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

RA No. 7279
BIR Ruling No. 053-15
164-2016
5-4-2016

DOMINGO F. PAHILA SR. PHASE 2 HOMEOWNERS ASSOCIATION, INC.
Purok Masinulondon, Brgy. Punta Taytay, Bacolod City

Attention : **FLORENCIA P. LACBANES**
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. Phase 2 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-06450-023348, 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. Phase 2 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 Nine Hundred Fifty Two square meters (10,952 sq.m.) portion of the

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[1] Formerly: TCT No.

subject property to Domingo F. Pahila Sr. Phase 2 Homeowners Association Inc. at an agreed price of
Pesos). Pursuant to the certification issued by SHFC, 10,952 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. Phase 2 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. Phase 2 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 10,952 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.

[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. Phase 2 Homeowners Association Inc. of the 10,952 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. PHASE 2 HOMEOWNERS ASSOCIATION, INC.
Purok Masinulondon, Brgy. Punta Taytay, Bacolod City

	Name of Beneficiary	Blk. No.	Lot No.	Total Area (sq.m.)
1	Recto, Ricarte S.	1	1	60.72
2	Recto, Rosalita S.	1	2	60.72
3	Recto, Berlin S.	1	3	60.72
4	Recto, Romel S.	1	4	60.72
5	Estanque, Jo-an M.	1	5	60.72
6	Estanque, Jennifer M.	1	6	60.72
7	Orbita, Mary Ann P.	1	7	60.72
8	Cordeniel, Mary Joy C.	1	8	60.72
9	De la Cruz, Ernie M.	1	9	60.72
10	Clemen, Kristine M.	1	10	60.72
11	Retome, Edgar A.	1	11	60.72
12	Cojo, Maricar A.	1	12	60.72
13	Hisona, Jessy S.	1	13	60.72
14	Vargas, Jason S.	1	14	60.72
15	Estoral, Dixie C.	1	15	60.72
16	Pelaez, Mark J.	1	16	60.72
17	Fernandez Consolacion J.	1	17	87.70
18	Marañon, Gerard J.	2	1	60.72
19	Sueño, Genevieve T.	2	2	60.72
20	Eswan, Luzel G.	2	3	60.72
21	SALAZAR, SERGULYN M.	2	4	60.72
22	MARAÑON, GINO J.	2	5	60.72
23	MIRANDA, JOY C.	2	6	62.07
24	CALOSA, MAY ANN B.	2	7	62.07
25	TOROY, MARK JOSEPH M.	3	1	60.72
26	RETES, MARY GRACE A.	3	2	60.72
27	TOROY, MARDY JOYCE M.	3	3	60.72
28	ADLONG, RENE N.	3	4	60.72
29	PREMACIO, HERNANI, JR. J.	3	5	60.72
30	MALABAGO, FERSLY S.	3	6	60.72
31	SALUTA, RICKY D.	3	7	60.72
32	SABANAL, PREZYL B.	3	8	60.72
33	TOROY MYLA JANE M.	3	9	60.72
34	MANAYAGA, RHODA MAE S.	3	10	60.72

35	ENTERADO, MARIBETH S.	3	11	60.72
36	TAMBANILLO, RADIN M.	3	12	60.72
37	PALLORINA, JOSIE C.	3	13	60.72
38	MALABAGO, FELIX C.	3	14	60.72
39	Arro, Lyra G.	4	2	60.72
40	Dela Vega, Antonio III Y.	4	3	60.72
41	Arro, Beverly G.	4	4	60.72
42	Lacbanes, Florencia P.	4	5	60.72
43	Villa, Anna Marie T.	4	6	60.72
44	Penascosa, Rasem	4	7	60.72
45	Mabaquiao, Lolita C.	4	8	60.72
46	Alisen, Maricel D.	4	9	60.72
47	Fuentes, Jose Ronny S.	4	10	60.72
48	Sumalinog, Lester S.	4	11	60.72
49	Carmona, Ruel G.	4	12	60.72
50	Estember, Mary JoyG.	4	13	60.72
51	Tonog, Sharon G.	4	14	60.72
52	Pancho, Luzyl T.	4	15	60.72
53	LILA, MA. ANGIE M.	4	16	60.72
54	Fuentes, Jennifer Anne M.	4	17	60.72
55	Medina, Brian Ray V.	4	18	60.72
56	Medina, Rachel V.	4	19	60.72
57	Doromal, Cynthia D.	4	20	60.72
58	Villavecer, Danilo Jr. M.	4	21	60.72
59	Terrana, Rosalinda T.	4	22	60.72
60	Terrana, John Ruzzel T.	4	23	60.72
61	Flores, Divine Grace B.	4	24	60.72
62	Flores, Dodgie B.	4	25	60.72
63	Villaluna, Rema M.	4	26	62.07
64	Gabiota, Rosie N.	5	1	60.72
65	Burata, Lea D.	5	2	60.72
66	Garcia, Maylen F.	5	3	60.72
67	Talapiero, Rosita P.	5	4	60.72
68	Agriam, Ria Lourdes L.	5	5	60.72
69	Espinosa, Flordeliza P.	5	6	60.72
70	Lopez, Adelyn Joyce D.	5	7	60.72
71	Quilantang, Salvacion E.	5	8	60.72
72	Prado, Jonalyn B.	5	9	60.72
73	Quilantang, Ryan Vincent E.	5	10	60.72
74	Libanan, Kristine Joy V.	5	11	60.72

