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 **Aina Construction,** 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 of 1,120 developed lots and completed housing units in **Gentle Breeze Subdivision,** a socialized housing project of the NHA under the NHA's Government Employees Housing Program including AFP/PNP/BFP/ BJMP/BuCor Personnel and other government employees, located at Brgy. Upper Pangi, Ipil, Zamboanga Sibugay.

Moreover, the acquisition of the said 1,120 developed lots and completed 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 P3,199,200.00.[2]

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

Furthermore, 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	Transfer Certificate of Title No/s.	Area (sq. m.)	Transferred (sq. m.)	Location
Aug. 05, 2021	Araceli C. Javier Eric C. Javier Romeo C. Javier Denise C. Javier		120,780	92,115	

which will 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.

[1] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[2] As adjusted using the 2010 Consumer Price Index values per Revenue Regulations (RR) No. 8-2021 dated June 11, 2021.

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 Revenue District Office (RDO) concerned in order for the latter to issue the Certificate Authorizing Registration (CAR). The CAR shall only be issued after 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 AUG [illegible], _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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