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

Section 32, RA No. 7279
BIR Ruling No. 053-15
#166-2016
5-4-2016

DON VICENTE VILLAS HOMEOWNER'S ASSOCIATION, INC. PHASE 4
Brgy. Pulo, Cabuyao, Laguna

Attention: **MICHAEL R. MEJIA**
President

Gentlemen:

This refers to the letter of Ma. Ana R. Oliveros, President of the Social Housing Finance Corporation (SHFC) dated December 14, 2015, endorsing the sale transaction between Eleuterio H. Bella, Jr. and Don Vicente Villas Homeowner's Association, Inc. Phase 4 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 Eleuterio H. Bella, Jr., (married to Magdalena Cruz) is the registered owner of a parcel of land, identified as Lot 1-A of the subd. plan Psd-04-0192736, being a portion of Lot 1, Psu-48436 LRC Rec. No. covered by Transfer Certificate of Title (TCT) No. issued by the Registry of Deeds for the Calamba City. The aforesaid property is situated at Brgy. Pulo, Cabuyao, Laguna with an area of Thirteen Thousand Nine Hundred Thirty Two square meters (13,932 sq.m.), more or less. Don Vicente Villas Homeowner's Association, Inc. Phase 4 (TIN on the other hand, is a homeowner's organization duly registered with the Housing and Land Use Regulatory Board (HLURB). On August 24, 2015, the parties executed a Deed of Absolute Sale whereby Eleuterio H. Bella, Jr. transferred and conveyed the subject property to Don Vicente Villas Homeowner's Association, Inc. Phase 4 at an agreed price of

and

Where Nine Thousand Seven Hundred Sixty square meters (9,760 sq.m.) shall be under the CMP at an agreed price of

and

Pursuant to the certification issued by SHFC, 9,760 sq.m. out of 13,932 sq.m. covered by TCT No. actually comprises a Community Mortgage Program (CMP) Project and shall be proportionately distributed to the association's qualified member-beneficiaries[1]. For this purpose, Don Vicente Villas Homeowner's Association, Inc. Phase 4 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.

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[1] see Annex for the masterlist of qualified beneficiaries

In support of its request, Don Vicente Villas Homeowner's Association, Inc. Phase 4 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 9,760 sq.m. portion of the subject property qualifies and is actually a CMP project;
3) SHFC Letter of 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 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 landowners who sold their properties for use in a socialized housing project are exempt from the payment of capital gains tax.

Such being the case, the sale by Eleuterio H. Bella, Jr. to Don Vicente Villas Homeowner's Association, Inc. Phase 4 of 9,760 sq.m. out of 13,932 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 landowner is liable to pay

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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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DON VICENTE VILLAS HOMEOWNER'S ASSOCIATION, INC. PHASE 4

Brgy. Pulo. Cabuyao, Laguna

	Name of Beneficiary			Blk. No.	Lot No.	Total Area (sq.m.)
1	CUASAY	RUFFA	RIVAS	1	1	57.38
2	OLORAZA	ELBERT PAUL	SALAZAR	1	2	57.38
3	GUERRERO	MARUJA	ESTURES	1	7	57.38
4	COLEGIO	JEN HANNAH	JAMULOD	1	8	57.38
5	CIPRIANO	AUGUSTO	MACATOL	1	13	57.38
6	CIPRIANO	CAMILLE	BAÑAS	1	14	57.38
7	BORNASAL	RIZALDY	CLEOFE	1	19	57.38
8	LLANTE	ZENAIDA	ALMONTE	1	20	57.38
9	MEJIA	ROSALINDA	ROMERO	2	1	64.55
10	MEJIA	MAY LIZA	ROMERO	2	2	64.55
11	CATIPON	RONALD	CHAVEZ	2	5	57.38
12	ROMERO	HIPOLITO	V.	2	6	57.38
13	CATIPON	MARIBETH	TABADA	2	7	57.38
14	MIANA	MARLON	D.	2	8	57.38
15	CALDITO	LENIE	C.	2	9	57.38
16	MANALO	SINFOROSO	BOUNGALING	2	10	57.38
17	CABICO	FRANCISCO JR.	DE GUZMAN	2	11	57.38
18	MANALO	ERWILSON	BANCORO	2	12	57.38
19	DELA CRUZ	BERNARD	RIMAS	2	13	57.38
20	LIZA	RUSTOME	JAVA	2	15	57.38
21	DRIZ	CORINA	B.	2	17	71.73
22	ABERIN	MARCELINO	BAUTISTA	3	1	59.17
23	MENDEZ	ANTONIETA	BANGUIS	3	2	57.38
24	DE GUZMAN	JASMIN	LOGO	3	3	59.17
25	VALDEZ	ESMERALDO JR.	BASSIG	3	5	57.38
26	HERNANDEZ	RONILO	M.	3	6	57.38
27	VALDEZ	JOANNE	BASSIG	3	7	57.38
28	RACE	ROCO	BANGAYEN	3	9	57.38
29	RACE	MELODIA	BANGAYEN	3	10	57.38
30	MEJIA	MICHAEL	ROMERO	3	11	57.38
31	MEJIA	MARY ROSE	ROMERO	3	12	57.38
32	RACE	DRIGO	BANGAYEN	3	13	57.38
33	CONSTANTINO	JHON	COLLADO	4	4	57.38
34	TULIAO	RHANDY	CASIDSID	4	5	57.38
35	BRITO	LUISA	SOBERANO	4	6	57.38
36	TULIAO	DORILYN	CASIDSID	4	7	57.38
37	CINCO	JOSEPH	CRUZ	4	8	57.38
38	ALMALVEZ	ERWIN	FREYRA	4	13	57.38
39	ROMERO	PATRICK JOHN	M.	4	14	57.38
40	TACTACUN	RICHEAL	ARAULIA	4	15	57.38
41	ROMERO	RICARDO	V.	4	16	62.76
42	ANZANO	ANA	DIVINAGRACIA	4	17	57.38
43	GAMBOA	ENILLEN	MECCA	4	18	64.55
44	YATCO	ALVIN	LACAR	4	19	60.97

