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

Republic Act (RA) No. 7279
BIR Ruling No. OT-484-21
OT- 094-2025
APR 16 2025

NAPICO HOMEOWNERS ASSOCIATION V, INC.
402 Avocado St., Napico, Manggahan,
Pasig City 1611

Attention : **Mr. Joel Q. Esplana**
President

Gentlemen:

This refers to your request for exemption from the payment of taxes relative to the transfer of titles of land from **NAPICO HOMEOWNERS ASSOCIATION V, INC.** in favor of its qualified member-beneficiaries pursuant to Republic Act (RA) No. 7279, otherwise known as the "Urban Development and Housing Act of 1992."

It is represented that **NAPICO HOMEOWNERS ASSOCIATION V, INC.**, is an association registered with the Housing and Land Use Regulatory Board (HLURB); that the association acquired a portion of a parcel of land or Twenty Nine Thousand Seven Hundred Fifty Four square meters (29,754 sq.m.) from the total area of Thirty One Thousand Forty Nine square meters (31,049 sq.m.) owned by the Metro Manila Development Authority (MMDA) under the Community Mortgage Program (CMP); that the association is now the registered owner of the above-mentioned parcel of land covered by Transfer Certificate of Title No. PT-119455 with an area of Twenty Nine Thousand Seven Hundred Fifty Four square meters (29,754 sq.m.); that the association is one of the organized community association under CMP being recognized by the National Housing Authority in its certification dated May 2, 2022; that the association has secured a land acquisition loan under the Social Housing Finance Corporation (SHFC) Community Mortgage Program as certified by the SHFC in its undated Certification; and that the association is now in the process of effecting the transfer/individualization of the said property to its Three Hundred Seventy Eight (378) member-beneficiaries who actually bought the said parcel of land.

In reply, please be informed that the transfer of the subdivided lots in favor of the qualified socialized housing member-beneficiaries of **NAPICO HOMEOWNERS ASSOCIATION V, INC.** is not subject to either the capital gains tax (CGT) imposed under Section 27 (D)(5) of the National Internal Revenue Code (Tax Code) of 1997, as amended, or the creditable withholding tax (CWT) imposed under Revenue Regulations (RR) No. 2-98, as amended, considering that said transfer is only a formality to finally effect the transfer of the subject property to its member-beneficiaries who actually bought the same from the former owner through the Association. In other words, the Association is merely transferring the ownership of the property to its member-beneficiaries who actually own the same. *(BIR Ruling No. OT-484-21 dated December 24, 2021)*

Moreover, the said transfer is not subject to the donor's tax imposed under Section 99 of the Tax Code of 1997, as amended, since there is no donative intent on the part of Association to donate the property to its members-beneficiaries, considering that it could not donate property the ownership of which already belongs to the members-beneficiaries themselves.

Furthermore, under Section 196 of the Tax Code of 1997, as amended, the deeds or documents subject to the documentary stamp tax (DST) imposed therein are those where the realty sold are granted, assigned, transferred, donated or otherwise conveyed to a purchaser or

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purchasers or to any other person or persons designated by such purchaser or purchasers, thereby excluding from its purview the instant case. Accordingly, the transfer of the subdivided lots in favor of the beneficiaries is not subject to DST under Section 196 of the Tax Code of 1997, as amended. However, the notarial acknowledgment to the deed of conveyance is subject to the DST of P30.00 pursuant to Section 188 of the Tax Code of 1997, as amended.

It is, however, understood that this Ruling is never intended, and shall not be construed, as giving authority to the concerned Register of Deeds (RD) to effect transfer of the land titles in the names of the qualified socialized housing member-beneficiaries without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this Ruling shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR after the submission of the complete requirements provided under Revenue Memorandum Order (RMO) No. 15-2003.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling 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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