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

Section 101 (A) (3), NIRC of 1997
BIR Ruling No. 225-11; BIR Ruling No. 241-11; BIR Ruling No. 471-11
#325-2016

6-29-2016
Date

THE ROMAN CATHOLIC BISHOP OF PASIG, INC.
Immaculate Conception Cathedral,
Plaza Rizal, Barangay Malinao,
1600 Pasig City, Philippines

Attention: **REV. FR. ARNOLD T. ERAMIZ**
PAD-Director

Gentlemen:

This refers to your letter dated June 20, 2014, requesting for a ruling exempting from the payment of donor's tax the donation made by **VOLTAGE ELECTRICAL CONTRACTOR CORPORATION** to **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.**

Documents submitted disclosed that **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.**, with Taxpayer Identification No is a non-stock, non-profit corporation sole registered with the Securities and Exchange Commission under SEC Reg. No. that the purpose for which this religious corporation was incorporated is for the administration of its affairs, properties and temporalities; that the **VOLTAGE ELECTRICAL CONTRACTOR CORPORATION** is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Reg. No. that on March 17, 2014, a Deed of Donation was executed by **VOLTAGE ELECTRICAL CONTRACTOR CORPORATION** and duly accepted in the same Deed by **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.** wherein a property, registered under Transfer Certificate of Title No. located in the City of Taguig and containing Two Hundred Seven Square Meters (207 sq. m.) would be donated to **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.**

In support of your request you submitted the following documents:

1. Original Copy of the Deed of Donation dated March 17, 2014;
2. Original Copy Tax Declaration No. for Lot 25 Block 2 Bagumbayan, Taguig City;
3. BIR Certificate of Registration of **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.**;
4. Certified True Copy of **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.**'s Articles of Incorporation;
5. Certified True Copy of **VOLTAGE ELECTRICAL CONTRACTOR CORPORATION** Articles of Incorporation;
6. Copy of the Secretary's Certificate executed by the Corporate Secretary of **VOLTAGE ELECTRICAL CONTRACTOR CORPORATION**; and

042342

7. Transfer Certificate of Title No. 164-2013001754.

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

> "**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.* —
>
> xxx xxx xxx
>
> (3) Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited non-governmental organization, trust or philanthropic, 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. . . ."

Hence, inasmuch as the donee, **THE ROMAN CATHOLIC BISHOP OF PASIG, INC.**, is a religious organization and that the donated properties are to be exclusively devoted for religious purposes, donation to it is exempt from the payment of donor's tax pursuant to Section 101 (A) (3) of the Tax Code of 1997, as amended, subject to the condition that not more than 30% of said gift shall be used by the donee for administration purposes. In case of donation of real property, the Register of Deeds shall annotate this condition at the back of the title because failure to comply with the said condition shall result in subjecting the donation to donor's tax. Section 185 of Regulations No. 26, otherwise known as the Revised Documentary Stamp Tax Regulations, implementing Title VII of the NIRC, provides that conveyances of realties not in connection with a sale, to trustees or other persons without consideration are not taxable. *(BIR Ruling No. 225-2011 dated July 13, 2011; BIR Ruling No. 241-2011 dated July 22, 2011)*

Accordingly, the deed of donation is likewise not subject to the documentary stamp tax prescribed under Section 196 of the Tax Code of 1997, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Tax Code. *(BIR Ruling No. 225-2011 dated July 13, 2011; BIR Ruling No. 241-2011 dated July 22, 2011)*

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed 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

042342
JUN 24 2016

K-I-NRA