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

RA No. 7279
BIR Ruling No. 053-15
#103-2016
4-5-2016

TINIG BUKLOD PARA SA BAHAY PANGARAP
NG SITIO BUKID HOA, INC. PH. II
Sitio Bukid, Brgy. Riverside
San Pedro, Laguna

Attention : **ANDRES B. MANANGAT JR.**
President

Gentlemen:

This refers to the letter of Ma. Ana R. Oliveros, President of Social Housing Finance Corporation (SHFC) dated November 10, 2015, endorsing the sale transaction between Viewer's Palace Development Corporation and Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA, Inc. Ph. II for exemption from the payment of Capital Gains Tax and other taxes in accordance with the Republic Act (RA) No. 7279, otherwise known as the "Urban Development and Housing Act of 1992".

Documents submitted disclose that Viewer's Palace Development Corporation (TIN) (hereinafter referred to as Landowner) is the registered owner of a parcel of land, identified as Lot 315 of plan Gss-577, Sheet 12 covered by Transfer Certificate of Title (TCT) No. issued by the Registry of Deeds for the Calamba Branch. The aforesaid property is situated at Brgy. Riverside, San Pedro, Laguna with an area of Twenty Thousand Two Hundred Two square meters (20,202 sq.m.), more or less. Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA, Inc. Ph. II (TIN), on the other hand, is a homeowner's organization duly registered with the Housing and Land Use Regulatory Board (HLURB). On November 10, 2014, the parties executed a Deed of Absolute Sale whereby the Landowner transferred and conveyed Six Thousand One Hundred square meters (6,100 sq.m.) portion of the subject property to Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA, Inc. Ph. II at an agreed price of Pesos (P . Pursuant to the certification issued by SHFC, 6,100 sq.m. out of 20,202 sq.m. covered by TCT No. actually comprise a Community Mortgage Program (CMP) Project and shall be proportionately distributed to the association's qualified member-beneficiaries[1]. For this purpose, Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA, Inc. Ph. II secured a housing loan under the CMP, a financing assistance program of the SHFC a subsidiary of the National Home Mortgage Finance Corporation (NHMFC). Documentary Stamp Tax (DST) due on the sale has been paid on September 28, 2015.

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[1] see Annex for the masterlist of qualified beneficiaries

In support of its request, Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA, Inc. Ph. II has completely submitted on November 13, 2015 the following documents:

1) SHFC letter application for tax exemption;
2) Certification of the President of the SHFC that 6,100 sq.m. portion of the subject properties qualifies and is actually a CMP project;
3) SHFC Letter-Guaranty No.
4) Certified true copy of the Deed of Absolute Sale to the Community Association;
5) Certified true copy of the Articles of Incorporation of the Community Association;
6) Certified true copy of the Masterlist of Qualified Beneficiaries duly certified by the SHFC;
7) Certified true copy of the TCT and Latest Tax Declaration of the Property Sold to the Community Association;
8) Certified true copy of the Location Plan of the Lot Sold to the Community Association;
9) TIN ID /BIR Certificate of Registration of the seller and the Homeowner Association; and
10) *Other pertinent documents*

In reply, please be informed that pursuant to Section 32 of RA No. 7279, pertinent portions of which state that:

> *"Sec. 32. Incentives. — To encourage its wider implementation, participants in the CMP shall be granted with the following privileges or incentives:*
>
> *xxx xxx xxx*
>
> *(b) Properties sold under the CMP shall be exempted from the capital gains tax; and"*

the landowner who sold its property under CMP for use in a socialized housing project are exempt from the payment of capital gains tax.

Such being the case, the sale by the landowner to Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA. Inc. Ph. II of the 6,100 sq.m. out of 20,202 sq.m. covered by TCT No. is exempt from the capital gains tax.

