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

Certificate of Tax Exemption No:
NEH-230-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **CSE Builders**, an entity engaged by the **Acacia Green Field Homes Homeowners Association, Inc. (AGFHHOAI)**[1], is exempt from project-related income taxes and creditable withholding tax 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 construction/development of 500 socialized housing units in Acacia Green Field Homes located in Brgy. Manacnac, Palayan City, Nueva Ecija, intended for the qualified members of AGFHHOAI composed of members/families of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) financed by the **National Housing Authority (NHA)**. Moreover, the delivery of 500 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[2] 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.[3]

However, the purchases of goods/articles by **CSE Builders** shall be subject to VAT, even if the said purchases are to be used for the 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 **CSE Builders** 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 in favor of the NHA over the parcel of land described below, to wit:

Date of Deed of Absolute Sale	Name of Landowner/Seller[4]	Original/Transfer Certificate of Title No.	Area (Sq.m.)	Area Transferred (Sq. m.)	Location
March 19, 2021	CSE Builders			44,845	Brgy. Manacnac, Palayan City, Nueva Ecija

[1] Per Contract Agreement dated May 16, 2021.

[2] As adjusted in 2011 using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021.

[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

[4] This Certificate of Tax Exemption does not include exemption from the payment of capital gains tax (CGT) and documentary stamp tax (DST) on the sale of OCT No. TCT No. and from its registered owners to CSE Builders.

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Date issued JUL 07 2021

March 19, 2021	CSE Builders				Brgy. Santolan, Palayan City, Nueva Ecija
March 19, 2021	CSE Builders	(T'			Brgy. Santolan, Palayan City, Nueva Ecija
Total					

which shall be used for the above-mentioned socialized housing project, is not subject to capital gains 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 concerned Register of Deeds to effect transfer of the land titles in the name of the NHA 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 No. 15-2003, shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

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 07 2021, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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