Bringing In Revenues
for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BAGONG PILIPINAS

Certificate of Tax Exemption No:
NSH- 089-2025

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **HI-TRI DEVELOPMENT CORPORATION** (the Company) an entity engaged by the National Housing Authority (NHA) through the Municipality of Bantayan, Cebu, is exempt from income tax and creditable withholding tax on its income directly attributable to the revenues generated in connection with its socialized housing project, **BANTAYAN PERMANENT HOUSING PROJECT** consisting of **457** socialized housing units located at **Brgy. Kangkaibe, Bantayan, Cebu** intended for the families affected by Typhoon Yolanda and qualified for housing assistance under the NHA's Yolanda Permanent Housing Program (NHA-YPHP) 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.

Moreover, the delivery by the Company of residential house and lot and other residential dwellings valued at [1] as adjusted to [1] beginning January 1, 2024 and below, is exempt from value-added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code of 1997 (Tax Code), as amended. Provided, however, that the sale of residential lot only, regardless of value, is subject to VAT.[2]

However, the purchases of goods/articles by the Company, 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/service. It shall be understood that the Company must issue VAT exempt official receipts on its gross receipts from the said socialized housing project.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable Bureau of Internal Revenue (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 16, 2025.

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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[1] As adjusted using the Consumer Price Index values per RR No. 1-2024.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 1, 2021 pursuant to RA No. 10963.

CTE No. NSH- 089-2025
Date issued APR 16 2025

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 socialized project.

2. The Company shall be constituted as a withholding agent for the government if it acts as an employer and any of its employees receive compensation income subject to withholding tax on compensation, or if it makes payments to individuals or corporations subject to the withholding taxes at source as required under Title II, Chapter XIII and Section 57 of the Tax Code, as amended and implemented by RR No. 2-98, as amended.

3. The Company is required to file, on or before the 15th day of the fourth month following the close of its accounting period, a Profit and Loss Statement and Balance Sheet with the Annual Information Return under oath, stating its gross income and expenses incurred during the taxable year.

4. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of the BIR for the purpose of ascertaining whether it is complying with the conditions under which it has been granted tax exemption or tax incentives and its tax liability, if any, pursuant to Section 235 of the Tax Code, as amended.