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

Certificate of Tax Exemption No:
NSH- 080-2025

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **PERSAN CONSTRUCTION, INC.**, an entity engaged by the **National Housing Authority (NHA)**[1], is exempt from project-related income taxes 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 construction/development of **180** socialized housing units in **St. John Subdivision** located at Brgy. Tagas, Tangalan, Aklan, intended for the families affected by Typhoon Yolanda under the NHA's Yolanda Permanent Housing Program.

Moreover, the delivery of **180** socialized housing units in in **St. John Subdivision** 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 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 further, that the exemption from VAT shall only apply to sale of house and lot and other residential dwellings[3] with selling price of not more than ₱3,600,000.00.

However, the purchases of goods/articles by **PERSAN CONSTRUCTION, INC.**, 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 **PERSAN CONSTRUCTION, INC.** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deed of Absolute Sale dated May 2, 2023, executed by the landowner in favor of the NHA over the parcel of land described below, to wit:

Name of Landowner/Seller[4]	Tax Declaration No.	Area (Sq.m.)	Area Transferred (Sq. m.)	Location
Maria Leda R. Bautista		28,676	16,753	Brgy. Tagas, Tangalan, Aklan

which shall be used for the above-mentioned socialized housing project, is not subject to capital gains tax and documentary stamp tax pursuant to Sections 19 and 20 of RA No. 7279.

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[1] Per Contract Agreement dated June 6, 2022.
[2] As adjusted using the 2023 Consumer Price Index values pursuant to 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 01, 2021 pursuant to RA No. 10963.
[4] Represented by Attorney-in-Fact, Libertad T. Fuentes, by virtue of Special Power of Attorney dated May 22, 2019.

CTE No. NSH- 080 - 2025
Date issued APR 15 2025

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended, and shall not be construed, as giving authority to concerned Register of Deeds to effect transfer of the land title in the name of the buyer without the necessary Certificate Authorizing Registration (CAR) issued by the Bureau of Internal Revenue (BIR). In this regard, this CTE shall be presented to the Revenue District Office concerned in order for the latter to issue the CAR.

This CTE 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 _____, _____.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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