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

December 6, 2016

REVENUE MEMORANDUM ORDER NO. 65-2016

SUBJECT : **GUIDELINES AND PROCEDURE TO STREAMLINE THE PROCESS AND ISSUANCE OF CERTIFICATE OF TAX EXEMPTION AND ELECTRONIC CERTIFICATE AUTHORIZING REGISTRATION OF TRANSFER OF RAW LANDS INTENDED FOR SOCIALIZED HOUSING PROJECTS TO THE NATIONAL HOUSING AUTHORITY (NHA) PURSUANT TO REPUBLIC ACT (RA) NO. 7279, OTHERWISE KNOWN AS THE "URBAN DEVELOPMENT AND HOUSING ACT OF 1992"**

TO : **All Internal Revenue Officers and Others Concerned**

I. OBJECTIVES:

a. To improve the level of taxpayer service especially to the underprivileged and homeless sectors of the society;
b. To effectively facilitate and expedite the processing and issuance of Certificate of Tax Exemption (CTE) and electronic Certificate Authorizing Registration (eCAR) relative to the transfer of raw lands intended for socialized housing projects, to NHA pursuant to RA No. 7279;
c. To amplify the applicable laws and complement existing revenue issuances with the end view of decongesting voluminous requests for tax exemption on the transfer of raw lands to NHA in the Legal and Legislative Division (Law Division); and
d. To delineate the functions of the offices involved in the processing and issuance of eCAR regarding the transfer of raw lands to NHA pursuant to RA No. 7279.

II. APPLICABLE LAWS AND ISSUANCES:

1. RA No. 7279;
2. Section 109 (1)(P) of the Tax Code of 1997, as amended;
3. Sections 173 and 196 of the Tax Code of 1997, as amended;
4. Revenue Regulations (RR) No. 11-97, amending RR No. 9-93; and
5. Revenue Memorandum Circular (RMC) No. 42-01.

III. COVERAGE:

The transaction covered by this Order shall only apply to the transfer of raw lands, identified and certified for development into residential projects, to the NHA pursuant to the NHA's Housing Program under RA No. 7279 intended for the families affected by calamities, clearing of waterways, *esteros*, infrastructure projects of the Governments and those living in danger areas.

IV. PROCEDURE:

A. PROCESSING AND ISSUANCE OF THE CTE INVOLVING TRANSFER OF RAW LANDS TO NHA THAT WILL BE USED FOR SOCIALIZED HOUSING PROJECTS OF THE NATIONAL GOVERNMENT UNDER RA NO. 7279:

The applications for the issuance of CTEs shall be filed directly with the Office of the Commissioner. No application shall be processed unless the following documentary requirements are fully complied with by the requesting party/ies:

a. Certified true copy of the masterlist of socialized housing projects of the National Government duly issued by the HUDCC;
b. Certified true copy of the Deed of Sale/Donation executed by the landowner in favor of the NHA;
c. Certified true copy of the Transfer Certificate of Title /Original Certificate of Title and latest Tax Declaration of the property/ies sold/donated/transferred to NHA; and
d. Extrajudicial Settlement of Estate, in case the title of the property is still in the name of a deceased landowner, and evidence of payment of appropriate taxes.

B. ISSUANCE OF eCAR:

The RDO concerned shall undertake to process, approve and issue the necessary eCAR within five working (5) days from the date of submission of the CTE. The CTE shall be a sufficient basis for the Revenue District Officer concerned to issue the eCAR and no other documents shall be required from the taxpayer/landowner requesting for the eCAR.

The eCAR that will be issued shall particularly state that the raw land is intended for a residential project under the Housing Program of the NHA pursuant to RA No. 7279, with a lien on the title of the land annotated by the Register of Deeds having jurisdiction over the properties, to the effect that the same is to be applied or is being applied to socialized housing project pursuant to RA 7279.

V. POST-AUDIT MECHANISM:

The BIR may at anytime, conduct a post-audit evaluation and verification on whether or not the raw land has been actually developed into a residential project under the Housing Program of NHA pursuant to RA No. 7279.

VI. REPEALING CLAUSE:

All existing issuance or portions thereof which are inconsistent herewith are hereby repealed or revoked accordingly.

VII. EFFECTIVITY:

This Revenue Memorandum Order shall take effect immediately.

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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