REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

RA7279
BIR Ruling No. 473-2014
#067-2016 2-22-2016

QUADHOMES, INC.
28a Sct. Rallos St., Quezon City

Attention: **PETER ANGELO G. MARIANO**
President

Gentlemen:

This refers to your letter dated December 14, 2015, requesting for the issuance of Certificate of Tax Exemption for the AFP-PNP Housing Program located at Brgy. San Jose, Malaybalay City, Bukidnon.

Documents submitted show that Quadhomes, Inc. (TIN), is the absolute and registered owner of parcels of land, covered by three (3) Transfer Certificates of Title (TCT), to wit;

TCT No.	Lot No.	Tax Declaration No.	Area (sq. m.)
	3255-E		13,459
	3255-B		19,411
	3255-D		11,185
		total area	44,055

issued by the Registry of Deeds for Malaybalay, Bukidnon, located at Brgy. San Jose, Malaybalay City, Bukidnon.

On November 7, 2014, a Contract Agreement[4] was executed by and between Quadhomes, Inc. and AFP Housing Homeowners Association, Inc. and PNP Housing Homeowners Association, Inc., a homeowner's organization registered with the Housing and Land Use Regulatory Board (HLURB), whereby Quadhomes, Inc. has agreed to sell to AFP Housing Homeowners Association, Inc. and PNP Housing

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[1] Formerly: TCT No.
[2] Formerly: TCT No.
[3] Formerly: TCT No.
[4] Financing the acquisition of 500 Housing Units (Pine Ville) Brgy. San Jose, Malaybalay City, Bukidnon

Homeowners Association, Inc.'s individual members[2] the developed lots and completed housing units covered by the said Titles under the Community Initiative Approach Program (CIAP) of the NHA for Pesos (P) for every developed lot and completed housing unit per family.

Moreover, on November 10, 2014, a Memorandum of Agreement (MOA) for 500 developed lots and completed housing units was executed by and among Quadhomes, Inc. as the landowner/developer, AFP Housing Homeowners Association, Inc. and PNP Housing Homeowners Association, Inc., as the beneficiaries, and the NHA, as the implementing government agency for the AFP/PNP Housing Program as cited under Administrative Order No. 9 dated April 11, 2011.

Under the MOA, members of the AFP Housing Homeowners Association, Inc. and PNP Housing Homeowners Association, Inc., shall be provided by the NHA with a financial grant for the acquisition house and lot packages in the AFP/PNP Housing Project through the CIAP in the amount of Php for a House and Lot Package of Forty square meters (40.00 sq.m) lot and Twenty Two square meters (22.00 sq.m.) floor area.

On August 27, 2015[3] and August 28, 2015[4], Quadhomes, Inc. and the NHA executed a Deed of Conveyance, whereby the former, transferred and conveyed to the latter the Five Hundred (500) developed lots and housing units with an aggregate area of Twenty Thousand Three Hundred Thirty One square meters (20,331 sq.m.) portion of the subject properties covered by TCT Nos. and at an agreed price of Thousand Pesos (P

In reply, please be informed that pursuant to Sections 19 and 20 of Republic Act (RA) No. 7279, pertinent portions of which state that:

> *"Sec. 19. Incentives for the National Housing Authority. — The National Housing Authority, being the primary government agency in charge of providing housing for the underprivileged and homeless, shall be exempted from the payment of all fees and charges of any kind, whether local or national, such as income and realty taxes. All documents or contracts executed by and in favor of the National Housing Authority shall also be exempt from the payment of documentary stamp tax and registration fees, including fees required for the issuance of transfer certificates of title.*
>
> *"Sec. 20. Incentives for Private Sector Participating in Socialized Housing. — To encourage greater private sector participation in socialized housing and further reduce the cost of housing units for the*

[2] See Annex partial list of beneficiaries as certified by NHA Regional Manager Judy A. Fernandez dated December 23, 2015
[3] Notarized the acknowledgement of Quadhomes, Inc.
[4] Notarized the acknowledgement of NHA

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benefit of the underprivileged and homeless, the following incentives shall be extended to the private sector:

xxx xxx xxx

"(d) Exemption from the payment of the following:

(1) Project-related income taxes;

(2) Capital Gains Tax on raw lands used for the project;

(3) Value-added tax for the project contractor concerned;"

the landowner/developer of properties who sells its properties for use in a socialized housing project is exempt from the payment of the capital gains tax and project-related income taxes.

