REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Certificate of Tax Exemption No:
NSH -

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **GLS Construction and General Merchandise,** 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/procurement of 314 fully developed lots and completed socialized housing units in **Sogod Yolanda Permanent Housing Project,** a socialized housing project of the NHA under the NHA's Yolanda Permanent Housing Program, located at Brgy. Takay, Sogod, Cebu.

Likewise, the acquisition of the said 314 fully developed lots and completed socialized housing units 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, as adjusted in 2011 using the 2010 Consumer Price Index values.[2]

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

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

Date	Name of Landowner/s	Tax Declaration No.	Total Area (sq. m.)	Area Transferred (sq. m.)	Location
May 06, 2021	Gloria Arnado Vda De Densing		23,574	23,574	

which shall be used for the above mentioned socialized housing project, is not subject 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 NHA without the necessary certificate of authority to register issued by this Bureau. In this regard, this CTE shall be presented to the

[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[2] Per Revenue Regulations No. 4-2021 dated April 8, 2021.

Revenue District Office (RDO) concerned in order for the latter to issue the Certificate Authorizing Registration (CAR). The CAR 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 ____ day of JUL 0 2 2021 _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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