REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

RA 3844, as amended; RA 6657
BIR Ruling No. 134-13; BIR Ruling No. 649-12
#156-2016
4-28-2016

Mr. CRISTITUTO DC. CALIMON
140 Gumamela St., Cofradia,
Malolos City, Bulacan

Sir :

This refers to the 1st Indorsement of the Regional Director, Revenue Region No. 5, Caloocan City, requesting for the issuance of a ruling as to whether or not the sale of agricultural land by the Land Bank of the Philippines (LBP) under R.A. No. 6657, otherwise known as the "Comprehensive Agrarian Reform Law" is exempt from the payment of the Capital Gains Tax, Expanded Withholding Tax and Documentary Stamp Tax.

It appears that Land Bank of the Philippines is the registered owner of a parcel of land (Lot 35-C of the subdivision plan Psd-03-044814, being a portion of Lot 35, (LRC) Psd-248725, L.R.C. Rec. No.) covered by Transfer Certificate of Title (TCT) No. issued by the Registry of Deeds for the Province of Bulacan (Guiguinto). The aforesaid property is situated at Sta. Isabel, City of Malolos, Bulacan with an area of Three Hundred Eighty Seven square meters (387 sq.m.), more or less. On February 19, 2013, a Deed of Absolute Sale was executed by LBP selling, transferring, and conveying the subject property in favor of Mr. Cristituto DC. Calimon, a farmer-beneficiary under R.A. No. 3844 per Department of Agrarian Reform (DAR) Order dated July 24, 2012, for a consideration of

In reply, please be informed that the transfer is exempt from capital gains tax and documentary stamp tax pursuant to Section 66 of Republic Act No. 6657 otherwise known as the "Comprehensive Agrarian Reform Law of 1988" which provides, *viz.*:

> "Sec. 66. *Exemption from Taxes and Fees of Land Transfers.* — Transactions under this Act involving a transfer of ownership, whether from natural or juridical persons, shall be exempted from taxes arising from capital gains. These transactions shall also be exempted from the payment of registration fees, and all other taxes and fees for the conveyance or transfer thereof. *Provided,* that all arrearages in real property taxes, without

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penalty or interest, shall be deductible from the compensation to which the owner may be entitled."

Attached to the records is a Certification dated April 10, 2014 from the Provincial Agrarian Reform Office (PARO) of Bulacan, certifying that the Deed of Absolute Sale (DAS No. 3813) from Land Bank of the Philippines to its farmer allocate, Cristituto DC. Calimon is exempt from taxes and fees of land transfers and registration of titles pursuant to Sections 66 and 67 of Republic Act No. 6657 in relation to Section 80 of Republic Act 3844 as amended by Republic Act No. 6389.

Accordingly, the transfer by Land Bank of the Philippines of the above-mentioned property is exempt from capital gains tax and documentary stamp tax pursuant to the aforecited provision. *(BIR Ruling No. 134-13 dated April 5, 2013 and BIR Ruling No. 649-12 dated December 10, 2012)*

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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APR 27 2016

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