Such being the case, ***the sale of 500 house and lot packages on the 20,331 sq.m.*** portion of the subject properties by Quadhomes, Inc. to NHA is exempt from capital gains tax, project-related income taxes and consequently from withholding tax. (BIR Ruling No. 473-2014 dated November 24, 2014)

Moreover, pertinent portions of RMC No. 42-01 dated October 5, 2001, provide, viz.:

xxx xxx xxx

A. National Housing Authority (NHA) — The NHA, being the primary government agency in charge of providing housing for the underprivileged and homeless citizens shall be exempted from the payment of the following national internal revenue taxes:

(1) . . .

(2) Documentary stamp tax on sales transactions executed by and in favor of the NHA in connection with socialized housing projects. Since Section 19 of R.A. 7279 exempts "all documents or contracts executed by and in favor of the NHA," the exemption from documentary stamp tax extends to the other party (either seller or buyer) that is dealing or transacting with the NHA.

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The exemption from documentary stamp tax of NHA in connection with any of its socialized housing project extends to the other party (either seller or buyer) that deals or transacts with the NHA. Consequently, since NHA is a party to the sale, no documentary stamp tax shall be due on such sale, either on NHA or the party with which NHA is transacting. Accordingly, the transfer by Quadhomes, Inc. to NHA ***of the 500 house and lot packages on the 20,331 sq.m.*** portion of the subject properties are likewise exempt from documentary stamp tax imposed under Section 196 of the

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Tax Code of 1997, as amended. (BIR Ruling No. 473-2014 dated November 24, 2014)

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 socialized housing project pursuant to RA 7279.

Please take note that this ruling is never intended and shall not be construed as giving authority to the concerned Register of Deeds to effect transfer of the land in the name of the buyer without the necessary certificate of authority to register issued by this Bureau. In this regard, this ruling shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the Certificate Authorizing Registration (CAR) after the submission of the requirements provided under RMO 15-2003.

Moreover, pursuant to Section 20 (d)(3) of RA 7279, ***the sale by Quadhomes, Inc. of 500 house and lot packages on the 20,331 sq.m.*** portion of the subject properties to NHA shall be exempt from VAT. However, the purchases of goods/articles by Quadhomes, Inc. 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 Quadhomes, Inc. must issue non-VAT official receipts on its gross receipts from the said socialized housing project.

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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NHA HOUSING, Brgy. San Jose, Malaybalay City

