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

**Quezon City**

| RA 7279; RR 11-97, as amended by RR 17-01; RMO 41-91; Sections 32 (B) (7) (b) & 196, of the Tax Code of 1997, as amended |
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| BIR Ruling No. 137-10 |
| #046-2016<br>1-28-2016 |

**CITY GOVERNMENT OF TAGUM**
City of Tagum, Davao del Norte

Attention: **MAYOR REY T. UY**
City Mayor

Gentlemen:

This refers to your letter dated December 12, 2012, requesting for Donor's Tax exemption.

Documents submitted disclose that the City Government of Tagum is the registered owner of a parcel of land identified as Lot 689, Cad. 276 containing an area of Forty Eight Thousand Five Hundred Seventy Three square meters (48,573 sq.m.) covered by Transfer Certificate of Title (TCT) No. located at Barangay Mandaum, Tagum City, Davao del Norte; that the City Government passed Resolution No. 1197, s-2013 declaring the above-mentioned property be used for the socialized housing project for displaced residents living in shoreline area and other danger zones in Brgy. Mandaum, Tagum City; that Resolution No. 1038, s-2012, entitled *"A resolution authorizing the City Mayor to sign and execute in behalf of the Local Government of Tagum, the Deed of Donation of Real Property registered in the name of the City Government of Tagum, for relocation purposes, known as Iga Uy Subdivision, located at Barangay Madaum, Tagum City"*; and that on December 13, 2012, the City Government of Tagum executed Four (4) Deeds of Donation to One Hundred Thirty Four (134) qualified beneficiaries[1], whereby the City Government of Tagum transferred and conveyed the properties to the beneficiaries for Relocation Area Purposes.

In reply, please be informed that the distribution or transfer of the lots to the beneficiaries of socialized housing project for displaced residents living in shoreline area and other danger zones in Brgy. Mandaum, Tagum City is exempt from Income

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[1] see Annex for the masterlist of qualified beneficiaries (formerly TCT No and new titles are issued)

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Taxes/ Donors Tax. The City Government of Tagum, which is tasked to implement the distribution of the housing units, shall not be subject to any tax, for it is only performing a mandated governmental function of providing shelter to the displaced residents living in shoreline area and other danger zones in Brgy. Mandaum, Tagum City. (BIR ruling 137-10 dated December 7, 2010)

An instrumentality of the government which acts for the purpose of accomplishing government policies and objectives and extending essential services to the people performs governmental and not proprietary functions. (Peoples' Homesite and Housing Corporation vs. Court of Industrial Relations, 150 SCRA 296, 310 (1987) Thus, in line with the foregoing and since it is a declared State policy as laid down in Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992", to provide decent and affordable housing to the underprivileged and homeless citizens, the City Government of Tagum, therefore, shall not be subject to any tax in its project to provide shelter to the displaced residents living in shoreline area and other danger zones in Brgy. Mandaum, Tagum City, as they are only performing a mandated governmental function.

However, the notarial acknowledgment to the individual deed of conveyance is subject to the documentary stamp tax of P15.00 pursuant to Section 188 of the Tax Code of 1997, as amended.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

