REVENUE REGULATIONS NO. 1-2024 issued on January 15, 2024 further amends Section 2, Sub-section 4.109-1(B)(p) of Revenue Regulations (RR) No. 4-2021, as amended by RR No. 8-2021, to implement the adjustment of the selling price threshold of the sale of house and lot, and other residential dwellings for Value-Added Tax (VAT) exemption purposes.

Taken into account the Consumer Price Index (CPI) values for 2023 as published by the Philippine Statistics Authority (PSA), the new price threshold, for sale of house and lot and other residential dwellings for VAT-exemption purposes, rounded up is Three Million Six Hundred Thousand Pesos (Php 3,600,000.00) from the current threshold amount of Php 3,199,200.00, computed using the following formula:

$$\text{New Threshold} = \text{Current Threshold} \times \frac{\text{CPI (2023)}}{\text{CPI (2021)}}$$

Section 2, sub-section 4.109-1(B)(p) of RR No 4-2021, as amended by RR No. 8-2021, is further amended to read as follows:

"*Provided, That* beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business; sale of real property utilized for socialized housing as defined by Republic Act (RA) No. 7279, as amended, and, sale of house and lot, and other residential dwellings with selling price of not more than Three Million One Hundred Ninety-Nine Thousand Two Hundred (P3,199,200.00), as adjusted to **Three Million Six Hundred Thousand Pesos (Php3,600,000.00)** using the 2023 Consumer Price Index values **to take effect beginning January 1, 2024:** *Provided, further,* That every three (3) years thereafter, the amount stated herein shall be adjusted to its present value using the Consumer Price Index as published by the Philippine Statistics Authority (PSA)."