October 7, 2019

CERTIFICATE OF TAX EXEMPTION NO. 570-19

CERTIFICATE OF TAX EXEMPTION

This certifies that the Contract Agreement dated December 12, 2018 executed by and between **Bilrey Construction** and **Hermosa Ville Homeowners Association, Inc.** for the sale of 1,368 socialized housing units located at Hermosa Ville, Brgy. San Salvador, Baras, Rizal, to wit:

Name of Housing Project	**Date of Contract Agreement**	**Name of Landowner**	**Transfer Certificates of Title** [1]	**Number of Socialized Housing Units Covered by Tax Exemption**	**Location of the Project**
Hermosa Ville	December 12, 2018	National Housing Authority [2]	M-0000, M-0000, M-0000, M-00000, M-00000, M-00000, M-000, M-00000 and M-00000	1,368	Brgy. San Salvador Baras, Rizal

which project has been classified as socialized housing intended for the families affected by the Supreme Court Mandamus to clean-up the Manila Bay Area, [3] is **not subject** to creditable withholding tax/capital gains tax and documentary stamp tax pursuant to Sections 19 and 20 of Republic Act (RA) No. 7279. Likewise, the sale by **Bilrey Construction** of residential lots valued at P1,919,500.00 and below, or house and lot and other residential dwellings valued at P3,199,200.00 and below, is VAT-exempt under Section 109 (1) (P) of the 1997 Tax Code, as amended.

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

This Certificate of Tax Exemption 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 7th day of October, 2019.

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

Footnotes

1. The TCTs were already transferred in the name of the NHA under TCT Nos. 000-0000000000, 000-0000000000, 000-0000000000, 000-0000000000, 000-0000000000, 000-0000000000, 000-0000000000, 000-0000000000 and 000-0000000000.
2 As one of the terms and conditions of the Contract Agreement dated December 12, 2018, the title to the property shall be registered under the name of the NHA to secure the payment of the loan obtained by the beneficiaries.
3. As certified by the NHA in its Certification dated March 15, 2019.

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