75	Banggud, Anacris M.	5	12	60.72
76	Matuguina, Marlon G.	5	13	60.72
77	Atadero, Agosto B.	5	14	60.72
78	Ledisa, Arlene C.	5	15	60.72
79	Tan, Aldwin G.	5	16	60.72
80	Bertuso, Cherry C.	5	17	60.72
81	Noble, Elmer G.	5	18	60.72
82	Catubigan, Amy B.	5	19	60.72
83	Rapiosa, Eugenio A.	5	20	60.72
84	Catapc, Rhea A.	5	21	60.72
85	Tolentino, Joyce Ann T.	5	22	60.72
86	Pia, Patricia B.	5	23	87.70
87	Mahinay, Rex S.	5	25	90.40
88	Chavez, Johanna Marie P.	5	26	60.72
89	Salimbot, Bernadeth P.	5	27	60.72
90	Gelsanao, Maria Belinda O.	5	28	60.72
91	Mahinay, Mia Erin P.	5	29	60.72
92	Trinidad, Luzel M.	5	30	60.72
93	Herrera, Jinky D.	5	31	60.72
94	Tayco, Wenefredo T.	5	32	60.72
95	Jalandoni, Helen V.	5	33	60.72
96	Tayco, Windel T.	5	34	60.72
97	Mondragon, Zion Oliver G.	5	35	60.72
98	Mondragon, Frinzanne Keith G.	5	36	60.72
99	Mondragon, Kristian Chalmer G.	5	37	60.72
100	Dagohoy, Charlene R.	5	38	60.72
101	Kho, Nathalie T.	5	39	60.72
102	Vasquez, Regina N.	5	40	60.72
103	Murillo, Babylou G.	5	41	60.72
104	Cordeniel, Emily Q.	5	42	60.72
105	Incienzo, Rene B.	6	1	72.86
106	Daguno, Roberto T.	6	2	60.72
107	Sario, Herminia E.	6	3	60.72
108	TACORDA, KRIS JOHN E.	6	4	60.72
109	Manayaga, Ma. Cresilda S	6	5	60.72
110	Arbas, Ma. Juree L.	6	6	60.72
111	Arbas, Ma. Jolliree L.	6	7	60.72
112	Nemenzo, Ma. Reegilie A.	6	8	60.72
113	Tuason, Marites D.	6	9	60.72
114	Dela Ramos, Elma G.	6	10	60.72

115	Villavecer, Kate M.	6	11	60.72
116	Estiler, Bonney A.	6	12	60.72
117	Tuason, Marco D.	6	13	60.72
118	Sillar, Nelijandro S.	6	14	60.72
119	Naquita, Jerson T.	6	15	60.72
120	Daguno, Ronel B.	6	16	60.72
121	Verde, Joemarie G.	6	17	72.86
122	Begasa, Jose Mat T.	6	19	60.72
123	Sagal, Robert E.	6	20	60.72
124	Pagdato, Arman P.	6	21	60.72
125	Guanco, Rona R.	6	22	60.72
126	Gemillan, Ronalin E.	6	23	60.72
127	Chan, Zenaida C.	6	24	60.72
128	Arisgado, Noel T.	6	25	60.72
129	Macariola, Veviene Flor E.	6	26	60.72
130	Ellanet, Nilo B.	6	27	60.72
131	Edianel, Sandra C.	6	28	41.83
132	Escalante, Leopoldo Ernesto L.	7	1	53.97
133	Sevilla, Daniel A.	7	2	60.72
134	Wendica, Josue M.	7	3	60.72
135	Sion, Christina C.	7	4	60.72
136	Arevalo, April Kate A.	7	5	60.72
137	Tupas, Veronica M.	7	6	60.72
138	Minerva, Venice Joy S.	7	7	60.72
139	Saluta, Michelle R.	8	1	60.72
140	Tuberde, Martin C.	8	2	60.72
141	Rosaot, Mary Grace R.	8	3	60.72
142	Reyes, Cecilia S.	8	4	60.72
143	Reyes, Mary Jane M.	8	5	60.72
144	ESTRELLA, JIMMY M.	8	6	60.72
145	Estrella, Divina L.	8	7	60.72
146	Uma, Mary Jane D.	8	8	60.72
147	Jalandoni, Charlie V.	8	9	60.72
148	Sundon, Marwinda P.	8	10	60.72
149	Siy, Mary Antonette B.	8	11	60.72
150	Young, Neil Lambert S.	8	12	60.72
151	Escosora, Jennifer A.	8	13	60.72
152	Pason, Florence A.	8	14	60.72
153	Flores, Ramilo D.	8	15	60.72
154	Bagioso, Niña L.	8	16	60.72

155	Fernandez, Denia C.	8	17	60.72
156	Recomono, Nerissa N.	8	18	60.72
157	Naquita, Nicolas O.	8	19	60.72
158	Tapio, Daisy C.	8	20	60.72
159	Villanueva, Mary Grace C.	8	21	60.72
160	Linco, Rose C.	8	22	60.72
161	Cornelio, Janice C.	8	23	60.72
162	Retome, Remy A.	8	24	60.72
163	Retome, Lydia A.	8	25	60.72
164	Torres, Analyn R.	8	26	58.00
165	Duldulao, Prima P.	8	28	60.72
166	Bitsuso, Rodel D.	8	29	60.72
167	Tusan, Warlito S.	8	30	60.72
168	Gelio-agan, Ronald B.	8	31	60.72
169	Casiple, Divina L.	8	32	60.72
170	Cajotol, Ariel G.	9	1	60.72
171	Macaranas, Glenda C.	9	2	60.72
172	Moscoso, Analiza G.	9	3	60.72
173	Montaño, Nessa B.	9	4	60.72
174	Villaluna, Gina V.	9	5	60.72
175	Cañete, Zane Gabriel R.	9	6	60.72
176	Cañete, Emmy R.	9	7	60.72
177	Rodico, Jose Pio M.	9	8	60.72
178	Cañete, Kevyn Joyce R.	9	9	60.72
179	Perio, Mary Joy B.	9	10	60.72

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