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

Certificate of Tax Exemption No:
NGH-250-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **EDDMARI CONSTRUCTION & TRADING,** an entity engaged by the National Housing Authority (NHA), 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 **485** socialized housing units in Balai San Agustin, a socialized housing project of the NHA under its Government Employees Housing Program located at Brgy. Quezon, Panabo City, Davao del Norte.

Moreover, the acquisition of the **485** socialized housing units shall be exempt from value-added tax (VAT) pursuant to Section 109(1)(P) of the National Internal Revenue Code of 1997 (Tax Code), as amended, provided that the selling price thereof does not exceed P3,199,200.00[1] per house and lot package; provided further, that beginning January 1, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings.[2]

However, the purchases of goods/articles by **EDDMARI CONSTRUCTION & TRADING** 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 **EDDMARI CONSTRUCTION & TRADING** 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	Transfer Certificate of Title No.	Aggregate Area (sq. m.)	Area Transferred for NHA Utilization (sq.m.)	Location of Property/ies
December 7, 2020	Eddmari Construction and Trading[3]/Edgardo A. Sagum		19,977	19,977	Brgy. Quezon, Panabo City, Davao del Norte
			12,539	12,539	
			43,339	43,339	

which shall be used for the above-mentioned socialized housing project, is not subject to capital gains tax/creditable withholding tax, documentary stamp tax and VAT pursuant to Sections 19

[1] As adjusted using the 2010 Consumer Price Index values per Revenue Regulations No. 8-2021.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 1, 2021 pursuant to RA No. 10963.
[3] A sole proprietorship registered under the name of Edgardo A. Sagum

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and 20 of Republic Act (RA) No. 7279 and Section 109(1)(P) of the 1997 Tax Code, 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 Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under 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 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 7279.

This Certificate of Tax Exemption 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 12 2021, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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