REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Par. 3, Sec. 4, Art. XIV of the 1987 Constitution; Sections 30 (E) and (H) of the NIRC of 1997, as amended; RMO Nos. 20-2013 and 44-2016
BIR Ruling Nos. 466-14 & 1111-18
SH-02 30 - 2020 MAY 19 2020

JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC.
811 J. Nakpil St. cor. Lim St., Brgy. 696
Zone 076, Malate, Manila

Attention: **Rev. Ligaya B. Javier**
President

Gentlemen:

This refers to your letter dated October 20, 2017, applying on behalf of **JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC.** for the issuance of a certificate of tax exemption enjoyed by a non-stock corporation or association organized and operated exclusively for educational purposes under Section 30(H) of the Tax Code of 1997, as amended.

It is represented that JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC. with BIR Taxpayer's Identification No. (TIN) and Certificate of Registration No. dated July 20, 2004, is a non-stock, non-profit association duly organized and existing under the laws of the Republic of the Philippines; that it is registered with the Securities and Exchange Commission (SEC) under Company Registration No. 3; and that the primary purpose[1] for which the association was incorporated *is to establish and operate an educational institution or learning center which shall provide courses study in Tertiary Education subject to the laws of the Philippines*; and that it was permitted and granted the following Government Recognitions:

RECOGNITION NO.	DEGREE/ PROGRAM	DATE ISSUED	ISSUED BY
012 s. 2008	Bachelor of Science in Business Administration, Major in Marketing Management	March 10, 2018	Commission on Higher Education-National Capital, Region, 6th Floor, Pacific Corporate Center Bldg., 131 West Avenue, Q.C.
076 s. 2008	Bachelor of Science in Information Technology	November 28, 2008	Commission on Higher Education-National Capital, Region, 6th Floor, Pacific Corporate Center Bldg., 131 West Avenue, Q.C.
008 s. 2009	Bachelor of Arts in Psychology	March 23, 2009	Commission on Higher Education-National Capital, Region, 6th Floor, Pacific Corporate Center Bldg., 131 West Avenue, Q.C.
035 s. 2009	Bachelor of Elementary Education, Majors in General and Pre- School Education	November 17, 2009	Commission on Higher Education-National Capital, Region, 2nd Floor, H.E.D.C. Bldg. CP. Garcia Avenue, U.P. Diliman, Quezon City

[1] Amended Articles of Incorporation, adopted on May 12, 2017.

SH- 0230-20
MAY 19 2020

The giving of compensation, salaries, benefits and lovegifts to the members of the Board of Trustees is considered as distribution of equity (including the net income) of JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC. This is a form of private inurement which the law prohibits in the organization and operation of a non-stock, non-profit corporation. This act violates the requirement that no part of the net income or assets of the corporation shall inure to the benefit of any individual or specific person. Thus, JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC. cannot be qualified as a non-stock, non-profit educational institution under Section 30 (H) of the National Internal Revenue Code of 1997, as amended.

Please bear in mind that, "*being a non-stock and/or non-profit corporation does not, by this reason alone, completely exempt an institution from tax*"[4]. Thus, "*statutes granting tax exemptions are construed* ***strictissimi juris*** *against the taxpayer and liberally in favor of the taxing authority. A claim of tax exemption must be clearly shown and based on language in law too plain to be mistaken. Otherwise stated, taxation is the rule, exemption is the exception. The burden of proof rests upon the party claiming the exemption to prove that it is in fact covered by the exemption so claimed*"[5]. ***(BIR Ruling No. 466-2014 dated November 19, 2014)***

In view of the foregoing, the request of JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC. to be exempted from income tax on its income as a Section 30(H) institution is hereby denied as it failed to prove that it is a non-profit corporation. Therefore, JESUS REIGNS CHRISTIAN COLLEGE FOUNDATION (JRCC), INC. shall be treated as a proprietary educational institution subject to ten percent (10%) preferential rate pursuant to Section 27(B) of the National Internal Revenue Code of 1997, as amended.

Please be guided accordingly.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

033454

COPY FURNISHED:

Revenue Region No. 6
Attention: Revenue District Office No. 33 - Intramuros-Ermita-Malate

Philippine Council for NGO Certification
6th Floor SCC Bldg., CFA-MA Compound
4427 Interior old Sta. Mesa 1013 Manila

K-1 */spf18-1044*

[4] CIR vs. St. Luke's Medical Center, Inc. [G.R. No. 195909 & G.R. No. 195960, 26 September 2012].
[5] Quezon City and The City Treasurer of Quezon City vs. ABS-CBN Broadcasting Corporation [G.R. No. 166408, 6 October 2008].