Upon issuance of this letter of exemption, and upon registration of the document of sale, a lien on the Certificate of Title of the land to be issued in the name of the Homeowners Association shall be annotated by the Register of Deeds having jurisdiction over the property, to the effect that the said property shall be used for socialized housing pursuant to RA No. 7279. (BIR Ruling No. 053-15 dated February 27, 2015)

However, the documentary stamp tax is not one of the taxes covered by the tax exemption clause in Sec. 32 of RA 7279. Accordingly, the landowners are liable to pay the documentary stamp tax on the document conveying the afore-stated property imposed under Section 196 of the Tax Code of 1997, based on the consideration contracted to be paid for such realties or their fair market values determined in accordance with Section 6(E) of the said Code, whichever is higher. (BIR Ruling No. 053-15 dated February 27, 2015)

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It is, however, understood 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 titles 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). The CAR shall only be issued after the submission of the requirements provided under RMO15-2003. (BIR Ruling No. 053-15 dated February 27, 2015)

Moreover, under Section 109 (1) (P) of the Tax Code of 1997, as amended by R.A. 9337, the sale of real properties utilized for low-cost and socialized housing as defined by R.A. No. 7279 shall be exempt from value-added tax (VAT). thus. the sale of the 6,100 sq.m. out of 20,202 sq.m. covered by TCT No. by the landowner to Tinig Buklod Para Sa Bahay Pangarap ng Sitio Bukid HOA, Inc. Ph. II is exempt from the imposition of VAT. (BIR Ruling No. 304-2013 dated August 6, 2013)

Notwithstanding the foregoing, the Bureau of Internal Revenue shall conduct verification and post-audit that the actual occupants of the property transferred under the CMP are qualified beneficiaries and therefore, the sellers are entitled to exemption from capital gains tax or income tax imposed under Sec. 27 (D)(5) 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 ascertained that the facts are different, then this ruling shall be considered as null and void.

Very truly yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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TINIG BUKLOD PARA SA BAHAY PANGARAP
NG SITIO BUKID HOA, INC. PH. II
Sitio Bukid, Brgy. Riverside
San Pedro, Laguna

1	MURALLA JR.	PACITO	G.	1	1	38.82
2	GENABE	YUMI	S.	1	2	38.82
3	TUMPAP	FRANCISCO	G.	1	3	38.82
4	GUAPO	ROBERTO	J.	1	4	38.82
5	ESTANDARTE	EMILY	D.	1	5	38.82
6	MORIONES	VENANCIO	M.	1	6	38.82
7	REFORMINA	AMELIA	M.	1	7	38.82
8	CANZADO	GILBERT	0	1	8	38.82
9	PALOMO	JONATHAN	T.	1	10	38.82
10	FERRER	DANILO	B.	1	11	38.82
11	LAVADO JR.	SIXTO	B.	1	12	38.82
12	VILLACORTA	LEA	E.	1	13	38.82
13	VILLACORTA	MONTESA	E.	1	14	38.82
14	BALINGIT	EVA	D.	2	1	38.82
15	DELOS SANTOS	MELISSA	B.	2	2	38.82
16	DELOS SANTOS	LORENA	B.	2	3	38.82
17	AFABLE JR.	ROGELIO	O	2	4	38.82
18	TABAL	RUEL	O	2	5	38.82
19	ALENTON	JOYTO	D.	2	6	38.82
20	ALENTON JR.	ANTONIO	D.	2	7	38.82
21	GARAN	MARY ADRELYN	C.	2	8	38.82
22	OLAY	JOHN ROBERT ANDREW	S.	2	9	38.82
23	CALARASA	EVANGELINE	D.	2	10	38.82
24	MARANA	ANNABELLE	D.	2	11	38.82
25	CASILAN	NENITA	A.	2	12	38.82
26	INDOC	MA. CRISTINA	D.	3	1	38.82
27	ALCARAZ	JULIETA	M.	3	2	38.82
28	MANJIA	VALERIANA	C.	3	3	38.82
29	ALCANTARA	TERESITA	C.	3	4	38.82
30	ALCANTARA	MARK JAYSON	C.	3	5	38.82
31	ALICO	NIEVES	V.	3	6	38.82
32	PACHECO	OLIVIA JOY	R.	3	7	38.82
33	NAMOCATCAT	ALFREDO	L.	3	8	38.82
34	RAMBOYONG	MARK ANGELO	C.	3	9	38.82
35	FRANCISCO	JOEMAR	D.	3	10	38.82
36	GERONIMO	ROWEL	B.	3	11	38.82
37	NABONG	LEONARDO	L.	3	12	38.82
38	BETARA	MICHAEL	C.	3	13	38.82
39	SANCHEZ	ALEJANDRO	B.	3	14	38.82
40	CAREL	RICARDO	L.	3	15	38.82
41	PASCUA	ROWENA	A.	3	16	38.82
42	DE LEON	MICHAEL	M	3	17	38.82

