly and timely prepared audit report, assessment notice, correspondence, document, letter and the like, as implemented by rules and regulations, as the case may be, coming from any of the revenue authorities or any government agency tasked to enforce the revenue laws and banking and financial laws, in appropriate cases;

b) Right to present evidence in criminal tax cases. — The taxpayer shall have the right to be given ample and adequate opportunity, as the situation may warrant, to present

evidence at the taxpayer's or anybody else's possession that would assist the taxpayer in the pursuit of the case;

c) Right to be served with papers necessary or related to the criminal tax case.

- The taxpayer shall have the right to be served with all the necessary documents and papers appurtenant to the criminal tax case against him, in a manner that would assist and expeditiously help present the taxpayer's side pursuant to the charges against him; and

d) Right to present own witnesses. — The taxpayer shall have the right to present his own witnesses in a criminal tax case.

Sec. 7. Taxpayer's Basic Obligations. — Concomitant to the enumerated taxpayer's rights are the following duties and responsibilities of the taxpayer:

a) Duty to be honest and compliant. — The taxpayer is duty-bound to honestly disclose on time complete and correct information about his tax accounts, even if represented by an agent or counsel, and fulfill his compliance obligations on or before the dates set by law, rules or regulations. The taxpayer shall always exercise reasonable care and diligence in complying with his tax obligations, and seek the help of the revenue authorities or the National Tax Advocate, as the case may be;

b) Duty to keep accurate records. — The taxpayer is expected to keep accurate records of his book of accounts and other tax information for the duration required by law and make them available for examination by revenue officers following proper procedures;

c) Duty to timely submit relevant information and files// the taxpayer's reporting obligations to revenue authorities. - The taxpayer is duty bound to cooperate with revenue authorities, lodge and submit in a timely manner all relevant information, books of account, records, returns and other documents to revenue authorities, and inform the latter in case of failure to comply within the period of submission. The taxpayer shall have the duty to timely notify revenue authorities of any changes in particular details, including but not limited to registered address, registered activities, tax type details, and accounting period. The taxpayer is also expected to faithfully comply with reporting obligations under the law;

d) Duty to pay taxes and fees due on time. - The taxpayer is obliged to timely pay the taxes and fees due to revenue authorities through the available channels provided; and

e) Duty to know what his representative or counsel does on his behalf. — The taxpayer shall have the duty to know what information and submissions are made by authorized representatives on his behalf.

SEC. 8. Creation of the Office of the National Taxpayer Advocate. — In order to protect the rights of taxpayers and in recognition of the complexity of tax laws, both substantive and procedural, the Office of the National Taxpayer Advocate is hereby created to promote tax

compliance and assist taxpayers, whether individual or juridical persons. The Office of the National Taxpayer Advocate shall be an independent and autonomous office attached to the Department of Justice (DOJ) for the purposes of policy and program coordination, under the administration and supervision of an official to be known as the National Taxpayer Advocate. The National Taxpayer Advocate shall have the rank of Undersecretary and shall be appointed by the President of the Philippines.

The National Taxpayer Advocate shall be a Filipino citizen, at least forty (40) years of age, a member of the Philippine Bar in good standing, with at least ten (10) years of practice in the field of taxation, with proven integrity and competence, and must not have been convicted of any crime involving moral turpitude.

An individual cannot be appointed as the National Taxpayer Advocate if such individual has been an employee or officer of, or has rendered service as consultant or in any other capacity to, the Department of Finance (DOF), any of the revenue authorities, any attached agencies to the DOF, or has been a local treasurer for two (2) years prior to such appointment. A National Taxpayer Advocate cannot serve as officer or employee or consultant of, or be appointed to or act in whatever capacity in, any of the revenue authorities or as local treasurer, within five (5) years following his/her tenure as a National Taxpayer Advocate. For purposes of this Act, a local treasurer includes a municipal, city or provincial treasurer.

