February 22, 2019

CERTIFICATE OF TAX EXEMPTION NO. 188-19

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **C.B. GARAY PHILWIDE BUILDERS** with Taxpayers Identification Number (TIN) 000-000-000-000, a private entity engaged by the National Housing Authority (NHA), is exempt from project-related income taxes, creditable withholding tax and value added tax (VAT), pursuant to Section 20 (d) (1) and (3) of Republic Act (RA) No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with the construction/development of socialized housing units under the National Housing Authority (NHA)'s Yolanda Permanent Housing Program, to wit:

Date of Notice of Award	**Date of Contract Agreement**	**Contract Price**	**Project Name**	**Location**	**No. of Socialized Housing Units subject of tax exemption**
July 17, 2017	September 28, 2017	P_____	Greenfields De Giporlos	Brgy. Poblacion, Giporlos, Eastern Samar	743 units

However, the purchases of goods/articles by **C.B. GARAY PHILWIDE BUILDERS** shall be subject to VAT, even if the said purchases are to be used for the socialized housing project, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **C.B. GARAY PHILWIDE BUILDERS** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deed of Extra-Judicial Settlement of Estate with Deed of Absolute Sale executed by the Landowners in favor of the NHA over the parcel of land described below, to wit:

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Date of the Deed of Extra-Judicial Settlement of Estate with Deed of Absolute Sale [1]	Name of Landowners	Transfer Certificate of Title (TCT)	Area (Sq. m.)	Area Transferred (Sq. m.)	Location
September 28, 2017	**Legal Heirs of AAA,** namely: (1) BBB, (2) CCCo, (3) DDD, (4) EEE, (5) FFF, and (6) GGG	TCT No. 114-RT2017000130 (T-1322)	120,010	60,000	Barrio of Giporlos, Municipality of Balangiga, Province of Eastern Samar

which shall be used for the above-mentioned socialized housing project, is not subject to capital gains tax (CGT) and documentary stamp tax (DST) pursuant to Sections 19 and 20 of RA No. 7279. [2]

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended, and shall not be construed, as giving authority to the concerned Register of Deeds (RD) to effect transfer of the land titles in the name of the buyer without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

This CTE is being issued on the basis of the facts and documents as represented and submitted. However, if upon investigation, the BIR ascertains that the facts are different, then this Certificate shall be considered null and void.

Issued this 22nd day of February, 2019.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

Footnotes

1. BIR Form 1801 (Estate Tax Return) was filed on September 03, 2018 and estate tax was paid on the same date under BTr-BIR Payment Slip.
2. The tax exemption does not cover donors tax due, if any, on the waiver of rights of the other heirs of AAA in favor of GGG.

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