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

**Certificate of Tax Exemption No:**
NSH - 258 - 2022

# CERTIFICATE OF TAX EXEMPTION

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **HGG BUILDERS AND SUPPLY**, an entity engaged by the **National Housing Authority (NHA)**[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 land development and construction of 260 socialized housing units in Mercedes Resettlement Project (Mercedes Fisherfolk Village) located at Brgy. III, Mercedes, Camarines Norte, intended for the families residing along Tabayagan and Daet Rivers and Bagasbas Beach, whose homes are frequently damaged by calamities. Moreover, the delivery of 260 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, 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] with selling price of not more than P3,199,200.00.

However, the purchases of goods/articles by **HGG BUILDERS AND SUPPLY**, 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 **HGG BUILDERS AND SUPPLY** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing project.

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 MAY 27 2022, _____.

**CAESAR R. DULAY**
Commissioner of Internal Revenue

By:

MARISSA O. CABREROS
Deputy Commissioner
Legal Group
Officer-in-Charge

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[1] Per Contract Agreement dated December 18, 2020.
[2] As adjusted using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021 dated June 11, 2021.
[3] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.