March 18, 2021

BIR RULING NO. VAT-073-21

Sec. 109 (1) (G), National Internal Revenue Code of 1997, as amended; Sec. 4.109-1 (B) (1) (g), Revenue Regulations No. 16-2005, as amended; BIR Ruling No. 533-2017

Doña Soledad Lying-In
Blk. 21 Lot 3 Ph. 3B, Doña Soledad
Labangal, General Santos City

Donsol Lying-In and Family Planning Center
Blk. 7 Lot 3, Alpha Village
Poblacion Alabel
Sarangani Province

Attention: *AAA*

Gentlemen :

This refers to your letter dated May 8, 2019 requesting for Value-Added Tax (VAT) exemption in favor of Doña Soledad Lying-in and Donsol Lying-in and Family Planning Center.

It is represented that Doña Soledad Lying-in, with Taxpayers Identification Number (TIN) 000-000-000-000 and Certificate of Business Name Registration No. 03369586 issued by the Department of Trade and Industry (DTI), and Donsol Lying-in and Family Planning Center, with TIN 000-000-000-000 and Certificate of Business Name Registration No. 05113646 also issued by DTI, are birthing homes offering maternity package from pre-natal check-up to birthing, health care providers, and are part of the mission vision of the Department of Health conducting pre-natal, oplan tuli, medical mission, food feeding program, and hygienic kit for detainees.

In reply, please be informed that Section 109 (1) (G) of the National Internal Revenue Code (Tax Code) of 1997, as amended, expressly enumerates those transactions that are

Copyright 2021 CD Technologies Asia, Inc.

exempt from VAT, to *wit*:

> *"SEC. 109. Exempt Transactions. — (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:*
>
> xxx xxx xxx
>
> *G. Medical, dental, hospital and veterinary services except those rendered by professionals;*
>
> xxx xxx xxx"

Relative thereto, Section 4.109-1 (B) (1) (g) of Revenue Regulations (RR) No. 16-2005, as amended, states that:

> *"SEC. 4.109-1. VAT-Exempt Transactions. —*
>
> xxx xxx xxx
>
> *(B) Exempt Transactions. — (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax.*
>
> xxx xxx xxx
>
> *g. Medical, dental, hospital and veterinary services except those rendered by professionals:*
>
> *Laboratory services are exempted. x x x."*

Based on the foregoing, it is plain and clear that medical, dental, hospital, veterinary and laboratory services are considered transactions exempt from VAT.

In view thereof, this Office is of the opinion as it hereby holds that medical and laboratory services, including facilities and medical supplies used in rendering such services, of Doña Soledad Lying-in and Donsol Lying-in and Family Planning Center, except those rendered by independent professionals, are exempt from VAT pursuant to Section 109 (1) (G) of the Tax Code of 1997, as amended, and Section 4.109-1 (B) (1) (g) of RR No. 16-2005, as amended.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be ascertained that the facts are different, then this ruling shall be considered null and void.

Copyright 2021 CD Technologies Asia, Inc.

Very truly yours,

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

Copyright 2021 CD Technologies Asia, Inc.