No.	Name
1.	MAJ MICHAEL REY S REUYAN (INF) PA
2.	CPT MARIO G GOC-ONG (INF) PA
3.	CPT APPLE ANN D LATOSA (AGS) PA
4.	1LT LEAH G PURA (QMS) PA
5.	SSg Arnold C Tadle (Inf) Pa
6.	TSg Armand O Ellar (QMS) PA
7.	Cpl Roland V Peladra (Inf) PA
8.	SSg Felipe C Cambongga (Inf) PA
9.	Cpl Marion Vergel Y Subido (Inf) PA
10.	TSg Edesio O Escalante (Inf) PA
11.	Cpl Norberto L Ambong (Inf) PA
12.	SSg Nelson V Tagum (Inf) PA
13.	Cpl Musa S Abdusamad (Inf) PA
14.	Cpl Harry Harryl L Fiedacan III (OS) PA
15.	PFC Manolo L Tilap (Inf) PA
16.	PFC Leonardo S Sarinao (Inf) PA
17.	Sgt Arnold R Tagud (QMS) PA
18.	SSg Renato A Dal (Inf) PA
19.	Cpl Madi K Hamsali (Inf) PA
20.	TSg Rowel M Dalmacio (Inf) PA
21.	SSg Angelito R Nogoy (Inf) PA
22.	PFC Joel S Tumala (Inf) PA
23.	SSg Alberto L Eluna (Inf) PA
24.	Cpl Abrindo Calunsag (Inf) PA
25.	PFC Glenn Bolhano (Inf) PA
26.	PFC Hope A Santillan (EW) PA
27.	PFC Minardo G Gamil (Inf) PA
28.	Sgt Marlon R Delfin (MI) PA
29.	Pvt Alvin S Binahon (Inf) PA
30.	Cpl Reinerio V Amarille (Inf) PA
31.	Cpl Abraham Z Emia (Inf) PA
32.	Sgt Renato G Ebañez (Inf) PA
33.	Sgt Ril A Congcong (Inf) PA
34.	Cpl Dave Mark Y Tamula (Inf) PA
35.	Sgt Leonardo M Villanosa (Inf) PA
36.	Sgt Zaldy M Ticar (Inf) PA
37.	Sgt Christopher T Aquino (Inf) PA
38.	TSg Jessie C Cartin (Inf) PA
39.	Sgt Carry T Castro (Inf) PA
40.	Sgt Rosanna L Tulio (WAC) PA
41.	SSg Greg B Laguna (QMS) PA
42.	PFC Roylyn C Tormis (Inf) PA
43.	PFC Dario O Saavedra (Inf) PA
44.	SSg Abel B Tagadiad (Inf) PA
45.	Tsg Alexander A Bagas (MI) PA
46.	Sgt Roger G Rebajado (Inf) PA
47.	Sgt Ferdinad B Langgamin (MI) PA
48.	Cpl Elmer Z Kabingue (FA) PA
49.	SSg James P Padilla (Inf) PA
50.	TSg Giovani P Agustin (Inf) PA
51.	Cpt Joe Ryan A Manalo (MI) PA
52.	MSg Benildo B Ochate (Inf) PA
53.	TSg Paul A Badilla (MI) PA
54.	SSg Jaime N Acosta Jr (Inf) PA
55.	SSg Benjamin J Ubalde (Inf) PA
56.	SSg Jirlbert L Apaap (Inf) PA
57.	Sgt Dindo V Daquiz (MI) PA
58.	Sgt Arnel S Garciano (MI) PA
59.	Sgt Bobby Quipanez (MI) PA
60.	Cpl Jobelo S Hulagpay (Inf) PA
61.	TSg Marcos G Javier (Inf) PA
62.	PFC Johnny c Galagar (Inf) PA
63.	Cpl Jose L Beseos (Inf) PA
64.	PFC Bernie I Loquillano (Inf) PA
65.	Cpl Roel T Mangigin (Inf) PA
66.	Pvt Jhon Rey B Patindol (Inf) PA
67.	PFC Jessie James B Cartin (Inf) PA
68.	Cpl Edmundo T Lacdag (Inf) PA
69.	PFC Earl M Rosa (Inf) PA
70.	PFC Gaylord L Siangco (Inf) Pa
71.	PFC Florencio Ganuhay (Inf) PA
72.	PFC Randy Hulleza (Inf) PA
73.	PFC Khristopher Quiachon (Inf) PA
74.	Sgt Elias Agawin (Inf) PA
75.	SSg Ruso Acaac (Inf) PA
76.	Cpl Richard Panang (Inf) PA
77.	PFC Randy V Escaro (Inf) PA
78.	PFC Caesar Angeles (Inf) PA
79.	PFC Allan A Dignos (Inf) PA
80.	Cpl Ernie Z Kabingue (Inf) PA
81.	Cpl Noriel V Salaan (Inf) PA
82.	TSg Marcos M Esmeralda (Inf) PA
83.	Pvt Jeromenick G Ochavillo (Inf) PA
84.	PFC Arestotole C Monroyo (Inf) PA
85.	SSg Recardo Cari (Inf) PA
86.	SJO2/Ildefonso B Franco BJMP
87.	PFC Glenn P Sajonia (Inf) PA

