

**[REVENUE MEMORANDUM CIRCULAR NO. 46-
2018, June 20, 2018]**

**CIRCULARIZING THE RULING ON THE PROPER INTERPRETATION
OF SECTION 214 OF THE NATIONAL INTERNAL REVENUE CODE
OF 1997, AS AMENDED**

*Adopted: 21 May 2018
Date Filed: 20 June 2018*

The provisions of Section 214 of the National Internal Revenue Code of 1997, as amended prescribe that:

"SEC. 214. Redemption of Property Sold. - *Within one (1) year from the date of sale, the delinquent taxpayer, or any one for him, shall have the right of paying to the Revenue District Officer the amount of public taxes, penalties, and interest thereon from the date of delinquency to the date of sale, together with interest on said purchase price at the rate of fifteen percent (15%) per annum from the date of purchase to the date of redemption, and such payment shall entitle the person paying to the delivery of the certificate issued to the purchaser and a certificate from the Revenue District Officer that he has thus redeemed the property, and the Revenue District Officer shall forthwith pay over to the purchaser the amount by which such property has thus been redeemed, and said property thereafter shall be free from the lien of such taxes and penalties.*

The owner shall not, however, be deprived of the possession of the said property and shall be entitled to the rents and other income thereof until the expiration of the time allowed for its redemption." (underscoring ours)

For the guidance of the taxpaying public and revenue officials of this Bureau, more particularly, the respective national and regional committees designated to conduct the public auction of seized/forfeited properties from delinquent taxpayers, the following provisions are the pertinent excerpt of the ruling dated March 13, 2018 issued by the Commissioner of Internal Revenue in the proper interpretation of the said provisions of Section 214, in case of redemption of the seized/forfeited properties by delinquent taxpayers:

"The above provision of the National Internal Revenue Code of 1997, as amended, is clear that in case of redemption of property sold in public auction, the delinquent taxpayer or any one for him shall have the right to pay to the Revenue District Officer the following:

- 1. public taxes;*