ALLOWABLE DEDUCTIONS FROM THE GROSS ESTATE FOR RESIDENTS, CITIZENS AND NON-RESIDENT ALIENS

Annex "A"

	DEDUCTION	March 01,1917- October 28, 1936 (Revised Administrative Code)	October 29, 1936 – June 30, 1939 (Commonwealth Act of 106)	July 1, 1939 – September 14, 1950 (Commonwealth Act No, 466)	September 15, 1950-December 31, 1972 (RA No. 579)
. R	esidents and Citizens			•	
1	Funeral Expense	Actual funeral expense	Actual funeral expense	Actual funeral expense but not exceeding 5% of the gross estate	Actual funeral expanse but not to exceed 5% of the gross estate
2	Family Home	No provision	No provision	No provision	No provision
3	Standard Deduction	No provision	No provision	No provision	No provision
4	Medical Expenses	No provision	No provision	No provision	No provision
5	Judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses	Actual judicial expenses	Actual judicial expenses	Actual judicial expenses
6	Claims against the estate	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death. Proof required
7	Claims against insolvent persons	Total amount of claim (provided the same is included in the value of the gross estate of the decedent)	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent
8	Unpaid mortgages	No provision. May be related to claims against the estate	No provision. May be related to claims against the estate	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness mus be included in the value of the gross estate.
9	Losses arising from fire, storms, shipwreck, or othe casualty, or from robbery, theft or embezzlement	No provision	No provision	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; and (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes.	Actual Value of Loss/es provided (1) the loss/es have not bee compensated by insurance or otherwise; (2) at the time of filin the return, such loss/es have not been claimed as deduction fr income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.
10	Property Previously Taxed	No provision	No provision	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines Percentage of Deduction: 100% - if the transfer is within 1 year prior to lhe death of the present decedent 80% - if the transfer is more than 1 year but not more than 2 years 60% - if the transfer is more than 2 years but not more than 3 years 40% - if the transfer is more than 3 years but not more than 4 years 20% - if the transfer is more than 4 years but not more than 5 years	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included i the gross estate situated in the Philippines Percentage of Deduction: 100% - if the transfer is within 1 year prior to the death of the present decedent 80% - if the transfer is more than 1 year but not more than 2 years 60% - if the transfer is more than 2 years but not more than 3 years 40% - if the transfer is more than 3 years but not more than 4 years 20% - if the transfer is more than 4 years but not more than 5 years
11	Transfers for public use	No provision	No provision	The amount of all bequests, legacles, devises, or transfers, to or for the use of the Government of the Philippines, or any political subdivision thereof, for exclusively public purposes <i>provided</i> the amount of the deduction for any transfer shall not exceed the value of the transferred property required to be included in the gross estate.	or for the use of the Government of the Philippines, or any
12	Transfers to the surviving spouse and children	No provision	No provision	The amount of all bequests, legacies, devises, or transfers to the surviving spouse and the legitimate or recognized natural or adopted children not exceeding three (3) thousand pesos each.	The amount of all bequests, legacies, devises, or transfers to the surviving spouse and the legitimate or recognized natural or adopted children not exceeding three (3) thousand pesos each
13	Share in the conjugal property	The net share of the surviving spouse in the conjugat partnership property and his/her part of the gains	The net share of the surviving spouse in the conjugal partnership property and his/her part of the gains	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property
	Amount Received by Heirs Under R.A No. 4917	No provision	No provision	No provision	No provision

Note: All deductions require proof and verification

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ALLOWABLE DEDUCTIONS FROM THE GROSS ESTATE FOR RESIDENTS, CITIZENS AND NON-RESIDENT ALIENS

Annex "A"

