February 2, 2021

CERTIFICATE OF TAX EXEMPTION NO. NSH-012-21

CERTIFICATE OF TAX EXEMPTION

This certifies that the Contract Agreement dated November 23, 2020 executed by and among the National Housing Authority, Mount Arayat Residences Homeowners Association, Inc. (MARHOAI) and Eddmari Construction & Trading, for the sale of 732 [1] fully developed lots and two storey duplex housing units located at Brgy. Telapayong, Arayat, Pampanga, to wit:

Name of Housing Project	Date of Contract Agreement	Name of Landowner	Transfer Certificate of Title No.	Number of Socialized Housing Units Covered by Tax Exemption	Location of the Project
Mount Arayat Residences	November 23, 2020	National Housing Authority [2]	467421-R	732	Brgy. Telapayong, Arayat, Pampanga

which project has been classified as socialized housing intended for the families of qualified AFP/PNP/BFP/BJMP and BuCor personnel, [3] is **not subject** to creditable withholding tax/capital gains tax and documentary stamp tax pursuant to Sections 19 and 20 of Republic Act (RA) No. 7279. Likewise, the sale by **Eddmari Construction & Trading** of residential lots valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is VAT-exempt under Section 109 (1) (P) of the 1997 Tax Code, as amended. Provided, however, that beginning January 1, 2021, the VAT exemption shall apply only to sale of house and lot and other residential dwellings with selling price of not more than Two Million Pesos (P2,000,000.00). [4]

However, the purchases of goods/articles by **Eddmari Construction & Trading** shall be subject to VAT, even if the said purchases are to be used for the socialized housing projects, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **Eddmari Construction & Trading** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

This Certificate of Tax Exemption is being issued on the basis of the facts and documents as represented and submitted. However, if upon investigation, the BIR ascertains

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that the facts are different, then this Certificate shall be considered null and void.

Issued this 2nd day of February, 2021.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. As stated in NHA's letter dated December 15, 2020.
2. As one of the terms and conditions of the Contract Agreement, the title to the property shall be registered under the name of the NHA to secure the payment of the loan obtained by the beneficiaries.
3. As stated in NHA's letter dated December 15, 2020.
4. Pursuant to Republic Act No. 10963 or the TRAIN Law.

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