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

Certificate of Tax Exemption No:
NSH - 042 - 2023

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **Shalom Construction Inc.,** an entity engaged by the **National Housing Authority (NHA),** is exempt from project-related income taxes/creditable withholding tax (CWT) 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 construction of four (4) Five-Storey Low-Rise Buildings (Uswag Residential Complex), a socialized housing project of the NHA under its Resettlement Program, located at Brgy. San Isidro, Jaro, Iloilo City, intended for families living in danger areas and to provide decent and affordable housing to informal settler families affected by the redevelopment of the tributaries of the Iloilo River.

Moreover, the delivery of the said four (4) Five-Storey Low-Rise Buildings (Uswag Residential Complex) shall be exempt from value-added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code (Tax Code) of 1997, as amended, provided that the value thereof does not exceed P3,199,200.00 per housing unit or house and lot package; provided further, that beginning January 01, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings[1] valued at P3,199,200.00.[2]

However, the purchases of goods/articles by **Shalom Construction, Inc.** shall be subject to VAT, even if the said purchases are to be used for the above-mentioned 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 **Shalom Construction, Inc.** 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 MAY 05 2023, _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
007177

K1 – CDM

[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[2] As adjusted using the 2010 Consumer Price Index values per Revenue Regulations (RR) No. 8-2021 dated June 11, 2021.