	DEDUCTION	January 1, 1973 – December 31, 1985 (Presidential Decree No. 69)	January 1, 1986 - July 27, 1992 (Presidential Decree No. 1994)	July 28, 1992 - December 31, 1997 (R.A No. 7499)	January 1, 1998 - December 31, 2017 (R.A No. 8424)	
. R	lesidents and Citizens					
1	Funeral Expense	5% of the gross estate but not to exceed P50,000.00	5% of the gross estate but not to exceed P50,000.00	Actual funeral expenses or in an amount equal to 5% of the gross estate, whichever is lower, but in no case to exceed P100,000.00	Actual funeral expenses or in an amount equal to 5% of the gross estate, whichever is lower, but in no case to exceed P200,000.00	
2	Family Home	No provision	No provision	Actual FMV or P1M, whichever is lower. Barangay Certification is mandatory.	Actual FMV or P1M, whichever is lower. Barangay Certification is mandatory.	
3	Standard Deduction	No provision	No provision	No provision	One million pesos (P1,000,000)	
4	Medical Expenses	No provision	No provision	No provision	Actual Medical Expenses incurred by the decedent within one (1) year prior to his dealh, substantiated with receipts and in no case to exceed Five Hundred Thousand Pesos (P500,000)	
5	Judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	
6	Claims against the estate	Outstanding compute a of data of death. Boot required document. If the loan was contracted win 3 years before the document, if the loan was contracted win 3 years before the		Oulstanding amount as of date of death with duly notarized document, if the loan was contracted w/in 3 years before the death, a statement showing the disposition of the proceeds of the loan is required.	Outstanding amount as of date of death with duly notarized document. If the loan was contracted w/in 3 years before the death, a statement showing the disposition of the proceeds of the loan is required.	
7	Claims against insolvent persons	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	
8	Unpald mortgages	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	
9	Losses arising from fire, storms, shipwreck, or othe casually, or from robbery, theft or embezzlement	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.	compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not	Actual Value of loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.	
		FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	
		Percentage of Deduction:	Percentage of Deduction:	Percentage of Deduction:	Percentage of Deduction:	
10	Property Previously Taxed	100% - if the transfer is within 1 year prior to the death of the present decedent	100% - if the transfer is within 1 year prior to the death of the present decedent	100% - if the transfer is within 1 year prior to the death of the present decedent	100% - if the transfer is wilhin 1 year prior to the death of the present decedent	
10		80% - if the transfer is more than 1 year but not more than 2 years	80% - if the transfer is more than 1 year but not more than 2 years	80% - if the transfer is more than 1 year but not more than 2 years	80% - If the transfer is more than 1 year but not more than 2 years	
		60% - if the transfer is more than 2 years but not more than 3 years		60% - if the transfer is more than 2 years but not more than 3 years	60% - if the transfer is more than 2 years but not more than 3 years	
		40% - if the transfer is more than 3 years but not more than 4 years	40% - if the transfer is more than 3 years but not more than 4 years	40% - if the transfer is more than 3 years but not more than 4 years	40% - if the transfer is more than 3 years but not more than 4 years	
		20% - if the transfer is more than 4 years but not more than 5 years	20% - if the transfer is more than 4 years but not more than 5 years	20% - If the transfer is more than 4 years but not more than 5 years	20% - if the transfer is more than 4 years but not more than 5 years	
11	Transfers for public use	The amount of all bequests, legacies, or transfers, to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.	use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes,	The amount of all bequests, legacies, devises, or transfers, to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.		
12	Transfers to the surviving spouse and children	The amount of all bequests, legacies, devises, or transfers to the surviving spouse and the legitimate or recognized natural or adopted children not exceeding three (3) thousand pesos each.	The amount of all bequests, legacies, devises, or transfers to the surviving spouse and the legitimate or recognized natural or adopted children not exceeding three (3) thousand pesos each.	The amount of all bequests, legacies, devises, or transfers to the surviving spouse and the legitimate or recognized natural or adopted children not exceeding three (3) thousand pesos each.	Deleted provision	
13	Share In the conjugal property	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property	The net share of the surviving spouse in the conjugal	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property	
14	Amount Received by Heirs Under R.A No, 4917	No provision	No provision	No provision	Actual retirement benefits provided the same is included in the computation of gross estate	
	Note: All deductions require pro			:	Page 2 of	

Note: All deductions require proof and verification

R.G. Manabat & Co. TAX

ALLOWABLE DEDUCTIONS FROM THE GROSS ESTATE FOR RESIDENTS, CITIZENS AND NON-RESIDENT ALIENS Annex "A"

	October 29, 1936 – June 30,	1939 July 1, 1939 – Septe	
DEDUCTION March 01,1917- October 28, 1936 (Revised Administrat	(Commonwealth Act of 1)	(Commonwealth	September 16, 1950-December 31, 1972
			(RA No. 579)
Code)			

