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

Certificate of Tax Exemption No:
PSH – 047 . 2023

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **A.J. LEDESMA CONSTRUCTION CORPORATION**, with Taxpayer's Identification Number , is exempt from income tax and 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 its sale of socialized house and lots units for residential and dwelling purposes to qualified beneficiaries in **GMA Village**, consisting of **781** socialized house and lot units, located at Brgy. Cabilang Baybay now Poblacion 5, GMA, Cavite, a project duly registered with the Housing and Land Use Regulatory Board (HLURB) under a Certificate of Registration No. and License to Sell No. provided that the ceiling price per house and lot package does not exceed ₱450,000.00[1].

Moreover, the sale by the Company of residential lot 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 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, however, that beginning January 1, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings[2] with selling price of not more than P3,199,200.00.

It is observed, however, that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279. Thus, the documents conveying the properties shall be subject to DST imposed under Section 196 of the Tax Code, as amended, based on the consideration contracted to be paid for such realties or on their fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher. Likewise, lots/units classified as Economic Housing, not being covered by RA No. 7279, shall be subject to the payment of appropriate taxes.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable BIR rules and regulations and the Terms and Conditions stated at the back hereof. The Company is liable, however, for all other applicable taxes not discussed above.

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 18 2023, _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue
007796

K-1-JAC

[1] The maximum selling price is pegged at ₱450,000.00 based on the Certification dated June 13, 2022 issued by the Department of Human Settlements and Urban Development (DHSUD).
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

CTE No. PCH-0417.2023
Date issued MAY 18 2023

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

1. The exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the 781 socialized house and lot units in **GMA Village**, located at **Brgy. Cabilang Baybay now Poblacion 5, GMA, Cavite**

2. The developer shall submit the sworn statement of the buyer that he is eligible as a socialized housing beneficiary under Section 5 (A) of Revenue Regulations (RR) No. 11-97 to the BIR during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

3. It is understood that the Certificate Authorizing Registration (CAR) shall only be issued after it is established upon proper verification by the Revenue District Officer (RDO) concerned that, considering the rules on valuation of real property, the actual selling price per sale transaction of the socialized house and lot packages in this case does not really exceed ₱450,000.00 per house and lot unit.

4. List of Non-saleable lots per HLURB License to Sell No. , granted by the HLURB-STR, Calamba City, Laguna, to wit:

   Non-saleable lots:

   All Road Lots

   Parks/Playground - Block 5-A, Lot 12
   Block 10-F, Lot 1
   Block 11-A, Lot 1
   Block 14 (Pcs-04-02-6446)
   Block 10-E (Pcs-04-02-6446)
   Block 10-F
   Block 4-D, Lots 1 to 16 (Pcn-04-00 3452)
   Block 1-C, Lots 6 to 10]
   Block 1-D, Lots 1 to 9] Pcn-04-00 3453
   Block 1-E, Lots 1 to 6]
   Block 1-F, Lots 1 to 5]

   Community Facility - Block 5-A, Lot 12

   Excluded Portion - Block 9, Lot 30
   Block 16, Lots 25 & 26 (Psd-04-217957)
   Block 17
   Block 25, Lot 51
   Block 18