Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BAGONG PILIPINAS

Certificate of Tax Exemption No:

PSH - 075 - 2025

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **SUMMERHILLS HOME DEVELOPMENT CORPORATION** is exempt from income tax and creditable withholding tax (CWT), on its income directly attributable to the revenues generated in connection with its socialized housing project, **Sunnyhomes – BP 220**, consisting of **1,827** house and lot units, located at Brgy. Banay Banay, Padre V. Garcia, Batangas, a project duly registered with the Department of Human Settlements and Urban Development (DHSUD) under Provisional Certificate of Registration No. [illegible] and Provisional License to Sell No. [illegible], both dated April 5, 2022 pursuant to Batas Pambansa Blg. 220, provided that the selling price of said units does not exceed P580,000.00 per house and lot package.[1]

Moreover, the sale of **1,827** socialized housing units 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 ceiling price thereof does not exceed ₱3,199,200.00, as adjusted to ₱3,600,000.00[2] per house and lot package to take effect beginning January 1, 2024, and below; provided, however, that the delivery of lot only, regardless of value, is subject to VAT.[3]

Nonetheless, it is observed that documentary stamp tax (DST) is not one of the taxes covered by the tax exemption clause in Section 20 of RA No. 7279, as amended by RA No. 10884. Such being the case, the owner/project developer/seller shall be liable to pay the DST on the documents conveying the properties 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 APR 15 2025

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

K1 – CDM/SPF

[1] Per DHSUD Provisional License to Sell No. [illegible] dated April 5, 2022.
[2] As adjusted using the 2023 Consumer Price Index values per Revenue Regulations No. 1-2024 dated January 1, 2024.
[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 1, 2021 pursuant to RA No. 10963.

CTE No. PSH- 075 - 2025
Date issued APR 15 2025

TERMS AND CONDITIONS
OF THE CERTIFICATE OF TAX EXEMPTION

a. The exemption from income tax and creditable withholding tax covers only income directly attributable to the revenues generated from the **1,827** socialized house and lot units in **Sunnyhomes – BP 220**, located at Brgy. Banay-Banay, Padre V. Garcia, Batangas.

b. 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 Bureau of Internal Revenue (BIR) during the processing of the Certificate Authorizing Registration (CAR) for the transfer of the title of the socialized housing unit.

c. It is understood that the 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 P580,000.00[4] per house and lot.

d. List of Non-sealable lots per DHSUD Provisional License to Sell No. 680:

- Parks and Playgrounds - Blk1 Lot1&2; Blk8 Lot79; Blk10 Lot79; Blk11 Lot77; Blk12 Lot77; Blk14 Lot77; Blk27 Lot69; Blk28 Lot69; Blk29 Lot69; Blk30 Lot3; Blk33 Lot69; Blk69 Lot55; Blk74 Lot55; Blk75 Lot55; Blk76 Lot55; Blk77 Lot51; Blk78 Lot51; Blk79 Lot51; Blk80 Lot45; Blk81 Lot45; Blk83 Lot45; Blk84 Lot45; Blk85 Lot48; Blk86 Lot31; Blk87 Lot45; Blk88 Lot45; Blk89 Lot45; Blk90 Lot45; Blk91 Lot41; Blk92 Lot41; Blk93 Lot41; Blk94 Lot41; Blk96 Lot67; Blk97 Lot67; Blk108 Lot49; Blk109 Lot49;
- Community Facilities - Blk30 Lot1; Blk34 Lot35; Blk35 Lots38&39; Blk70 Lot12; Blk71 Lot5; Blk72 Lot7; Blk73 Lot24; Blk86 Lots29,30&32; Blk95 Lot34; Blk110 Lots25&26; Blk30 Lot2 (EWT);
- All road lots, easements and motor courts

[4] Per DHSUD Provisional License to Sell No. 680 dated April 5, 2022.