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43	PASCUA	RESTY	A.	3	18	38.82
44	SAN JUAN	AMELYN	L.	3	19	38.82
45	GERONIMO	ROLAND	B.	3	20	38.82
46	VEDANA	ERICK	F	3	21	38.82
47	MARANA	JILBER	D.	3	22	38.82
48	GILBUENA	AGIE	C.	3	23	38.82
49	MARANA	RONABELLE	B.	3	24	38.82
50	GONZALES	NINO	S.	3	25	38.82
51	DEQUINA	MICGUEL	O	3	26	38.82
52	CABALLO	GRAY	A.	3	27	38.82
53	FLORES JR.	FRANCISCO	S.	3	28	38.82
54	ABEJERO	JOSEPHINE	C.	4	1	38.82
55	TANTAN	JULIEMAR	S.	4	2	38.82
56	MAGISTRADO	EVELYN	C.	4	5	38.82
57	AMIANES	JEOFFREY	M	4	6	38.82
58	AMIANES	CESAR	M	4	7	38.82
59	AFABLE	REYNANTE	O	4	8	38.82
60	SOLEDAD	ARNULFO	B.	4	9	38.82
61	MACAGOMBAN	ALBAR	O.	4	10	38.82
62	LAMPAR	EDGAR	P.	4	11	38.82
63	DEOCAREZA	EDUARDO	E.	4	12	38.82
64	DEOCAREZA	FLORENTINO	E.	4	13	38.82
65	MANANGAT JR.	ANDRES	B.	4	14	38.82
66	ADORA	ROMAR	T.	4	15	38.82
67	MAQUIRANG	MARIAN	R.	5	1	38.82
68	ANCHETA	MA. LIEZEL	F.	5	2	38.82
69	SEÑO	BENEDICK	C.	5	3	38.82
70	CAÑETE	JAYSON	M.	5	4	38.82
71	MELO JR.	SIMEON	M.	5	5	38.82
72	TABAL	MARIFE	O.	5	6	38.82
73	ESPONILLA	NIDA	D.	5	7	38.82
74	LIGUTAN	JERRY	0	5	8	38.82
75	GURA	GLORIA	L.	5	9	38.82
76	PEREZ JR.	CRISENCIO	M.	5	10	38.82
77	IGONIA	LEONARDO	R.	5	11	38.82
78	IGONIA	VIRGINIA	R.	5	12	38.82
79	MARCOS	JOSEPHINE	O.	5	13	38.82
80	REPOSO	MAURICE	D.	5	14	38.82
81	MALAGUEÑO	GIGI	N.	5	15	38.82
82	PELADRA	EDELINA	M	5	16	38.82
83	TORIO	PRECIOSA	A.	5	17	38.82
84	CASILAN	JENNIFFER	A.	6	1	38.82
85	CANOLO	NEMESIA	R.	6	2	38.82
86	ALUCIMAN	REYNALDO	V	6	3	38.82
87	NAVARRETE	EVELYN	R.	6	4	38.82
88	OCAMPO	CRISTINA	C.	6	5	38.82
89	BAHIA	CRISENCIA	C.	6	6	38.82
90	CARANGHE	ANACITA	A.	6	7	38.82
91	PURA	PIO	G	6	8	38.82
92	OÑASA	JANET	S.	6	9	38.82
93	OCAMPO	JOCELYN	B.	6	10	38.82