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88.	Cpl Aldwin A Gaylon (Inf) PA
89.	TSg Donald S Abanilla (Inf) PA
90.	Cpl Alvin Delgra (SC)PA
91.	SSg Julieto V Angaan (SC) PA
92.	TSg Paterno E Ealdama (SC) PA
93.	PFC Elvis Ryan D Banaynal (SC) PA
94.	Sgt Aldriech Paglinawan (Inf) PA
95.	PFC Drayl A Congcong (Inf) PA
96.	TSg Amado R Martinez (FA) PA
97.	SSg Gilbert E Eguia (FA) PA
98.	SSg Isaac B Alcordo (FA) PA
99.	Cpl Edgar B Alcantara (FA) PA
100.	SSg James B Lagunday (FA) PA
101.	SSg Melchor E Arimas (FA) PA
102.	SSg Andres S Gempisao (FA) PA
103.	SSg Jonathan C Beltran (FA) PA
104.	Sgt Lino K Amas (FA) PA
105.	Cpl Rey A Dionaldo (FA) PA
106.	Cpl Johnny G Honungan (FA) PA
107.	PFC Herven G Lupiba (FA) PA
108.	PFC Orlando D Pagaling (FA) PA
109.	PFC James Kerby A Jalover (FA) PA
110.	PFC Edward M Maunez (FA) PA
111.	SSg Geovane B Mondejar (MS) PA
112.	PFC David P Aranggo (MS) PA
113.	SSg Joseph Vince N Babiera (Inf) PA
114.	SSg Rogelio V Pacudan (Inf) PA
115.	Sgt Jose DC Peñaflor (FA) PA
116.	Cpl Vincent Q Mankilala (AGS) PA
117.	SSg Roberto Nambatac (Inf) PA
118.	Cpl Harold C Bangit (Inf) Pa
119.	PFC vinerando S Lampadio (Inf) PA
120.	SSg Arnel I Otadoy (Inf) PA
121.	SSg Ruel N Gamilla (Inf) PA
122.	TSg Winlove C Magallones 797757 (Inf) PA
123.	Cpl Angelito S Ecol (AGS) PA
124.	Cpl Richard V Baynos (Inf) PA
125.	Cpl Ramises B Ybañez (INf) PA
126.	PFC Roque T Mahilum (Inf) PA
127.	PFC Albert C Hanoyan (Inf) PA
128.	Cpl Joey Ross S Magnase (Inf) PA
129.	CPT JEORGE R JALLORINA (INF) PA
130.	CPT NIÑO JAY B DELA CRUZ (INF) PA
131.	MSg Nelson B Sansaq (Inf) SMC PA
132.	TSq Daniel M Paiermo (Inf) PA
133.	SSg Hernando S Paouita (Inf) PA
134.	SSg Hernis C Baldado (Inf) PA
135.	SSg Eduardo E Camading (Inf) PA
136.	SSg Bernadine P Bienes (Inf) PA
137.	SSg Elfelix A Cuatrez (Inf) PA
138.	Sgt Edmundo M Galladora (SC) PA
139.	Sgt Joel Cagaanan (Inf) PA
140.	Sgt Jenv N Gamilla (Inf) PA
141.	Sgt Roel M Jandavan (Inf) PA
142.	Sgt Paulo H Tocmo (Inf) PA
143.	Cpl Romeo P Virtudazo (Inf) PA
144.	Cpl Rommel U Bandahala (Inf) PA
145.	Cpl Nino D Fisres (Inf) PA
146.	Cpl Crisante Q Peresrino (Inf) PA
147.	Cpl Danilo M Verana (FA) PA
148.	Cpl Joel B Aleiandro (Inf) PA
149.	Cpl Julius D Saile (Inf) PA
150.	Cpl Antonio T Trocio (Inf) PA
151.	Cpl Reller R Calonge (Inf) PA
152.	Cpl Butch T Maestro (Inf) PA
153.	Cpl Jerry T Lumingkit (Inf) PA
154.	Cpl Sherwin L Doydora (Inf) PA
155.	Cpl Harold O Gomes (Inf) PA
156.	Cpl Rosendo D Sagun (Inf) PA
157.	Cpl Salvador N Balderol (Inf) PA
158.	Cpl Josiah C Vallejo (Inf) PA
159.	Cpl Vincent S Barral (Inf) PA
160.	Cpl Reimar A Bagaipo (Inf) PA
161.	Cpl Sherwin Lem B Antona (Inf) PA
162.	Cpl Mark Anthony L Tuyor (Inf) PA
163.	Cpl Fedelito J Icare (Inf) PA
164.	Cpl Arnel J Canja (Inf) PA
165.	Cpl Joswe Michael J salongga (Inf) PA
166.	Cpl Cliff Richard F Amen (Inf) PA
167.	Cpl Leo P Raagas (INf) PA
168.	PFC Kirk B Parami (Inf) PA
169.	PFC Ian O Paler (Inf) PA
170.	PFC Rommel M Alimpuyo (Inf) PA
171.	PFC Edgar O Gabutan (Inf) PA
172.	PFC Reagan G Eleazar (Inf) PA
173.	PFC Julios O Salvado (Inf) PA
174.	PFC Orlando T Castillon (Inf) PA
175.	PFC Charlie D Torres (Inf) PA
176.	PFC Kit N Abao (Inf) PA
177.	PFC Redward A Canoy (Inf) PA
178.	PFC Jobert U Acapulco (Inf) PA
179.	PFC Johnie C Tunday (Inf) PA
180.	PFC Jerwen P Pairat (Inf) PA

