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

Section 101 (A) (2) and 101 (B) (1) of the NIRC of 1997, as amended:
BIR Ruling No. 219-2016; BIR Ruling No. 437-2015
059-2017
-17-2017

LAND TRANSPORTATION OFFICE,
REGIONAL OFFICE NO. IV-A
J.C. Abadilla Memorial Building,
Old City Hall Compound, B. Morada Ave.,
Lipa City

Attention: ERIC LENARD E. TABALDO, CESO V
Regional Director

Gentlemen:

This refers to your letter dated November 24, 2015, received by this Office on December 15, 2015, requesting exemption from payment of donor's tax on the donation of two vehicles made between the **INTERNATIONAL RICE RESEARCH INSTITUTE** (hereinafter referred to as the "**DONOR**") in favor of the **LAND TRANSPORTATION OFFICE, REGIONAL OFFICE NO. IV-A** (hereinafter referred to as the "**DONEE**").

It is represented that the **DONOR** is an international organization with principal offices at Los Baños, Laguna; that it is the absolute owner of two used vehicles, more particularly described as follows:

Make & Type	-	*2003 Toyota Revo Wagon*
Motor No.	-	
Chassis No.	-	
Plate No.	-	
CR No.	-	
OR No.	-	
Body No.	-	

and

Make & Type	-	*2001 Toyota Corolla Gli 4Dr Sedan*
Motor No.	-	
Chassis No.	-	
Plate No.	-	
CR No.	-	
OR No.	-	
Body No.	-	

that on the other hand, the **DONEE** is a government institution with principal address at J.C. Abadilla Memorial Building, Old City Hall Compound, B. Morada Avenue 4217, Lipa City; that on November 23, 2015, the **DONOR**, represented by its *Director General*, Dr. Robert S. Zeigler, executed a Deed of Donation in favor of the **DONEE**, represented by its *Regional Director – Region IV-A*, Mr. Eric Lenard E. Tabaldo, CESO V, conveying to the latter the above described vehicles; and that the **DONEE** accepted the donation under the conditions set forth as embodied in the same instrument.

LAND TRANSPORTATION OFFICE, REGIONAL OFFICE NO. IV-A

2-17-2017

In reply, please be informed that Section 101 (A) (2) and 101 (B) (1) of the National Internal Revenue Code (NIRC) of 1997, as amended, provides that:

> *"SEC. 101. Exemption of Certain Gifts. - The following gifts or donations shall be exempt from the tax provided for in this Chapter:*
>
> *(A) In the Case of Gifts Made by a Resident. -*
>
> *xxx xxx xxx*
>
> *(2) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government;*
>
> *xxx xxx xxx*
>
> *(B) In the Case of Gifts Made by a Nonresident not a Citizen of the Philippines. –*
>
> *(1) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.*
>
> *xxx xxx xxx"*

In view of the foregoing, since the donation is made to or for the use of the **LAND TRANSPORTATION OFFICE, REGIONAL OFFICE NO. IV-A**, which is a government institution under the Department of Transportation and Communications, the aforementioned donation of two vehicles is exempt from the payment of donor's tax pursuant to Section 101 (A) (2) and 101 (B) (1) of the NIRC of 1997, as amended. ***(BIR Ruling No. 437-2015 dated December 23, 2015)*** Also, the Deed of Donation is not subject to the documentary stamp tax prescribed under Section 196 of the NIRC of 1997, as amended, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Code.

However, if the purchase of the subject vehicles by the **INTERNATIONAL RICE RESEARCH INSTITUTE** was previously exempted from VAT and *ad valorem tax* (excise tax), the **LAND TRANSPORTATION OFFICE, REGIONAL OFFICE NO. IV-A,** not being exempt from the same, shall pay the VAT and the excise tax due on the transaction pursuant to Section 107(B) of the NIRC of 1997, as amended, and Section 8 of Revenue Regulations No. 25-2003, respectively.

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

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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