REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Certificate of Tax Exemption No:
NSH - 15 - 2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **LEGAZPI PREMIUM AND DEVELOPMEN CORPORATION and SANRHO BUILDERS, INC. (Joint Venture),** an entity engaged l the **National Housing Authority (NHA),** is exempt from project-related incon taxes/creditable withholding tax (CWT) pursuant to Section 20 (d) (1) of Republic Act (R/ No. 7279, as amended by RA No. 10884 (Balanced Housing Development Progra Amendments) dated July 17, 2016, on its income received directly in connection with the lar development and housing construction for **BALAI Tiwi**, a socialized housing project of th NHA under its Community Based Initiative Approach (CBIA) Program[1] consisting of 61 housing units, located at Brgy. Biyong, Tiwi, Albay.

Moreover, the delivery/sale of the said 612 housing units shall be exempt from value added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code (Ta Code) of 1997, as amended, provided that the selling price thereof does not exceed P3,199,200.00 per house and lot package; provided further, that beginning January 01, 2021 the exemption from VAT shall only apply to sale of house and lot and other residentia dwellings[2] with selling price of not more than P3,199,200.00.[3]

However, the purchases of goods/articles by **LEGAZPI PREMIUM AND DEVELOPMENT CORPORATION and SANRHO BUILDERS, INC. (Joint Venture)** shall be subject to VAT, even if the said purchases are to be used for the above-mentioned 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 **LEGAZPI PREMIUM AND DEVELOPMENT CORPORATION and SANRHO BUILDERS, INC. (Joint Venture)** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

Furthermore, the Deed of Absolute Sale executed by the Landowners in favor of **LEGAZPI PREMIUM AND DEVELOPMENT CORPORATION and SANRHO BUILDERS, INC. (Joint Venture)** over the parcel of land described below, to wit:

Date	Name of Landowner/s	Original Certificate of Title (OCT) No.	Aggregate Area (sq. m.)	Area Transferred (sq. m.)	Location
Feb. 23, 2021	Spouses Gomercindo G. Aznar and Eugenia P. Aznar		83,410	75,526	Brgy. Biyong, Tiwi, Albay

which will be used for the above mentioned socialized housing project, is not subject to income tax/capital gains tax/expanded withholding tax pursuant to Section 20 of RA No. 7279 and to VAT pursuant to Section 109 (1) (P) of the Tax Code of 1997, as amended. However, such sale

[1] Per NHA letter dated November 12, 2021.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[3] As adjusted using the 2010 Consumer Price Index values per Revenue Regulations (RR) No. 9-2021.

is subject to documentary stamp tax imposed under Section 196 of the Tax Code of 1997, as amended, based on the consideration contracted to be paid for such realty or on its fair market value determined in accordance with Section 6 (E) of the same Code, whichever is higher.

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended and shall not be construed as giving authority to the concerned Register of Deeds (RD) to effect transfer of the land title in the name of the buyer without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under Revenue Memorandum Order (RMO) No. 15-2003, shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

Upon application for exemption, a lien on the title of the land shall be annotated by the concerned RD having jurisdiction over the property, to the effect that the same is to be applied or is being applied to a socialized housing project pursuant to RA No. 7279.

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 MAR 31 2022, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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