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

RA No. 7279
BIR Ruling No. 053-15
#138-2016
4-18-2016

DOMINGO F. PAHILA SR. PH 1 HOMEOWNERS ASSOCIATION, INC.
Purok Masinulondon, Brgy. Punta Taytay, Bacolod City

Attention : **PHILIP D. BURATA**
President

Gentlemen:

This refers to the letter of Ma. Ana R. Oliveros, President of the Social Housing Finance Corporation (SHFC) dated December 10, 2015, endorsing the sale transaction between Angelina Pahila-Garrido et.al, and Domingo F. Pahila Sr. Ph 1 Homeowners Association Inc. 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 a parcel of land, identified as Lot 641-B-3, Psd- , being a portion of Lot 641-B, Psd-62488 covered by Transfer Certificate of Title (TCT) No. [1] issued by the Registry of Deeds for Bacolod City is registered under the names of the following co-owners:

	Name	share/proportion
1	Angelina Pahila-Garrido, *married to Buenaventura Garrido*	1/6
2	Ramon D. Pahila, *married to Ida Go Pahila*	1/6
3	Meraflor P. Bugador, *married to Caesar Bugador*	1/6
4	Domingo D. Pahila, *married to Analy Olingco Pahila*	1/6
5	Candido D. Pahila, *married to Jesusa Demerin Pahila*	1/6
6	Catalino D. Pahila, *married to Erda Trizna Dianal*	1/6

The aforesaid property is situated at Brgy. Punta Taytay, Bacolod City with an area of Twenty Four Thousand Eight Hundred Sixty Three square meters (24,863 sq.m.), more or less Domingo F. Pahila Sr. Ph 1 Homeowners Association Inc. (TIN), on the other hand, is a homeowner's organization duly registered with the Housing and Land Use Regulatory Board (HLURB). On December 29, 2014, the parties executed a Deed of Absolute Sale whereby the Landowner transferred and conveyed Ten Thousand One Hundred Thirty Six square meters (10,136 sq.m.) portion of the

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[1] Formerly: TCT No.

subject property to Domingo F. Pahila Sr. Ph 1 Homeowners Association Inc. at an agreed price of
Twenty Pesos (P). Pursuant to the certification issued by SHFC, 10,136 sq.m. out of 24,863 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[2]. For this purpose, Domingo F. Pahila Sr. Ph 1 Homeowners Association Inc. 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.

In support of its request, Domingo F. Pahila Sr. Ph 1 Homeowners Association Inc. has completely submitted on December 23, 2015 the following documents:

1) SHFC letter application for tax exemption;
2) Certification of the President of the SHFC that 10,136 sq.m. portion of the subject property qualify 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 copies of the TCTs and Latest Tax Declarations 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 landowners who sold their properties for use in a socialized housing project are exempt from the payment of capital gains tax.

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[2] see Annex for the masterlist of qualified beneficiaries

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Such being the case, the sale by the landowners to Domingo F. Pahila Sr. Ph 1 Homeowners Association Inc. of the 10,136 sq.m. out of 24,863 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 Homeowner's 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 realty or its fair market value determined in accordance with Section 6 (E) of the said Code, whichever is higher.

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 title 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)

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 the Tax Code of 1997.

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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DOMINGO F. PAHILA SR. PH 1 HOMEOWNERS ASSOCIATION, INC.

Purok Masinulondon, Brgy. Punta Taytay, Bacolod City

1	PILAPIL, SELFA H.	1	1	61.31
2	MANGA, DANILO S.	1	2	61.31
3	MANGA, EDUARDO, JR. G.	1	3	61.31
4	SEGOVIA, IMEE C.	1	4	61.31
5	GOMEZ, MARICEL S.	1	5	61.31
6	DIVINO, DANILO, JR. M.	1	6	61.31
7	MANGA, GARY B.	1	7	61.31
8	SORIANO, VIRGIE A.	1	8	61.31
9	SIASON, ROMEO ZALDY A.	1	9	61.31
10	CALPEZ, EMILY M.	1	10	61.31
11	ORLIDO, MERLE M.	1	11	61.31
12	INTAL, ROSALIE M.	1	12	61.31
13	TIO, IGNATIUS IRVIN V.	1	13	61.31
14	TIO, SANDRA V.	1	14	61.31
15	GUADALUPE, IRIS CHRISTELLE T.	1	15	61.31
16	LORESTO, JANE GIRL G.	1	16	61.31
17	OCTAVIANO, ESTELA G.	1	17	61.31
18	LORESTO, HERMILO G.	1	18	61.31
19	GESTANO, AZIEL S.	1	22	61.31
20	SALIBA, CARGIE C.	2	1	61.31
21	SALIBA, CARMEGIE C.	2	2	61.31
22	SALIBA, CHRISTINE MARIE C.	2	3	61.31
23	SALIBA, GREGORIO G.	2	4	61.31
24	PALMA, SOLEDAD D.	2	12	61.31
25	PIOQUINTO, EVEN S.	2	14	61.31
26	SANGCO, MARIO R.	2	16	61.31
27	PANONCILLO, JOY M.	2	17	61.31
28	SANGCO, ALFREDO R.	2	18	61.31
29	PANONCILLO, JOHN MICHAEL M.	2	19	61.31
30	MONTELIBANO, RHETT JOSEF A.	2	20	61.31
31	ALOVA, KECELLE ANN C.	2	21	61.31
32	MIJARES, DONAME O.	2	22	61.31
33	DAMA, MITCHELL D.	2	23	61.31
34	JANAYON, EVELYN MAY L.	2	24	61.31