45	CABICO	JESSICA	DE GUZMAN	5	1	64.55
46	CARAGA	GRACE	GALISTE	5	2	64.55
47	CALDITO	NELITO	CELEBRIA	5	3	57.38
48	GALESTE	ROMELO	PENDOS	5	4	57.38
49	LABITIGAN	JOSE	ACE	5	5	57.38
50	ABAS	DONALIN	ABANILLA	5	7	57.38
51	GABIN	MARIO	BALASE	5	9	57.38
52	PANILA	STEFANIE MAY	BUSA	5	14	57.38
53	PANILA	NERELYN	SUMAGPANG	5	16	57.38
54	PANILA	MERVIN	B.	5	18	57.38
55	PANILA	ERNIE	B.	5	20	57.38
56	SANTIAGO	ERLINDA	YABOT	5	22	57.38
57	SANTIAGO	JULIE	YABOT	5	24	57.38
58	TINASAS	EDNA	BILASA	5	27	57.38
59	ATILLANO	MARILOU	ARENIO	5	28	57.38
60	TINASAS	BLECILDA	BILASA	5	29	57.38
61	ATILLANO	RANDY	ARENIO	5	30	57.38
62	TINASAS	NOLLYNA	BILASA	5	31	57.38
63	GEOCA	CARLITO	G.	5	33	57.38
64	REGALADO	DANDY	DANIOUS	5	35	57.38
65	YTAC	LIZEL	OCAMPO	5	37	75.31
66	RAMBOYONG	EMELITA	BARCI	6	3	57.38
67	DE OCAMPO	MARY CRIS	M.	6	4	57.38
68	TINASAS	RODOLFO	BILASA	6	5	57.38
69	BENITEZ	RAYMUNDO	SEOLO	6	6	57.38
70	NACASABOG	AGAPITA	JEMINIA	6	7	57.38
71	SANGALANG	CRISANTA	A.	6	8	57.38
72	NACASABOG	ROSARIO	JEMINIA	6	9	57.38
73	ALBUERO	CHRISTOPHER	PARALE	6	10	57.38
74	CANOY	ARLENE	V.	6	12	57.38
75	DELA ROSA	MARK ANTHONY	LORING	6	13	57.38
76	MAASIM	LORNA	LANSIGAN	6	14	57.38
77	RIVERO	DIMPHNA	A.	6	16	57.38
78	ORINE	LAYNE	OBINARYO	6	17	57.38
79	RIVERO	FRANCIS	AVEN	6	18	57.38
80	SALAS	BERNADETTE	ABAJENSIA	6	24	57.38
81	SUACILLO	DARIUS	JUMAWID	6	26	57.38
82	LAGARTO	DELMA	P.	6	30	57.38
83	IROG	ISAGANI	ALMONTE	6	32	57.38
84	CABICO	LUZVIMINDA	DE GUZMAN	6	33	57.38
85	PEAPE	MARIA LUISA	VELASCO	6	34	57.38
86	MACADAEG	JIMEFER	FABRIGAS	6	35	57.38
87	PAMENTAHON	EVELYN	S.	6	37	69.93
88	OLIMPIADA	MIGUELA	LIZARDO	7	1	62.76
89	CIPRIANO	JOSE	M.	7	2	64.55
90	ALBANO	TYRONE	COLOMA	7	3	57.38
91	DESEMARANA	ELEANOR	A.	7	4	57.38
92	ARTATES	VERGELIO	AVELINO	7	5	57.38
93	PEREZ	EMILIO	VENTURA	7	6	57.38
94	CAMPOLLO	ROSALIE	REBOLLA	7	7	57.38
95	ORDOÑA	JESUSA	VENTURA	7	8	57.38