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181.	PFC Michael Rey D Alecida (Inf) PA
182.	PFC Mark Lester F Tagbo (Inf) PA
183.	PFC Regin Niel J Palahang (Inf) PA
184.	PFC Marjun RN Tabaquero (INf) PA
185.	PFC Dimson B Masamayor (INf) PA
186.	PFC Alver Van P Gasapo (Inf) PA
187.	PFC Michael E Jao (Inf) PA
188.	PFC Sancho A Laplap (Inf) PA
189.	PFCCirilo E Hilot Jr (Inf) PA
190.	PFC Jouprey R Alcano (Inf) PA
191.	PFC Ike L Caber (Inf) PA
192.	PFC Ryanver L Siarez (Inf) PA
193.	Pvt Eddie C Guiritan (Inf) PA
194.	Pvt Jeffrey S Malicay (Inf) PA

195.	Pvt Jason P Agustin (Inf) PA
196.	TSg santos B Dompor (Inf) PA
197.	SSg Woodrow M Uson (Inf) PA
198.	Sgt Ramil L Valle (Inf) PA
199.	Cpl Gerwin E Maña (Inf) PA
200.	Cpl Joseph C Supaton (Inf) PA
201.	Cpl Andrey D Dinglasan (Inf) PA
202.	PFC Munib L Salmaran (Inf) PA
203.	PFC Mhelmori t Buanding (Inf) PA
204.	PFC Rey C Maniscan (Inf) PA
205.	PFC Jeorge R Fuentes (Inf) PA
206.	PFC Archie L Pandoy Inf) PA
207.	PFC Ravi A Pamalison (Inf) PA
208.	PFC Ed G Gupana (Inf) PA

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