SEC. 9. Powers, Functions and Responsibilities of the Office of the National Taxpayer Advocate. — The Office of the National Taxpayer Advocate shall have the following functions, powers and responsibilities:

- a) Assist taxpayers in their queries and concerns relative to tax and customs laws, including, but not limited to taxpayer registration, filing and payment of taxes, settling deficiency tax assessments, and in resolving their problems with the revenue authorities;
- b) Assist, initiate, intervene, and represent taxpayers, as may be applicable, in cases, complaints, and proceedings related to their rights as taxpayers as provided under this Act;
- c) Identify areas in which taxpayers have problems in dealings with the revenue authorities, and recommend solutions to revenue authorities and to the anti-red tape authority for purposes of reducing regulatory burden to the taxpayers;
- d) Engage in regular information, education and communication programs for all taxpayers on laws, rules, regulations, decisions, circulars and orders that affect them, including their rights and remedies under the law;
- e) Monitor all issuances of the revenue authorities, and propose changes, to the extent possible, in their administrative practices with the end in view of mitigating problems identified under the preceding paragraph;

f) Identify potential legislative changes which may be appropriate to mitigate such problems and propose the same to Congress;

g) Issue a Taxpayer Assistance Order, motu proprio, or upon application filed by a taxpayer with the Office of the National Taxpayer Advocate, that will serve as a complaint to be filed with the Secretary of Finance against the

errng revenue official, employee or agent on the following grounds:

1 It is determined that the taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the internal revenue or customs laws are being administered by the revenue authorities; or

(ii) The taxpayer meets such other requirements as are set forth in the implementing rules and regulations of this Act.

For purposes of this paragraph, a significant hardship shall include: (i) an immediate threat of adverse action, whether administrative or judicial, civil or criminal; (ii) any action that will violate the right to privacy of a taxpayer; (iii) a delay of more than thirty (30) calendar days in resolving taxpayer account problems; (iv) the taxpayer will incur significant and unnecessary costs, including fees for professional representation, if relief is not granted; or (v) irreparable injury to, or a long-term adverse impact on, the taxpayer if relief is not granted.

In cases where a revenue officer, employee or agent does not comply with the laws, rules and regulations or any applicable published administrative guidance, the National Taxpayer Advocate shall consider the factors taken into account by the revenue officer, employee or agent in determining whether to issue a Taxpayer Assistance Order in the manner most favorable to the taxpayer.

Any Taxpayer Assistance Order under this Section may be modified or rescinded by the National Taxpayer Advocate, only if a valid written explanation is submitted by the Commissioner of Internal Revenue or the Commissioner of Customs, as the case may be. The reasons for the modification or rescission shall be specifically stated by the National Taxpayer Advocate in the rescission or modification order.

The running of the period of statute of limitations with respect to any action for which a Taxpayer Assistance Order has been issued shall be suspended for the period beginning on the date of the taxpayer's application under this section and ending on the date of the National Taxpayer Advocate's decision with respect to such application and any period specified in a

Taxpayer Assistance Order issued pursuant to such application; and

Issue a stay order pursuant to Sec. 4 (f) of this Act and cite in contempt the concerned revenue authority, its officers, employees or agents for violation of its stay order.

SEC. 10. Organization and Staffing Pattem. The Office of the National

Taxpayer Advocate shall be headed by a National Taxpayer Advocate. The National Taxpayer Advocate shall provide for the structural organization and staff of its offices and shall have the power and authority to designate and appoint officers and employees of the Office, in accordance with civil service laws, rules, and regulations.

All positions in the Office of the National Taxpayer Advocate shall be governed by compensation and position qualification system and qualification standards approved by the National Taxpayer Advocate based on comprehensive job analysis and audit of actual duties and responsibilities. The National Taxpayer Advocate shall appoint and fix the remuneration of the emoluments of its personnel in accordance with existing laws on compensation and position classification.

SEC. 11. Submission of Annual Reports by the Office of the National Taxpayer Advocate. — Not later than December 31 of each calendar year, the Office of the National Taxpayer Advocate shall submit a report to the Chairpersons of the Committee on Ways and Means of the Senate of the Philippines and House of Representatives on its activities during such calendar year. Such report shall contain full and substantive analysis, in addition to statistical information, and shall:

- a) Identify the initiatives that the Office of the National Taxpayer Advocate has undertaken aimed at improving taxpayer services and the tax authorities' responsiveness;
- b) Contain recommendations received from taxpayers by the Office of National Taxpayer Advocate;
- c) Contain a summary of the most serious problems encountered by taxpayers, including a description of the nature of such problems;
- d) Contain an inventory of the items described in subsections (a), (b), and (c) 31 of this Section for which action has been taken and the result of such action;
- e) Contain an inventory of the items described in subsections (a), (b), and 2 (c) of this Section for which action remains to be completed and the period during which each item has remained on such inventory;
- f) Contain an inventory of the items described in subsections (a), (b), and (c) of this Section for which no action has been taken, the period during which each item has remained on such inventory, the reasons for the inaction, 7 and identify any revenue officer, employee or agent who is responsible for such inaction;
- g) Identify any taxpayer assistance order which was not processed by the proper revenue authority in a timely manner;

- h) Contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by taxpayers;
- i) Identify areas of the tax law that impose significant compliance burdens 14 on taxpayers, the revenue authorities, and local treasurers including specific recommendations for remedying these problems;
- j) Identify the most litigated issues for each category of taxpayers, including 17 recommendations for mitigating such disputes: and
- k) Include such other information as the National Taxpayer Advocate may deem relevant.

Each report required under this subparagraph shall be provided directly to the Committee on Ways and Means of the Senate of the Philippines and the House of Representatives without any prior review or comment from the Commissioner of Internal Revenue and Commissioner of Customs or any other officer or employee of the said Bureaus. The National Taxpayer Advocate shall furnish copies of said report to the Secretary of Finance, and to the Commissioner of Internal Revenue and 26 Commissioner of Customs.

The Commissioners of Internal Revenue and Commissioner of Customs shall establish procedures requiring a formal response to all recommendations submitted to them by the National Taxpayer Advocate within three (3) months from the date of submission.

1 SEC. 12. Other Powers, Functions, and Responsibilities of the National Taxpayer Advocate. — The National Taxpayer Advocate shall:

- a) Monitor the coverage and geographic deployment of local offices of Taxpayer Advocates;
- b) Develop guidelines to be distributed to all revenue officers and employees and the local treasurers outlining the criteria for referral of taxpayer inquiries to local offices of Taxpayer Advocates;
- c) Formulate rules, regulations and guidelines on the issuance of a Taxpayer Assistance Order, stay order pursuant to Sec. 4(f) of this Act, and other forms of assistance, interventions, and representations that the Taxpayer Advocate may provide for the taxpayer;

- d) Formulate, implement, review and improve standards of delivery of services by the Office of the National Tax Advocate to the taxpayer pursuant to their rights enumerated in this Act, and monitor and evaluate compliance over such standards by the Tax Advocates through a feedback mechanism to be actively participated by the taxpayers;
- e) Ensure that the local telephone number for each local office of the Taxpayer Advocate is published and available to taxpayers served by the office; f) Develop career paths for local Taxpayer Advocates in the Office of the National Taxpayer Advocate; and
- g) Other powers and functions as may be implied and necessary to perform their powers, functions and responsibilities enumerated in this Act.

SEC. 13. Personnel Actions of the National Taxpayer Advocate. — The 25 National Taxpayer Advocate shall have the responsibility and authority to: a) Appoint local Taxpayer Advocates and make available at least one (1) such Advocate for each province, as may be identified by the DOJ; and

b) Evaluate and take personnel actions including dismissal with respect to any employee of any local office of the National Taxpayer Advocate described

in subsection (a) of this Section.

The National Taxpayer Advocate may consult with the appropriate supervisory personnel of the revenue authorities in carrying out the National Taxpayer Advocate's responsibilities and qualifications under this Section.

SEC. 14. Individuals and MSMes as Priority. — Application for the issuance of a Taxpayer Assistance Order filed by individuals earning purely from compensation, from practice of profession, and single proprietorship, cooperative, partnership or corporation considered as micro-, small- and medium- enterprises (MSMes) as provided under Section 3 of RA No. 9501, otherwise known as the "Magna Carta for MSMes" shall be given priority by the Office of the National Taxpayer Advocate.

SEC. 15. Taxpayer's Remedies for Violation of Rights under this Act.