B, Non-resident aliens

(Starting from July 1, 1939, deductions enumerated hereunder shall only be allowed if the executor, administrator, or anyone of the heirs, as the case may be, includes in the return required to be filed, the value at the time of his death of that part of the gross estate of the nonresident not situated in the Philippines) Actual funeral expense but not exceeding 5% of the gross Actual funeral expense Actual funeral expense Actual funeral expense but not exceeding 5% of the gross estate 1 Funeral Expense estate No provision No provision No provision 2 Family Home No provision 3 Standard Deduction No provision No provision No provision No provision No provision No provision 4 Medical Expenses No provision No provision Judicial expenses of the 5 Actual judicial expenses Actual judicial expenses Actual judicial expenses Actual judicial expenses testamentary or intestate Outstanding amount as of date of death. Proof required Outstanding amount as of date of death. Proof required 6 Claims against the estate Outstanding amount as of date of dealh. Proof required Outstanding amount as of date of death. Proof required Total amount of claim (provided the same is included in the Total amount of claim provided the same is included in the value Claims against insolvent Total amount of claim (provided the same is included in the Total amount of claim provided the same is included in the 7 value of the gross estate of the decedent) value of the gross estate of the decedent) of the gross estate of the decedent value of the gross estate of the decedent persons Oulstanding amount as of date of death, contracted bona fide Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's and for an adequate and full consideration in money or money's

8	Unpald mortgages	No provision. May be related to claims against the estate	No provision. May be related to claims against the estate	worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.
9	Losses arising from fire, storms, shipwreck, or othe casuaity, or from robbery, theft or embezzlement	No Provision	No provision	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; and (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes.	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.
	Property Previously Taxed	No provision	No provision	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines
				Percentage of Deduction:	Percentage of Deduction:
				100% - if the transfer is within 1 year prior to the death of the present decedent	100% - if the transfer is within 1 year prior to the death of the present decedent
10				80% - if the transfer is more than 1 year but not more than 2 years	80% - if the transfer is more than 1 year bul not more than 2 years
				60% - if the transfer is more than 2 years but not more than 3 years	60% - it the transfer is more than 2 years but not more than 3 years
				40% - if the transfer is more than 3 years but not more than 4 years	40% - If the transfer is more than 3 years but not more than 4 years
				20% - if the transfer is more than 4 years but not more than 5 years	20% - if the transfer is more than 4 years but not more than 5 years
11	Transfers for public use	insfers for public use No provision s c v		The amount of all bequests, legacies, devises, or transfers, to or for the use of the Government of the Philippines, or any political subdivision thereof, for exclusively public purposes <i>provided</i> the amount of the deduction for any transfer shall not exceed the value of the transferred property required to be included in the gross estate.	or for the use of the Government of the Philippines, or any
12	Transfers to the surviving spouse and children	No provision	No provision	No provision	No provision
13	Share in the conjugal property	The net share of the surviving spouse in the conjugal partnership property and his/her part of the gains	The net share of the surviving spouse in the conjugal partnership property and his/her part of the gains	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property	The net share of the surviving spouse in the conjugal partnership property minus the obligations property chargeable to such property
14	Amount Received by Heirs Under R.A No. 4917	No provision	No provision	No provision	No provision
	Note: All deductions require prog		·····	• 	Page 3 of 4

Note: All deductions require proof and verification

ALLOWABLE DEDUCTIONS FROM THE GROSS ESTATE FOR RESIDENTS, CITIZENS AND NON-RESIDENT ALIENS

Annex "A"