**KIM S. JACINTO-HENARES**
Commissioner of Internal Revenue

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| No. | Beneficiaries | Lot No. | Block No | Area (sq.m.) |
|---|---|---|---|---|
| 1 | Malcolm A. Intervencion | 1 | 1 | 66 |
| 2 | July V. Guadalquiver | 3 | 1 | 60 |
| 3 | Randy Ramirez | 6 | 1 | 60 |
| 4 | Manuel N. Saga | 8 | 1 | 60 |
| 5 | Mila S. Tacabil | 10 | 1 | 60 |
| 6 | Wilfredo J. Abinion | 14 | 1 | 60 |
| 7 | Neptalie Tangal | 15 | 1 | 60 |
| 8 | Miky A. Tag | 17 | 1 | 60 |
| 9 | Reynaldo A. Cabilogan | 21 | 1 | 60 |
| 10 | Felix D. Aguilar, Jr. | 22 | 1 | 60 |
| 11 | Florencio M. Piano | 46 | 1 | 66 |
| 12 | Rebecca M. Garcia | 47 | 1 | 63 |
| 13 | Irene C. Patindol | 49 | 1 | 60 |
| 14 | Warlito T. Santarin | 52 | 1 | 60 |
| 15 | Manuelito G. Alcaide | 55 | 1 | 60 |
| 16 | Lilia T. Tidalgo | 56 | 1 | 60 |
| 17 | Hermenegildo Francisco | 57 | 1 | 60 |
| 18 | Pacita B. Deocampo | 58 | 1 | 60 |
| 19 | Rosalinda P. Cañedo | 63 | 1 | 60 |
| 20 | Mar Antonio B. Abad | 64 | 1 | 60 |
| 21 | Joel R. Floredeliza | 66 | 1 | 60 |
| 22 | Yolanda A. Cabilogan | 69 | 1 | 60 |
| 23 | Lino B. Ausa | 71 | 1 | 60 |
| 24 | Alfredo S. Suico | 1 | 2 | 61 |
| 25 | Eusebia A. Intervencion | 2 | 2 | 60 |
| 26 | Benedicto M. Albastro | 3 | 2 | 60 |
| 27 | Joanne Fe B. Albastro | 4 | 2 | 60 |
| 28 | Wilson M. Albastro | 5 | 2 | 60 |
| 29 | Dionilito P. Bagsac | 12 | 2 | 60 |
| 30 | Juanita P. Bagsac | 13 | 2 | 60 |
| 31 | Samson T. Baluran | 14 | 2 | 60 |
| 32 | Robinson B. Bautista Sr. | 15 | 2 | 60 |
| 33 | Ernevier P. Husain | 16 | 2 | 60 |
| 34 | Carmelita P. Lequin | 17 | 2 | 60 |
| 35 | Elsa R. Gales | 18 | 2 | 60 |
| 36 | Zandro S. Borres | 19 | 2 | 60 |
| 37 | Rolando T. Montalban | 1 | 3 | 60 |
| 38 | Solidad S. Rodriguez | 4 | 3 | 60 |
| 39 | Estrellita I. Flordeliza | 5 | 3 | 60 |
| 40 | Gavino A. Intervencion | 7 | 3 | 60 |
| 41 | Noel M. Mendoza | 8 | 3 | 60 |
| 42 | Socrates P. Castro | 9 | 3 | 60 |
| 43 | Arniel B. Calolot | 10 | 3 | 60 |
| 44 | Rodeline B. Calulot | 11 | 3 | 60 |
| 45 | Antonio N. Saga Jr. | 16 | 3 | 60 |
| 46 | Cleofe I. Calapan | 17 | 3 | 60 |
| 47 | Romel N. Saga | 18 | 3 | 60 |
| 48 | Abelardo G. Ampilan | 19 | 3 | 60 |

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|---|---|
| 49 | Edwin P. Manuel |
| 50 | Lourdes C. Cervera |
| 51 | Robert T. Mijares |
| 52 | Rolando T. Mijares |
| 53 | William G. Alcaide |
| 54 | Ronito T. Montalban |
| 55 | Escarlit C. Escollante |
| 56 | Roselio V. Gomez |
| 57 | Edgardo A. Villavito |
| 58 | Gerondio B. Santarin |
| 59 | Manuel C. Alcaide |
| 60 | Noemi D. Ruales |
| 61 | Aurea V. Digman |
| 62 | Glenn G. Albastro |
| 63 | Juanito S. Balili |
| 64 | Danilo P. Cabañez |
| 65 | Roger L. Tutor |
| 66 | Rodrigo T. Santarin |
| 67 | Cristita L. Inso |
| 68 | Rolando B. Bautista Sr. |
| 69 | Jerany I. Baloma |
| 70 | Cornelio D. Espinosa Jr. |
| 71 | Ramon B. Mandantes Jr. |
| 72 | Jovito A. Galope |
| 73 | Romeo B. Tag |
| 74 | Mario A. Terana Sr. |
| 75 | Primie Lee R. Cadungog Sr. |
| 76 | Ruben Q. Bayonon |
| 77 | Rogelio A. Cuevas |
| 78 | Edgardo E. Cabañas |
| 79 | Ronald S. Ramada |
| 80 | Justiniano M. Batangas Jr. |
| 81 | Justiniano M. Batangas Sr. |
| 82 | Edwin C. Diamona Sr. |
| 83 | Domingo O. Quilla Jr. |
| 84 | Renato C. Isidro |
| 85 | Dionald P. Bentinganan |
| 86 | Edgar I. Pepito |
| 87 | Rodolfo E. Pepito Jr. |
| 88 | Joel R. Terana |
| 89 | Jaymar G. Suaybaguio |
| 90 | Vicente A. Baloma |
| 91 | Diony M. Quisado Sr. |
| 92 | Melchora E. Thompson |
| 93 | Romeo A. Salundagit Sr. |
| 94 | Rosalina A. Largo |
| 95 | Alfredo Q. Cutab |
| 96 | Remegio C. Baluran Jr. |
| 97 | Hermenegildo A. Mijares |
| 98 | Arnold A. Fernandez |

