April 20, 2021

CERTIFICATE OF TAX EXEMPTION NO. NSH-120-21

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **Aina Construction**, an entity engaged by the **National Housing Authority (NHA)**, is exempt from project-related income taxes/creditable withholding tax (CWT) 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 acquisition of 500 developed lots and completed socialized housing units in **Ciudad De Dahican**, a socialized housing project of the NHA intended for AFP/PNP/BFP/BJMP/BUCOR qualified for housing assistance, located at Brgy. Dahican, Mati City, Davao Oriental. Likewise, the acquisition of the said 500 developed lots and completed socialized housing 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 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 residential dwellings [1] with selling price of not more than P2,000,000.00.

However, the purchases of goods/articles by **Aina Construction** 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 **Aina Construction** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deed of Absolute Sale (Unilateral Form) executed by the Landowner/s in favor of the NHA over the parcel of land described below, to wit:

Date	Name of Landowner/s	Original Certificate of Title No./s	Area (sq. m.)	Transferred (sq. m.)	Location

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Sept. 11, 2020	AAA [2]	T-52401	87,766	84,711	Brgy. Dahican Mati City, Davao Oriental

which will be used for the above mentioned socialized housing project, is not subject [3] to income tax/capital gains tax/expanded withholding tax and documentary stamp tax pursuant to Sections 19 and 20 of RA No. 7279 and to VAT pursuant to Section 109 (1) (P) of the Tax Code of 1997, as amended.

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 to effect transfer of the land title in the name of the buyer without the necessary certificate of authority to register issued by this Bureau. In this regard, this CTE shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the Certificate Authorizing Registration (CARs). The CARs shall only be issued after the submission of the complete requirements provided under Revenue Memorandum Order (RMO) No. 15-2003.

Upon application for exemption, a lien on the title of the land shall be annotated by the Register of Deeds 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 20th day of April, 2021.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
2. With undated Deed of Absolute Sale made and executed by and between the Heirs of BBB and AAA.
3. This Certificate does not include exemption from estate tax which may be due, if any, on the estate of BBB.

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