	DEDUCTION	January 1, 1973 – December 31, 1985 (Presidential Decree No. 69)	January 1, 1986 - July 27, 1992 (Presidential Decree No. 1994)	July 28, 1992 - December 31, 1997 (R.A No. 7499)	January 1, 1998 - December 31, 2017 (R.A.No. 8424)
	Ion-resident aliens		l	l e heirs, as the case may be, includes in the return rea	
		s estate of the nonresident not situated in the Philip		e nens, as the case may be, includes in the return fee	funed to be med, the value at the time of his
	Funeral Expense	5% of the gross estate but not to exceed P50,000.00	5% of the gross estate but not to exceed P50,000.00	Actual funeral expenses or in an amount equal to 5% of the gross estate, whichever is lower, but in no case to exceed P100,000,00	Actual funeral expenses or in an amount equal to 5% of the gross estate, whichever is lower, but in no case to exceed P200,000,00
2	Family Home	No Provision	No Provision	No Provision	no provision
3	Standard Deduction	No Provision	No Provision	No Provision	no provision
4	Medical Expenses	No Provision	No Provision	No Provision	no provísion
5	Judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings	Actual judicial expenses of the testamentary or intestate proceedings
6	Claims against the estate	Outstanding amount as of date of death. Proof required	Outstanding amount as of date of death with duly notarized document. If the loan was contracted win 3 years before the death, a statement showing the disposition of the proceeds of the toan is required.	Outstanding amount as of date of death with duly notarized document. If the loan was contracted win 3 years before the death, a statement showing the disposition of the proceeds of the loan is required.	Outstanding amount as of date of death with duly notarized document. If the loan was contracted win 3 years before th death, a statement showing the disposition of the proceeds the loan is required.
7	Claims against insolvent persons	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in the value of the gross estate of the decedent	Total amount of claim provided the same is included in th value of the gross estate of the decedent
8	Unpaid mortgages	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona fide and for an adequate and full consideration in money or money's worth. For purposes of deduction, the value of the decedent's property undiminished by such mortgage or indebtedness must be included in the value of the gross estate.	Outstanding amount as of date of death, contracted bona I and for an adequate and full consideration in money or mon worth. For purposes of deduction, the value of the decede property undiminished by such mortgage or indebtedness n be included in the value of the gross estate.
9	Losses arising from fire, storms, shipwreck, or othe casualty, or from robbery, theft or embezzlement	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.	Actual Value of Loss/es provided (1) the loss/es have not been compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not later than the last day of deadline for payment of estate tax.	compensated by insurance or otherwise; (2) at the time of filing the return, such loss/es have not been claimed as deduction for income tax purposes; and (3) such loss/es were incurred not	Actual Value of loss/es provided (1) the loss/es have not b compensated by insurance or otherwise; (2) at the time of the return, such loss/es have not been claimed as deductio income tax purposes; and (3) such loss/es were incurred later than the last day of deadline for payment of estate ta
		FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to the decedent by gift, bequest, devise or inheritance within 5 years prior to the present decedent's death which must be included in the gross estate situated in the Philippines	FMV of the property identified as received or transferred to decedent by gift, bequest, devise or inheritance within 5 yer prior to the present decedent's death which must be include the gross estate situated in the Philippines
		Percentage of Deduction:	Percentage of Deduction:	Percentage of Deduction:	Percentage of Deduction:
	Property Previously Taxed	100% - if the transfer is within 1 year prior to the death of line present decedent	100% - if the transfer is within 1 year prior to the death of the present decedent	100% - if the transfer is within 1 year prior to the death of the present decedent	100% - if the transfer is within 1 year prior to the death of th present decedent
10		80% - if the transfer is more than 1 year but not more than 2 years	80% - if the transfer is more than 1 year but not more than 2 years	80% - if the transfer is more than 1 year but not more than 2 years	80% - if the transfer is more than 1 year but not more than : years
		60% - if the transfer is more than 2 years but not more than 3 years	60% - if the transfer is more than 2 years but not more than 3 years	60% - if the transfer is more than 2 years but not more than 3 years	60% - if the transfer is more than 2 years but not more than years
		40% - if the transfer is more than 3 years but not more than 4 years	40% - if the transfer is more than 3 years but not more than 4 years	40% - if the transfer is more than 3 years but not more than 4 years	40% - if the transfer is more than 3 years but not more than years
		20% - if the transfer is more than 4 years but not more than 5 years	20% - if the transfer is more than 4 years but not more than 5 years	20% - if the transfer is more than 4 years but not more than 5 years	20% - if the transfer is more than 4 years but not more than years
11	Transfers for public use	The amount of all bequests, legacies, or transfers, to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.	The amount of all bequests, legacies, or transfers, to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.	The amount of all bequests, legacies, devises, or transfers, to or for the use of the Government of the Republic of the Philippines, or any political subdivision thereof, for exclusively public purposes.	-
12	Transfers to the surviving spouse and children	No provision	No provision	No provision	No provision
13	Share in the conjugal property	The net share of the surviving spouse in the conjugal partnership property minus the obligations property chargeable to such property	The net share of the surviving spouse in the conjugal partnership property minus the obligations property chargeable to such property	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly chargeable to such property	The net share of the surviving spouse in the conjugal partnership property minus the obligations properly charge to such property
14	Amount Received by Heirs Under R.A No. 4917	No provision	No provision	No provision	No provision