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

Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended;
BIR Ruling No. 311-2014
#068-2016
2-29-2016

KARUMAGIT ELEMENTARY SCHOOL
Brgy. General Esco, Naujan,
Oriental Mindoro

Attention: ROSE CATILO-BALIDO
Head Tecaher III

MAC DENNIS RUEL O. ICALLA
Barangay Captain

Gentlemen:

This refers to your letter dated June 26, 2015, received by this Office on October 1, 2015 by way of 2nd Indorsement dated September 14, 2015 from Revenue Region No. 09, San Pablo City, requesting exemption from donor's tax on the donation of a parcel of land made by **BARANGAY GENERAL ESCO,** Naujan, Oriental Mindoro (hereinafter referred to as the "**DONOR**") in favor of **MABABANG PAARALAN NG KARUMAGIT – BARANGAY GENERAL ESCO / DEP-ED** (hereinafter referred to as the "**DONEE**").

Documents submitted disclosed that the **DONOR** owned a parcel of land covered by Transfer Certificate of Title (TCT) No. of the Registry of Deeds for the Province of Mindoro Oriental, located at General Esco, Naujan, Oriental Mindoro, containing an area of Five Thousand (5,000) square meters, more or less, and particularly described as follows:

TCT No

"A parcel of land Lot 4014-B-2-C-1, of the subdivision plan Psd-04-030748, being a portion of Lot 4014-B-2-C, (LRC) Psd-264191, LRC Rec. No.). situated in the Barrio of Carumaguit, (now Gen. Esco), Mun. of Naujan, Pro. of Or. Mdo. bounded on the NW., along line 1-2 by Lot 4014-B-1, (LRC) Psd-48818: on the NE., along line 2-3 by Lot 4014-E, Psd-69040: on the SE., along line 3-4 by Lot 4014-B-2-C-2 of the subd. plan: and on the SW., along line 4-1, by Lot 4014-A, Psd-69040. Beginning at a point marked "1" on plan, being N. 54 deg. 18' E., 604.02 m. from BLLM No. 129, Cad. 200, Naujan Cadastre: thence N. 5 deg. 04' E., 46.03 m. to pt. 3: thence S. 87 deg. 15' E., 46.03 m. to pt. 4: thence S. 5 deg. 25' W., 110.37 m. to point of beginning: containing an area of FIVE THOUSAND (5,000) SQUARE METERS. All points referred to are indicated on the plan and are marked on the ground by P.S. cyl. Conc. Mons. 15x50 cm., bearing true: date of Original Survey, Sept. 1923-Feb. 1927, and that of the subdivision survey, May, 1988, which was approved on July 26, 1988."

that on July 8, 2014, the **DONOR**, represented by its *Punong Barangay*, Mac Dennis Ruel O. Icalla, executed the KASULATAN NG PAGKAKALOOB (Deed of Donation) in favor of the **DONEE**, represented by its *Head Teacher III*, Rose Catilo-Balido, conveying to the latter the above-described parcel of land; and that the **DONEE**

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accepted the donation under the conditions set forth as embodied in the same instrument.

In reply, please be informed that Section 101 (A) (2) of the National Internal Revenue Code 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:
>
> 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"

In view of the foregoing, since the donation is made to or for the use of the Mababang Paaralan Ng Karumagit – Barangay General Esco / DepEd, which is a government entity under the Department of Education, the aforementioned donation of a parcel of land is exempt from the payment of donor's tax pursuant to Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended.

Moreover, Section 185 of Regulations No. 26, otherwise known as the Revised Documentary Stamp Tax Regulations, implementing Title VII of the National Internal Revenue Code of 1997, as amended, provides that conveyances of realties not in connection with a sale, to trustees or other persons without consideration are not taxable. Accordingly, the KASULATAN NG PAGKAKALOOB (Deed of Donation) is not subject to the documentary stamp tax prescribed under Section 196 of the National Internal Revenue Code of 1997, as amended, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Code. *(BIR Ruling No. 311-2014 dated August 4, 2014)*

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,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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FEB 29 2016

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