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

Republic Act No. 6657;
BIR Ruling No. 012-2001
#205-2018
2-20-2018

MR. EDMOND B. ROBLES
129 P. Catillo Street, Kaloocan City

Gentlemen:

This refers to your letter dated March 13, 2013, as indorsed by the Regional Director of Revenue Region No. 5; Caloocan City, dated September 17, 2013, requesting for a ruling as to whether or not the sale of agricultural land by the Land Bank of the Philippines (LBP) under Republic Act No. 6657, otherwise known as the "Comprehensive Agrarian Reform Law (CARP)" is exempt from the payment of capital gains and documentary stamp taxes.

It is represented that Land Bank of the Philippines (LBP) is the registered owner of a parcel of land identified as (Lot of the cons. subd. plan LRC Pcs- , Sht. , being a portion of the cons. of lots , and Baliuag Cad.; LRC Cad. Rec. No. , covered by Transfer Certificate of Title (TCT) No. issued by the Registry of Deeds for the Province of Bulacan; that the aforesaid property is situated at Barangay Tilapayong & Sullivan, Baliuag, Bulacan with an area of , more or less; that on December 20, 2012, a Deed of Absolute Sale pursuant to Department of Agrarian Reform (DAR) Order dated August 16, 2012 was executed by LBP conveying the agricultural land in favor of **MR. EDMOND B. ROBLES**, a farmer-allocatee and beneficiary of the said agrarian reform program.

In support of the request, the following documents were submitted by **MR. EDMOND B. ROBLES**:

1) Letter request/application for tax exemption;
2) Original copy of Transfer Certificate of Title (TCT) No. registered in the name of Land Bank of the Philippines, issued by the Registry of Deeds for the Province of Bulacan;
3) Original/duplicate copy of the Deed of Absolute Sale dated December 20, 2012;
4) Certificate of No-Improvement of TCT No. (T- issued by the Municipal Assessor of the Municipality of Baliuag, Bulacan;
5) Certified true copy of the Tax Declaration of TCT No. (T- issued by the Municipal Assessor of the Municipality of Baliuag, Bulacan;

6) Certification dated March 4, 2013 from the Provincial Agrarian Reform Office (PARO) of Bulacan, certifying that the Deed of Absolute Sale executed by and between LBP and Mr. Edmond Robles dated December 20, 2013 is covered by Section 66 of R.A. 6657 in relation to R.A. 3844;
7) Taxpayer's Identification Card of Mr. Edmond B. Robles; and
8) Other pertinent documents.

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.*:

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

Attached to the records is a Certification dated March 4, 2013 from the Provincial Agrarian Reform Office (PARO) of Bulacan, certifying that the Deed of Absolute Sale executed by and between LBP and Mr. Edmond B. Robles dated December 20, 2013 is covered by Section 66 of R.A. No. 6657, in relation to R.A. No. 3844.

Accordingly, the transfer by Land Bank of the Philippines of the aforementioned property is exempt from capital gains tax and documentary stamp tax pursuant to the aforecited provision. ***(BIR Ruling No. 012-01 dated March 14, 2001)***

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,

CAESAR R. DULAY
Commissioner of Internal Revenue

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MR. EDMOND B. ROBLES