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96	GUILLERMO	ALDRIN	BEATRINGO	7	9	57.38
97	MOSTOLES	JOEL	LAGMAY	7	10	57.38
98	LEGASTO JR.	EDGARDO	FORMARAN	7	12	57.38
99	RUBLICO	RANDY	PENAMANTE	7	14	57.38
100	MONTERO	RENALI	PEPITO	7	16	57.38
101	BENDOY	JOEL	DASOLVO	7	18	57.38
102	MORFE	RALPH JUSTINE	C.	7	26	57.38
103	BARRIENTOS	MARILOU	M.	8	1	62.76
104	DILLA	MILLER	ARGENTE	8	2	64.55
105	GARFIN	KRISTI	L.	8	3	57.38
106	LIRIO	LINDA	L.	8	5	57.38
107	PELAYO	ANDREA	LABATETE	8	13	57.38
108	NABARTE	JOEBERT	LONGARES	8	14	57.38
109	SOLANO	CONSISA	PELAYO	8	15	57.38
110	DOLOR	FELOMINA	A.	8	17	57.38
111	ANOL	MARY JEAN	CAPINIG	8	19	57.38
112	LORENZO	CONCEPCION	PACHA	8	21	57.38
113	MANCERA	EMMA	OLIQUINO	8	22	57.38
114	RONE	GREGORIO	BENDANILLO	8	23	57.38
115	ANOL	MARIVIC	CAPINIG	8	24	57.38
116	RODA	MARY JANE	ACHINA	8	25	57.38
117	ANOL	VERGEL	CAPINIG	8	26	57.38
118	BALCE	JOY	ANDAL	8	27	60.97
119	ALMALVEZ	EDLYN	FREYRA	8	28	60.97
120	BESMONTE	RONILO	ARAOJO	9	2	64.55
121	ORION	ELIZABETH	CASTILLON	9	4	57.38
122	MORALES	EMELYN	BEDIONES	9	5	57.38
123	ARIAR	ARLEN	BALUTAN	9	6	57.38
124	MORALES	ELISA	BEDIONES	9	7	57.38
125	FRAGATA	RODEL	REVILLA	9	8	57.38
126	DE CHAVEZ	DYNA	ANCHETA	9	9	57.38
127	NIEVA	HELEN	PADILLA	9	10	57.38
128	PERLAS	NICOMEDES	CRISPO	9	11	57.38
129	BELARMINO	ANGELIE	PADILLA	9	12	57.38
130	OLIMPO	NENITA	CABILING	9	14	57.38
131	CORREGIDOR	GLADYS	CARILLA	9	15	57.38
132	VILLAESTER	VIVIAN	BELBES	9	16	57.38
133	DIPLOMO	MARICEL	ACHENA	9	18	57.38
134	RAYELA	LUZ	BALDEO	9	20	57.38
135	CAPUNO	MARIFLOR	AGUSTIN	9	22	57.38
136	CADIENTE	MARIVIC	AGUSTIN	9	24	57.38
137	PELAEZ	REMEDIOS	PANTOJA	10	1	62.76
138	CLEOFAS	MARVIN	ROSAL	10	2	64.55
139	HERMINIGILDO	MATEO	LAPURGA	10	3	57.38
140	CLEOFAS JR.	ROMEO	ROSAL	10	4	57.38
141	BARSAGA	ROSAN	RAMOS	10	6	57.38
142	CLEOFAS	JOEL	ROSAL	10	8	57.38
143	CENAL	ELVIRA	OCAMPO	10	14	57.38
144	TABIL	MARYCAR	CARA	10	16	57.38
145	ROMERO	ALEXANDER	P.	10	19	57.38
146	PANGULONG	RHOANA	B.	10	21	57.38

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147	PAGULONG	MYLENE	RONQUILLO	10	22	57.38
148	PAGULONG	JOMEL	RONQUILLO	10	23	57.38
149	PAGULONG	IAN	RONQUILLO	10	24	57.38
150	TAZON	JEFFREY	DIAZ	10	25	68.14
151	TAZON	JERRY	DENAVERDE	10	26	68.14
152	MAYORES	FELY	DE VELLINA	10	27	68.14
153	BORROMEO	CYRIL	POLSOTIN	11	3	57.38
154	TIONGZON	ANDRES	SEVILLE	11	4	57.38
155	POLSOTIN	ELIZABETH	BARIA	11	7	57.38
156	TIMOLA	LENY	NARCA	11	8	57.38
157	TIMOLA	LINA	NARCA	11	9	57.38
158	GEOCA	ANDREW	L.	11	10	57.38
159	SUELO	PETER	RIVA	11	11	57.38
160	TIZON	MARILYN	ALIHIO	11	12	57.38
161	TAGAMA	RODORA	ESPOSO	11	13	57.38
162	GOJAS	ROSE-ANN	TAGAMA	11	14	57.38
163	OBANDO	RODEL	MALAKAS	11	15	57.38
164	COPINO	MARISSA	SALVADORA	11	16	57.38
165	PAGULONG	LOUIE	RONQUILLO	11	18	57.38
166	GUALBERTO	JESS MAR	DACUT	11	19	57.38
167	GUALBERTO	LOVELY MELODY	DACUT	11	20	57.38

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