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

Section 101 (A) (3), NIRC of 1997
BIR Ruling No. 128-13 BIR Ruling No. 531-12 BIR Ruling No. 429-11
#260-2016 6-22-2016

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Date

SAINT MARY'S UNIVERSITY OF BAYOMBONG
Ponce Street, Bayombong, Nueva Vizcaya

Attention : **Rev. Renillo H. Sta. Ana, CICM**
University President

Gentlemen:

This refers to your letters dated 31 May 2012 and 06 August 2012 requesting for the issuance of a Certificate of Tax Exemption from Donor's Tax on the donations of properties made by eight (8) CICM priests in favor of **Saint Mary's University of Bayombong** pursuant to Section 101 (A) (3) of the Tax Code of 1997, as amended.

Documents submitted disclosed that the following CICM priests are the registered owners of the properties described below:

	Registered Owner/Donor	TIN	TCT NO.	LOCATION		AREA
				Brgy.	Municipality	(sq.m.)
1	Rev. Manuel D. Valencia			Masoc	Bayombong	38,909
2	Rev. Romeo G. Nimez			Masoc	Bayombong	22,490
3	Rev. Renillo H. Sta. Ana			Masoc	Bayombong	6,814
4	Rev. Jessie Hechanova			Masoc	Bayombong	30,000
5	Rev. Fernold G. Denna			Masoc	Bayombong	22,489
6	Rev. Fernold G. Denna			Masoc	Bayombong	19,960
7	Rev. Renillo H. Sta. Ana			Masoc	Bayombong	19,961
8	Rev. Jessie Hechanova			Masoc	Bayombong	19,961
9	Rev. Romeo G. Nimez			Masoc	Bayombong	18,696
10	Rev. Manuel D. Valencia			Masoc	Bayombong	7,830
11	Rev. Gilbert Sales			Masoc	Bayombong	17,513

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	Registered Owner/Donor	TIN	TCT NO.	LOCATION		AREA
				Brgy.	Municipality	(sq.m.)
12	Rev. Roderick Villamar			Masoc	Bayombong	14,621
13	Rev. Gilbert Sales			Masoc	Bayombong	15,020
14	Rev. Melanio Michael Reyes			Masoc	Bayombong	41,076
15	Rev. Roderick Villamar			Masoc	Bayombong	20,000

that **Saint Mary's University of Bayombong** (TIN) is a non-stock and non-profit educational institution organized in accordance with the law and registered with the Securities and Exchange Commission (SEC) under SEC Registration No. 3947; and that for and in consideration of the Donors' desire to help in the advancement of the cause of the donee, Deeds of donations over the above-described properties were executed on 26 August 2011 donating the above-described property to the donee; and that in support of your request, the following documents were submitted:

1) Certified true copies of the Deeds of Donations;
2) Copy of the BIR Certificate of Registration of Saint Mary's University of Bayombong and TINs of the Donors;
3) Certified true copies of the SEC Articles of Incorporation and By-Laws of Saint Mary's University of Bayombong;
4) Audited Financial Statement and Annual Income Tax Return of Saint Mary's University of Bayombong;
5) Affidavit of Undertaking;
6) Certified true copies of the titles;
7) Latest Tax Declarations of the properties;
8) Certificates of No-Improvement from the Provincial Assessor's Office;
9) Secretary's Certificate attesting the authority given by the Board of Trustees of Saint Mary's University of Bayombong; and
10) Verification and Certificate against forum-shopping

In reply, please be informed that Section 101 (A) (3) of the Tax Code of 1997, as amended, reads:

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

(A) In the Case of Gifts Made by a Resident. —

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(3) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited non-government organization, trust or philanthropic (sic) organization or research institution or organization; Provided, however, That not more than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a non-profit educational and/or charitable corporation, institution, accredited non-government organization, trust or philanthropic organization, and/or research institution or organization is a school, college or university and/or charitable corporation, accredited non-

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> government organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donations, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation."

Inasmuch as **Saint Mary's University of Bayombong** is a non-stock, non-profit educational institution, any donation to it is exempt from the payment of donor's tax pursuant to the above provisions of the Tax Code subject to the condition that not more than 30% of said gift shall be used by the donee for administration purposes. *(BIR Ruling No. 531-12 dated August 29, 2012; BIR Ruling No. 429-11 dated November 4, 2011)*

Since these are donations of real properties, the Register of Deeds shall annotate this condition at the back of the titles because failure to comply with the said condition shall be a ground for the revocation of the exemption from payment of the donor's tax. *(BIR Ruling No. 128-13 dated April 4, 2013)*

Moreover, Section 185 of Regulations No. 26, otherwise known as the Revised Documentary Stamp Tax Regulations, implementing Title VII of the Tax Code, 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 likewise not subject to the documentary stamp tax prescribed under Section 196 of the Tax Code, as amended, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Code. *(BIR Ruling No. 429-11 dated November 4, 2011)*

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,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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JUN 17 2016

Copy furnished:
The REGIONAL DIRECTOR
Revenue Region No. 3 Tuguegarao, Cagayan
ATI Bldg., Don Domingo, Tuguegarao City

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