| | | |
|---|---|---|
| 21 | 3 | 60 |
| 22 | 3 | 60 |
| 23 | 3 | 60 |
| 24 | 3 | 60 |
| 27 | 3 | 60 |
| 28 | 3 | 60 |
| 29 | 3 | 61 |
| 1 | 4 | 60 |
| 2 | 4 | 60 |
| 6 | 4 | 60 |
| 7 | 4 | 60 |
| 10 | 4 | 60 |
| 11 | 4 | 60 |
| 12 | 4 | 60 |
| 15 | 4 | 60 |
| 16 | 4 | 60 |
| 19 | 4 | 60 |
| 22 | 4 | 60 |
| 23 | 4 | 60 |
| 25 | 4 | 60 |
| 31 | 4 | 60 |
| 32 | 4 | 60 |
| 1 | 5 | 60 |
| 5 | 5 | 76 |
| 6 | 5 | 78 |
| 7 | 5 | 60 |
| 11 | 5 | 76 |
| 1 | 6 | 60 |
| 2 | 6 | 60 |
| 3 | 6 | 60 |
| 5 | 6 | 60 |
| 6 | 6 | 64 |
| 7 | 6 | 65 |
| 8 | 6 | 60 |
| 9 | 6 | 60 |
| 12 | 6 | 60 |
| 13 | 6 | 65 |
| 1 | 7 | 60 |
| 2 | 7 | 60 |
| 4 | 7 | 60 |
| 6 | 7 | 60 |
| 8 | 7 | 60 |
| 14 | 7 | 79 |
| 1 | 8 | 64 |
| 3 | 8 | 60 |
| 4 | 8 | 60 |
| 5 | 8 | 60 |
| 15 | 8 | 60 |
| 16 | 8 | 60 |
| 21 | 8 | 59 |

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|---|---|
| 99 | Nida A. Tañada |
| 100 | Vevencia L. Balcon |
| 101 | Randy T. Baromeda |
| 102 | Calixto G. Mayake |
| 103 | Eusebio R. Mijares Sr. |
| 104 | Venancio Jemilesawan |
| 105 | Vicente P. Pampilo |
| 106 | Conrado G. Flordeliza |
| 107 | George M. Resesio |
| 108 | Nicanor L. Jubahib |
| 109 | Ricarda L. Jubahib |
| 110 | Floro A. Gamilisawan |
| 111 | Michael M. Vallespin |
| 112 | Alejandro D. Piano |
| 113 | Lucrecio B. Indab Jr. |
| 114 | Novelito G. Mencidor |
| 115 | Felipa B. Indab |
| 116 | Wilson P. Resesio |
| 117 | Cerilo A. Dela Torre |
| 118 | Rodolfo A. Pepito |
| 119 | Alex M. Dimabildo |
| 120 | Luisito M. Gales |
| 121 | Erlinda A. Cespon |
| 122 | Cecelio P. Piano |
| 123 | Felixberto D. Piano |
| 124 | Dioscoro B. Sinsano Jr. |
| 125 | Marcial Tutor |
| 126 | Leah A. Escuadro |
| 127 | Edgardo S. Mencidor Sr. |
| 128 | Diosdado C. Bula |
| 129 | Erlinda I. Fernandez |
| 130 | Jerico P. Longakit |
| 131 | Eduardo E. Rosel |
| 132 | Gilbert D. Piano |
| 133 | Ronulfo A. Lumba |
| 134 | Annaliza Lumba |
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|---|---|---|
| 22 | 8 | 59 |
| 26 | 8 | 59 |
| 30 | 8 | 60 |
| 31 | 8 | 60 |
| 32 | 8 | 60 |
| 2 | 12 | 60 |
| 3 | 12 | 60 |
| 6 | 12 | 60 |
| 7 | 12 | 60 |
| 8 | 12 | 62 |
| 9 | 12 | 62 |
| 11 | 12 | 60 |
| 12 | 12 | 60 |
| 13 | 12 | 60 |
| 14 | 12 | 60 |
| 15 | 12 | 60 |
| 16 | 12 | 60 |
| 17 | 12 | 62 |
| 1 | 15 | 60 |
| 3 | 15 | 60 |
| 4 | 15 | 60 |
| 5 | 15 | 60 |
| 7 | 15 | 60 |
| 8 | 15 | 60 |
| 9 | 15 | 60 |
| 18 | 15 | 60 |
| 20 | 15 | 60 |
| 21 | 15 | 60 |
| 22 | 15 | 60 |
| 23 | 15 | 60 |
| 24 | 15 | 60 |
| 25 | 15 | 60 |
| 26 | 15 | 60 |
| 27 | 15 | 60 |
| 28 | 15 | 60 |
| 29 | 15 | 60 |
| Total Area | | 8,147 |

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