REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

Certificate of Tax Exemption No:
NSH- 028-2023

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **J.D. LEGASPI CONSTRUCTION/AYLAN CONSTRUCTION AND TRADING-JV**, an entity engaged by the **National Housing Authority (NHA)**[1], is exempt from project-related income tax and creditable withholding tax pursuant to Section 20 (d)(1) of Republic Act (RA) No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with the development/ construction of Twelve (12) Five-Storey Residential Buildings consisting of 720[2] socialized housing units in Camarin Residences II located at Camarin, Caloocan City under the NHA's Socialized Housing Program intended for the relocation and resettlement of Informal Settler Families (ISFs) living in danger areas. Moreover, the delivery of 720 socialized housing units shall be exempt from value-added tax (VAT) pursuant to Section 109 (1)(P) of the National Internal Revenue Code of 1997, as amended, provided that the selling price/value thereof does not exceed P3,199,200.00[3] per housing unit; provided further, that beginning January 01, 2021, the exemption from VAT shall only apply to sale of housing unit and other residential dwellings[4] with selling price of not more than P3,199,200.00.

However, the purchases of goods/articles by **J.D. LEGASPI CONSTRUCTION/AYLAN CONSTRUCTION AND TRADING-JV** shall be subject to VAT, even if the said purchases are to be used for the socialized housing project, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **J.D. LEGASPI CONSTRUCTION/AYLAN CONSTRUCTION AND TRADING-JV** 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 that the facts are different, then this Certificate shall be considered null and void.

Issued this _____ day of APR 12 2023.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
005937

K-1-JAC

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[1] Per Contract Agreement dated February 24, 2015.
[2] The Original Project Cost of Php. was revised to Php for additional works covered by Variation Order (VO) No. 1, which contract price was again adjusted to Php per VO No. 2, and was increased to Php per VO No. 3, and was revised to final Contract Cost amounting to Php per VO No. 4 by reason of deductive cost due to changes in land development works and building construction.
[3] As adjusted using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021 dated June 11, 2021.
[4] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.