

What is the Proper Presentation of the Family Home and Standard Deduction as Deductions from the Gross Estate?

Below is a series of example of how to get the Net Taxable Estate:

1) Decedent is Unmarried and Family Home is more than P10,000,000

(1) Decedent is unmarried, family home more than P10,000,000:

Real and personal properties	P 14,000,000	
Family Home	<u>30,000,000</u>	
Gross Estate		<u>P44,000,000</u>
Less: Deductions		
Ordinary Deductions		
Unpaid real estate tax	(2,000,000)	
Special Deductions		
Family Home	(10,000,000)	
Standard Deduction	<u>(5,000,000)</u>	
Total Deductions		<u>(17,000,000)</u>
NET TAXABLE ESTATE		<u>P27,000,000</u>

Although the family home is valued at P30 million, the maximum allowable deduction for the family home is P10million only.

2. Decedent is unmarried, the Family Home is Conjugal Property, and more than P10,000,000

(2) Decedent is married, the family home is conjugal property, more than P10,000,000:

	<u>Exclusive</u>	<u>Conjugal</u>	<u>Total</u>
Conjugal Properties:			
Family Home		P30,000,000	P30,000,000
Real and personal properties		14,000,000	14,000,000
Exclusive Properties:	<u>5,000,000</u>		<u>5,000,000</u>
Gross Estate	<u>5,000,000</u>	<u>44,000,000</u>	<u>P49,000,000</u>
Less:			
Ordinary Deductions			
Conjugal Ordinary Deductions		<u>(2,000,000)</u>	<u>(2,000,000)</u>
Net Conjugal Estate		42,000,000	
Special Deductions			
Family Home			(10,000,000)
Standard Deduction			<u>(5,000,000)</u>
Total Deductions			<u>(17,000,000)</u>
Net Estate			32,000,000
Less: ½ Share of Surviving Spouse			
Conjugal Property	P44,000,000		
Conjugal Deductions	<u>(2,000,000)</u>		
Net Conjugal Estate	P42,000,000		
	(P42,000,000/2)		
NET TAXABLE ESTATE			<u>P11,000,000</u>

3. Decedent is married, the Family Home is Exclusive Property and more than P10,000,000

(3) Decedent is married, the family home exclusive property, more than P10,000,000:

	<u>Exclusive</u>	<u>Coniugal</u>	<u>Total</u>
Conjugal Properties:			
Real and personal properties		14,000,000	14,000,000
Exclusive Properties:			
Family Home	30,000,000		30,000,000
Gross Estate	<u>30,000,000</u>	<u>14,000,000</u>	<u>P44,000,000</u>
Less:			
Ordinary Deductions			
Conjugal Ordinary Deductions		(2,000,000)	(2,000,000)
Net Conjugal Estate		<u>12,000,000</u>	
Special Deductions			
Family Home			(10,000,000)
Standard Deduction			<u>(5,000,000)</u>
Total Deductions			<u>(17,000,000)</u>
Net Estate			<u>27,000,000</u>
Less: ½ Share of Surviving Spouse			<u>(6,000,000)</u>
Conjugal Property	P14,000,000		
Conjugal Deductions	<u>(2,000,000)</u>		
Net Conjugal Estate	P12,000,000		
	(P12,000,000/2)		
NET TAXABLE ESTATE			<u><u>P21,000,000</u></u>

4. Decedent is an unmarried, the family home is below P10,000,000

(4) Decedent is an unmarried, the family home is below P10,000,000:

Real and personal properties	P 14,000,000	
Family Home	<u>9,000,000</u>	
Gross Estate		<u>P23,000,000</u>
Less: Deductions		
Ordinary Deductions		2,000,000
Special Deductions		14,000,000
Family Home	9,000,000	
Standard Deduction	<u>5,000,000</u>	
Total Deductions		<u>(16,000,000)</u>
NET TAXABLE ESTATE		<u><u>P7,000,000</u></u>

5. Decedent is married, the family home is conjugal property and is below P10,000,000

(5) Decedent is married, the family home is conjugal property and is below P10,000,000:

	<u>Exclusive</u>	<u>Conjugal</u>	<u>Total</u>
Conjugal Properties:			
Family Home		P9,000,000	P9,000,000
Real and personal properties		14,000,000	14,000,000
Exclusive Properties:	5,000,000		5,000,000
Gross Estate	<u>5,000,000</u>	<u>23,000,000</u>	<u>P28,000,000</u>
Less:			
Ordinary Deductions			
Conjugal Ordinary Deductions		(2,000,000)	(2,000,000)
Net Conjugal Estate		<u>21,000,000</u>	
Special Deductions			
Family Home			(4,500,000)
Standard Deduction			(5,000,000)
Total Deductions			<u>(11,500,000)</u>
Net Estate			16,500,000
Less: ½ Share of Surviving Spouse			(10,500,000)
Conjugal Property	P23,000,000		
Conjugal Deductions	<u>(2,000,000)</u>		
Net Conjugal Estate	P21,000,000		
	(P21,000,000/2)		
NET TAXABLE ESTATE			<u><u>P6,000,000</u></u>

6. Decedent is married, the family home is exclusive property and below P10,000,000

(6) Decedent is married, the family home exclusive property and below P10,000,000:

	<u>Exclusive</u>	<u>Conjugal</u>	<u>Total</u>
Conjugal Properties:			
Real and personal properties		14,000,000	14,000,000
Exclusive Properties:			
Family Home	9,000,000		9,000,000
Gross Estate	<u>9,000,000</u>	<u>14,000,000</u>	<u>P23,000,000</u>
Less:			
Ordinary Deductions			
Conjugal Ordinary Deductions		(2,000,000)	(2,000,000)
Net Conjugal Estate		<u>12,000,000</u>	
Special Deductions			
Family Home			(9,000,000)
Standard Deduction			(5,000,000)
Total Deductions			<u>(16,000,000)</u>
Net Estate			7,000,000
Less: ½ Share of Surviving Spouse			(6,000,000)
Conjugal Property	P14,000,000		
Conjugal Deductions	<u>(2,000,000)</u>		
Net Conjugal Estate	P12,000,000		
	(P12,000,000/2)		
NET TAXABLE ESTATE			<u><u>P1,000,000</u></u>