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

Certificate of Tax Exemption No:
USH-328-2021
SEP 10 2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **LAK-K BUILDERS CO.**, an entity engaged by the National Housing Authority (NHA), is exempt from project-related income taxes and creditable withholding tax pursuant to Section 20(d)(1) of Republic Act (RA) No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, on its income received directly in connection with the construction/development of **2,361** socialized housing units in **Tabaco Housing Project Phases 1 & 2**, located in Brgy. San Vicente, Tabaco City, Albay, a socialized housing project of the NHA intended for families affected by Typhoons Quinta, Rolly and Ulysses under the Build Back Better Task Force.

Moreover, the delivery of the **2,361** socialized housing units shall be exempt from value-added tax (VAT) pursuant to Section 109(1)(P) of the National Internal Revenue Code of 1997 (Tax Code), as amended, provided that the selling price thereof does not exceed P3,199,200.00[1] per house and lot package; provided further, that beginning January 1, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings.[2]

However, the purchases of goods/articles by **LAK-K BUILDERS CO.** shall be subject to VAT, even if the said purchases are to be used for the socialized housing project, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **LAK-K BUILDERS CO.** 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 _____ day of SEP 10 2021. ______.

CAESAR R. DULAY
Commissioner of Internal Revenue

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[1] As adjusted using the 2010 Consumer Price Index values per Revenue Regulations No. 8-2021.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 1, 2021 pursuant to RA No. 10963.