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35	SEVILLA, REGIE P.	2	25	61.31
36	MALACAD, ROLAND V.	2	26	61.31
37	SEVILLA, ANALISA P.	2	27	61.31
38	GETINO, RONNIE JAY M.	2	28	61.31
39	GETINO, FELICIDAD M.	2	29	61.31
40	TAPANG, VEBITA R.	2	30	61.31
41	BALGOMA, EDEN MAY F.	2	31	61.31
42	TORILLO, ROLLY R.	2	32	61.31
43	SALVO, ANALIZA C.	2	33	61.31
44	VILLA, JOHNREY T.	2	34	61.31
45	VILLA, JULY T.	2	35	61.31
46	VERBA, REY V.	2	36	61.31
47	MORALES, GRACE B.	2	37	64.04
48	MORADA, MAY G.	2	38	61.31
49	GARCIA, MARIAH KHARIANNE C.	3	1	68.13
50	PAROJILLO, GRACE V.	3	2	68.13
51	GARCIA, JEZALYN MARIE C.	3	3	61.31
52	GARCIA, OLIVIA V.	3	4	61.31
53	GARCIA, SEPTHEMA G.	3	5	61.31
54	VILLA, JOSIEL S.	3	6	61.31
55	VILLA, CONSEJO S.	3	7	61.31
56	CHAN, PATRICK S.	3	8	61.31
57	VILLA, GREG S.	3	9	61.31
58	GOBOLI, JOSEPH A.	3	10	61.31
59	VILLA, RAZEL P.	3	11	61.31
60	ESTRELLA, REGIE D.	3	12	61.31
61	NICAVERA, ROSALIE S.	3	13	61.31
62	GECA, AUGUSTUS CEASAR C.	3	14	61.31
63	MONIT, ANGIE M.	3	15	61.31
64	KHO, MA. SUZETTE D.	3	16	61.31
65	MONIT, ANDY M.	3	17	61.31
66	FLOJEMON, HERBERT P.	3	18	61.31
67	ADOPTANTE, JERMIN A.	3	19	61.31
68	FLOJEMON, HERO P.	3	20	61.31
69	LACSON, JULIUS E.	3	21	61.31
70	LACSON, HELEN E.	3	22	61.31
71	CRISOSTOMO, MELINDA A.	3	23	61.31
72	DE LEON, ERWIN D.	3	24	61.31
73	UY, RONNIE A.	3	25	61.31
74	GAMBOA, JUDY D.	3	26	61.31
75	RAMOS, JOEL N.	3	27	61.31
76	SERVELO, BRISINNI M.	3	28	61.31