— Any violation of the provisions of this Act committed by any official or employee of 14 the BIR or the BOC, other than the Commissioner of Internal Revenue and Commissioner of Customs, shall be filed with the office of the Commissioner of Internal Revenue or the Commissioner of Customs, as the case may warrant, with the

assistance of the National Taxpayer Advocate. The Commissioner of Internal Revenue or the Commissioner of Customs shall decide the controversy expeditiously, which shall not in any case be more than thirty (30) calendar days from the time the complaint or case is filed with their respective offices. Decisions of the Commissioner of Internal Revenue or the Commissioner of Customs concerning any complaint or case for violation of the

provisions of this Act, may be brought for review by the aggrieved party or the latter's authorized representative, to the Secretary of Finance. In case the Commissioner of Internal Revenue or Commissioner of Customs fail to act

on such complaint or case within the time herein prescribed, the aggrieved party or the latter's authorized representative may file the complaint or case directly with the Secretary of Finance.

Complaints against the Commissioner of Internal Revenue or the Commissioner of Customs for violation of this Act shall be filed directly with the Secretary of Finance who shall decide the case within thirty (30) calendar days from the date the complaint was filed. Decisions of the Secretary of Finance may be appealed before the Office of the President.

Any complaint or case filed pursuant to this Section shall be without prejudice to any other action that may be instituted against the employee or official of the BIR or the BOC under existing laws, rules and regulations.

Evidence against the taxpayers obtained in relation to this Act shall be inadmissible in any court or proceeding if found to have been obtained in violation of any of the above-enumerated taxpayer's rights.

SEC. 16. Penalties for the Violation of the Bill of Rights of Taxpayers.

— Any person or public official who is found to have violated the Bill of Taxpayers 10 Rights shall be punished with imprisonment of not less than six (6) years nor more 11 than twelve (12) years, and a fine of not less than one hundred thousand pesos 12 (Php100,000.00) but not more than five hundred thousand pesos (Php500,000.00).

SEC. 17. Report of the Secretary of Finance. — On or before June 1 of each calendar year, the Secretary of Finance shall submit and present to the Chairpersons of the Committee on Ways and Means of the Senate and House of Representatives a report on:

- (a) All categories of incidents involving the misconduct of the officers and employees of the revenue authorities during the preceding calendar year; and
- (b) Action on and disposition of any such instances.

SEC. 18. Accessibility of the Taxpayer's Bill of Rights and Obligations.

- The Taxpayer's Bill of Rights and Obligations shall be made available in every 24 revenue district office, revenue regional office, and national office of the BIR and 25 collection district and national office of the BOC, free of charge, in all formats, digital 26 or otherwise,

and shall be posted in their respective websites, in multiple languages 27 and dialects, as may be determined in the implementing rules and regulations.

SEC. 19. Integration of Taxpayer's Bill of Rights and Obligations in Higher Education curriculum. - All public and private higher education institutions shall integrate the Taxpayer's Bill of Rights and Obligations as part of an elective course. The Commission on Higher Education (CHED), pursuant to its mandate under RA No. 7722, otherwise known as the "Higher Education Act of 1994," shall develop the program to execute and implement this section.

SEC. 20. Establishment of Micro- and Small- Taxpayer Clinic Program.

— To ensure the fairness and integrity of the tax system for taxpayers who are 6 classified as micro- and small- taxpayers, the DOF shall develop a micro- and small⁷ taxpayer clinic (MSTC) program that will assist individuals and businesses classified 8 as micro- and small-taxpayers having a tax dispute with any of the revenue 9 authorities, and provide education and information about taxpayer rights and 10 responsibilities in different languages or dialects.

The MSTCs shall be independent from the revenue authorities and the National 12 Taxpayer Advocate. MSTCs can represent micro- and small- taxpayers in audits, 13 appeals and tax collection disputes before revenue authorities and in court. MSTC services are offered for free or a small fee.

SEC. 21. Implementing Rules and Regulations. — Within thirty (30) calendar days from the effectivity of this Act, the following shall promulgate the necessary rules and regulations for its effective implementation:

- a) A representative from the Department of Finance (DOF);
- b) A representative from the BIR;
- c) A representative from the BOC;
- d) A representative from the DOJ;
- e) A representative from the Secretariat of the Congressional Oversight Committee on Comprehensive Tax Reform Program;
- f) Representatives from the Committee on Ways and Means of both Houses of Congress;
- g) A representative each from Tax Management Association of the Philippines and the Philippine Institute of Certified Public Accountants.

30 SEC. 22. Separability Clause. — If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby

shall remain in full force and effect.

SEC. 23. Repealing Clause. — All laws, orders, decrees, rules and regulations, and other parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

5 SEC. 24. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,