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94	LAIG	JESSICA SARAH	D.	6	11	38.82
95	SAMONTAÑEZ	CERILO	B.	6	12	38.82
96	TORRES	ALVIN	C.	6	13	38.82
97	BAYSON	DIVINA	R.	6	14	38.82
98	MORA	ERNESTO	P.	6	15	38.82
99	MALTO	MARY JOY	P.	6	16	38.82
100	TONIDO	LOVELY DEZ	C.	6	17	38.82
101	MALTO	CESAR JR.	P.	6	18	38.82
102	TONIDO III	DELFIN	C.	6	19	38.82
103	BALLESTEROS	MARILYN	B.	6	20	38.82
104	LENESIS	MELINDA	L	6	21	38.82
105	LUCERO	MELO	C.	6	22	38.82
106	SORIANO	APRIL JOY	P.	6	23	38.82
107	LUCERO	MANOLO	C.	6	24	38.82
108	SIGUE	DARLITA	S.	6	25	38.82
109	VASQUEZ	RUDY	P.	6	26	38.82
110	ELLERA	ROSITA	R.	6	27	38.82
111	LACABA	JULIUS	R.	6	28	38.82
112	IBARRETA	MARVIN	M	6	29	38.82
113	SORIA	ARSENIO	R.	6	30	38.82
114	SAN JUAN	NIÑO	R.	6	31	38.82
115	LAURENTE	MARY JOY	Y	6	32	38.82
116	BONAOBRA	EMILY	A.	6	33	38.82
117	DIONES	ERIC	A.	6	34	38.82
118	PACIA	IAN	M	6	35	38.82
119	CUBILLA	CRISTINA	L	6	36	38.82
120	ONG	FRANKLIN	M	6	37	38.82
121	LAPIZ	MARIANE	L	6	38	38.82
122	DEMOL	SATURNINA	H	6	39	38.82
123	ORTEGA	RYAN	M	6	40	38.82
124	DEMOL	ROWENA	H	6	41	38.82
125	ORTEGA	DENISE	M	6	42	38.82
126	CAPUCHINO	ROSALIE	F	6	43	38.82
127	GELERA	MELCA	O.	6	44	38.82
128	DELOS SANTOS	IRENE	F	6	45	38.82
129	TANTAN	JULIETO	D.	6	46	38.82
130	DE GUZMAN	INOCENCIA	B.	6	48	38.82
131	DE GUZMAN	ROXANNA	B.	6	49	38.82
132	MARCOS	RAFAEL	O.	6	50	38.82
133	MANANGAT	PIO	B.	7	1	38.82
134	SUAZO	CLEOTILDE	C.	7	2	38.82
135	OLEDAN	RUFINO	P.	7	3	38.82
136	FRANCISCO	ARLENE	B.	7	4	38.82
137	ARIZABAL	QUEENSHEDALE	D.	7	5	38.82
138	PALMANI	ERIKA	H	7	6	38.82
139	MENDOZA	NESTOR	T	7	7	38.82
140	BUENAOBRA	EVANGELINE	S.	7	8	38.82
141	NABONG	ALEJANDRO	A.	7	9	38.82
142	SANTOS	GEMMA	B.	7	11	38.82
143	BOLALAQUE	ANTONIO	B.	7	12	38.82
144	BOLALAQUE	JENILYN	O.	7	13	38.82

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145	YUMANG	LOURDELIZA	0	7	14	38.82
146	FERRER	GERALD	B.	7	15	38.82
147	LAURENTE	FLORDELIZA	B.	7	16	38.82
148	PAJARES	ROLANDO	P.	7	17	38.82
149	BALDONADO	VICTORIO	W.	7	18	38.82
150	BALDONADO	PERPECTO	I.	7	19	38.82
151	DUAPA	LUCIE	V.	7	20	38.82
152	BORJA	JEAN	P.	7	21	38.82
153	DAAN	RENERIO	G	7	22	38.82
154	JAMITO	AMELITO	B.	7	23	38.82
155	MARITANA	ARTEMIO	P.	7	24	38.82
156	LIGUTAN	ALLAN	M	7	25	38.82
157	RODRIGUEZ	ADORACION	Z.	7	26	44.36

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