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77	VILLAFLOR, JEONIE E.	3	29	61.31
78	MONILLO, EVEN REY A.	3	30	61.31
79	GANANCIAL, JHOINIE G.	3	31	61.31
80	CALMA, MERCEDITA C.	3	32	61.31
81	GUILLENA, ANIVER M.	3	33	61.31
82	AGUYAPA, IVAN O.	3	34	61.31
83	MALAZARTE, CARMENCITA B.	4	1	72.22
84	TECSON, RICSON JOHN M.	4	2	72.22
85	HOFILEÑA, LEO GLENN M.	4	3	61.31
86	TECSON, FLORENCE MARIE M.	4	4	61.31
87	BASCAR, JEANETH A.	4	5	61.31
88	TOROY, JOSEFA M.	4	6	61.31
89	BASCAR, JESAH JAY A.	4	7	61.31
90	SUMALINOG, MITCHELLE ANNE P.	4	8	61.31
91	ABATAYO, JIHAN D.	4	9	61.31
92	BALASO, JOHN RAY C.	4	10	61.31
93	ARROZ, CHAREN A.	4	11	61.31
94	LACORTE, JUNJUN N.	4	12	61.31
95	ARROZ, SUSANITA N.	4	13	61.31
96	BROÑOLA, TOMAS M.	4	14	61.31
97	GUILARAN, ROGIE P.	4	15	61.31
98	MANSALON, JOCELYN P.	4	16	61.31
99	TOLEDANO, JUNELYN P.	4	17	61.31
100	MANSALON, JIMMY D.	4	18	61.31
101	SALGADO, RANY V.	4	19	61.31
102	ANACLETO, CHERYL M.	4	20	61.31
103	DIZON, GERALDINE E.	4	21	61.31
104	EBARSABAL, GLENDA E.	4	22	61.31
105	GANI, JENNY ROSE R.	4	23	61.31
106	MADRONA, JUNELY A.	4	24	61.31
107	SEGOVIA, ELDA D.	4	25	61.31
108	ABETONA, JOVIE B.	4	26	61.31
109	SANTILLANA, GRACE J.	4	27	61.31
110	CHUA, MA. DARLENE M.	4	28	61.31
111	JAUOD, IMELDA J.	4	29	61.31
112	ALOVA, NICHOLAS T.	4	30	61.31
113	INTES, ROLLY E.	4	31	72.22
114	INTES, MARIVIC G.	4	32	72.22
115	SALDOA, LENNY ROSE I	4	33	61.31
116	PECHA, AUGUSTO N.	5	1	69.49
117	GALLENERO, JIMMY F.	5	2	69.49
118	CASTILLO, JESSEI, JR. N.	5	3	61.31

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119	MACEDA, VIRDIE V.	5	4	61.31
120	PRUDENTE, JEZREL B.	5	5	61.31
121	PRUDENTE, JEONREL B.	5	7	61.31
122	YEE, MERCY C.	5	9	61.31
123	SUELA, ROMEO C.	5	11	61.31
124	JABAGAT, GLENN RAY P.	5	12	61.31
125	MAKILAN, LANI S.	5	13	61.31
126	BENJAMIN, LEA D.	5	14	61.31
127	SILLARICO, ROSELYN S.	5	15	61.31
128	SALDO, MARITES S.	5	16	61.31
129	YUDE, ROLLIE S.	5	17	61.31
130	TEMPLADO, MICHAEL T.	5	18	61.31
131	TOROY, MICHO JAY M.	5	19	61.31
132	ORLIDO, JENNIFER D.	5	20	61.31
133	SUELA, EVELYN A.	5	21	61.31
134	DAGUNO, JESUS, JR. M.	5	22	61.31
135	SANTINOR, JOVIE C.	5	23	61.31
136	DAGUNO, DORIS M.	5	24	61.31
137	BEDAYO, ADORNADO M.	5	25	61.31
138	QUIOCSON, DELIA C.	5	26	61.31
139	DEWARA, RUDY E.	5	27	61.31
140	BEJEMINO, BABY LUSELLE S.	5	28	61.31
141	DEWARA, JUSTINA CHE-CHE S.	5	29	61.31
142	PEREZ, EUFEMIA B.	6	1	61.31
143	PAYOMO, CARMELA B.	6	2	61.31
144	PEREZ, JOY B.	6	3	61.31
145	TRANQUILINO, CHARITY O.	6	4	61.31
146	LEDESMA, RODA H.	6	5	61.31
147	LEDESMA, PEARL H.	6	6	61.31
148	NERI, AILEEN S.	7	1	98.10
149	GUANCO, IRENE R.	7	2	61.31
150	BURATA, PHILIP D.	7	3	61.31
151	ZAMORA, JOY J.	7	4	64.04
152	DAGUNO, ROMMEL D.	8	1	64.04
153	SABIDO, AIDA S.	8	2	65.40
154	DAGUNO, GENEDINA D.	8	3	61.31
155	SABIDO, FERDINAND S.	8	4	61.31
156	MONTIZOR, JO-ANN V.	8	5	61.31
157	GEMILLAN, CARMEN B.	8	6	61.31
158	SEBIGAN, JUANITA S.	8	7	61.31
159	BURATA, NIÑO D.	8	8	61.31
160	GOBOLI, MARY JOI P.	8	9	61.31

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161	MADRID, EMIL S.	8	10	61.31
162	GOBOLI, LEONCIO, JR. A.	8	11	70.85
163	BURATA, LEO D.	8	12	70.85

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