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

Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended;
BIR Ruling No. 311-2014
#170-2017
4-5-2017

MRS. ELENITA C. MANDIGMA

Madam:

This refers to the letter of **CARMELITA CATAQUIS ALMONDIA, NENITA CATAQUIS ATIENZA, ANASTACIO B. CATAQUIS JR., GENEROSO B. CATAQUIS, LIGAYA CATAQUIS CARAIG, ELENITA CATAQUIS MANDIGMA, MERIAM CATAQUIS ALEGRIA, BELMA CATAQUIS AXALAN, AND MARIEL A. CATAQUIS**, (hereinafter referred to as the "**DONORS**") dated February 05, 2016, as indorsed by the Regional Director, Revenue Region No. 9, San Pablo City, through 2nd Indorsement dated February 18, 2016, relative to their request for donor's tax exemption on a donation of real property in favor of **ANASTACIO CATAQUIS SABINA UNSON MEMORIAL SCHOOL (ACSUM) OF BALATERO OF MUNICIPALITY OF PUERTO GALERA, ORIENTAL MINDORO** (hereinafter referred to as the "**DONEE**").

Documents submitted disclosed that the **DONORS** are the absolute and registered owners of a parcel of land covered by Transfer Certificate of Title (TCT) No. containing an area of Four Thousand Two Hundred Ten (4,210) square meters, more or less, of the Registry of Deeds for Calapan, Mindoro Oriental, particularly described as follows:

TRANSFER CERTIFICATE OF TITLE
No.

*"**LOT NO:** 20-B **PLAN NO:** (LRA)*
***PORTION OF:** LOT 20, II-2978 AMD.*
***LRA REC. NO.:** FREE PATENT*
***LOCATION:** BALATERO PUERTO GALERA OR. MINDORO*

xxx xxx xxx

***AREA:** FOUR THOUSAND TWO HUNDRED TEN SQUARE METERS, (4,210.00), MORE OR LESS*

xxx xxx xxx"

that on the other hand, the **DONEE** is a local government unit; that on February 01, 2016, the **DONORS** executed a Deed of Donation in favor of the **DONEE**, represented by its *Municipal Mayor*, Hubbert Christopher A. Dolor, conveying to the latter the above-described parcel of land; and that the **DONEE** accepted the donation under the conditions set forth as embodied in the same instrument.

In reply, please be informed that Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended, provides that:

"SEC. 101. Exemption of Certain Gifts. - The following gifts or donations shall be exempt from the tax provided for in this Chapter:

xxx xxx xxx

(2) Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government;

xxx xxx xxx"

In view of the foregoing, since the donation is made to or for the use of **ANASTACIO CATAQUIS SABINA UNSON MEMORIAL SCHOOL (ACSUM) OF BALATERO OF MUNICIPALITY OF PUERTO GALERA, ORIENTAL MINDORO** which is a political subdivision of the Government, the aforementioned donation of a parcel of land is exempt from the payment of donor's tax pursuant to Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended.

Moreover, Section 185 of Regulations No. 26, otherwise known as the Revised Documentary Stamp Tax Regulations, implementing Title VII of the National Internal Revenue Code of 1997, as amended, provides that conveyances of realties not in connection with a sale, to trustees or other persons without consideration are not taxable. Accordingly, the Deed of Donation is not subject to the documentary stamp tax prescribed under Section 196 of the National Internal Revenue Code of 1997, as amended, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Code. *(BIR Ruling No. 311-2014 dated August 4, 2014)*

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 null and void.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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