REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Section 13, RA 8557	000-00	#229-2016

Person to Contact: Chief, Law Division
Tel. Nos. 926-55-36/ 927-09-63

Date: June 1, 2016

Philippine Judicial Academy
3rd Floor, Centennial Building
Supreme Court of the Philippines
Padre Faura, Manila

Attention: **Adolfo S. Azcuna**
Chancellor

Gentlemen:

This refers to your letters dated July 12, 2013 and October 23, 2014, requesting legal opinion on whether or not the fees collected by the Philippine Judicial Academy (PHILJA) for the use of the PHILJA Training Center (PTC) by other government and private institutions are subject to taxes.

Based on the documents submitted, it is shown that PHILJA was established by virtue of Republic Act (RA) No. 8557 as a separate component unit of the Supreme Court and operates under its administration, supervision and control. The PHILJA shall serve as a training school for justices, judges, court personnel, lawyers and aspirants to judicial posts. On July 24, 2009, the Supreme Court issued Administrative Order No. (AO) 102-2009 formally organizing the PTC as the primary training center of the PHILJA. The PTC was constructed with the help of a grant from the Japanese government and the financial aid from the World Bank. Based on AO No. 102-2009, the PTC is authorized, in order to augment its financial resources, to open its facilities for the use of other institutions for trainings, conferences, seminars, and other institutional activities, provided that such use shall not prejudice or hamper the utilization of PTC for PHILJA trainings, programs and activities.

Based on the foregoing, you now inquire on whether or not the fees collected from other government and private institutions for the use of the PTC to cover the operations costs such as water, electricity, manpower and maintenance of the PTC, are subject to taxes.

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In reply, please be informed that under Section 13 of RA 8557, it is provided that "(a)ll income, legacies, gifts and donations for the benefit of the Academy or for its support or maintenance shall be exempt from the payment of all forms of taxes, donors and donees' taxes, fees, income tax, real estate, assessments and other charges of the government, its branches and subdivisions." Clearly under said provision, fees which PHILJA may collect to cover the operation and maintenance costs of the PTC shall be exempt from all forms of taxes. This exemption from taxes includes the collection of fees collected from other government and private institutions in order to cover the operation and maintenance costs of the PTC.

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,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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