June 16, 2021

BIR RULING NO. DT-212-21

Commonwealth Act No. 466; Section 112 (a) (4) of the National Internal Revenue Code of 1939

National Historical Commission of the Philippines
NHCP Building, T.M. Kalaw Street,
Ermita, Manila

Attention: *Engr. Frank Julius S. Cesar*
Authorized Representative

Gentlemen :

This refers to your letter dated August 11, 2014, requesting for the issuance of a Certificate of Tax Exemption of donor's tax relative to the Deed of Donation made by **AAA** to the **Republic of the Philippines** pursuant to Republic Act No. 10086, entitled "Strengthening Peoples' Nationalism Through Philippine History Act."

Documents submitted show that **AAA** (hereinafter referred to as "Donor") is one of the registered owners (owning 1/2 share) of a parcel of land covered by an Original Certificate of Title (OCT) No. _____ issued by the Register of Deeds, Province of Cavite, more particularly described and bounded as follows:

1. *A parcel of land (lot 592 of the cadastral survey of Kawit, L.R.C. Cad. Record No. 647), situated in the Barrio of Kaingin, Municipality of Kawit, Province of Cavite, containing an area of TWENTY SIX THOUSAND TWO HUNDRED AND SIX (26,206) Square Meters.*

that in the said parcel of land, the donor constructed a house of strong materials where he resided and portion of the land where the house stand are his exclusive properties; that on March 22, 1963, a Deed of Donation was executed whereby the donor donated a portion of the parcel of land and the house which is bounded in the north by the National Road (now known as the "Emilio Aguinaldo Shrine") in favor of the **Republic of the Philippines** portion thereof of the property covered by OCT No. _____ containing an area of

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Six Thousand Six Hundred Fifteen (6,615) square meters; and that the **Republic of the Philippines**, represented by then President Diosdado Macapagal, accepted the donation under the conditions set forth as embodied in the Deed of Donation.

In reply, please be informed that Section 112 (a) (4) of the National Internal Revenue Code of 1939, as amended, provides:

> *"**SEC. 112. Exemption of Certain Gifts.** — The following gifts or donations shall be exempt from the tax provided for in this chapter:*
>
> *(A) In the Case of Gifts Made by a Resident. —*
>
> xxx xxx xxx
>
> *(2) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.*
>
> xxx xxx xxx."

According to the foregoing provisions, donations made for the use of the National Government or any entity created by any of its agencies which is not conducted for profit or to any political subdivision of the said Government shall be exempt from the donor's tax. Considering that the donation of a parcel of land and house was made by **AAA** in favor of the **Republic of the Philippines**, said donation is exempt from donor's tax.

Moreover, the aforesaid Deed of Donation is not subject to documentary stamp tax under Sections 161 and 185 of Regulations No. 26, otherwise known as Revised Documentary Stamp Tax Regulations, but only to the documentary stamp tax of twenty (20) centavos [1] on certification under Section 225 of the Commonwealth Act No. 466.

It is understood that this ruling is never intended and shall not be construed as giving authority to the Register of Deeds of the province of Cavite to effect transfer of the land titles in the name of the donee without the necessary certificate of authority to register issued by this Bureau. In this regard, this ruling shall be presented to the Revenue District Office No. 54-B Bacoor, Cavite, in order for the latter to issue the Certificate Authorizing Registration (CAR). The CAR shall only be issued after the submission of the requirements provided under RMO 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.

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Very truly yours,

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

Footnotes

1. The old DST rate of twenty (20) centavos was used since the transaction took place in 1963 which was covered by Commonwealth Act No. 466.

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