



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

Certificate of Tax Exemption No:

NSH - 350 - 2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **BBBJR DESIGN, BUILD AND SUPPLY**, with Taxpayers Identification Number (TIN) _____ an entity engaged by the Local Government Unit (LGU) of Santa, Ilocos Sur, 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 land development and housing construction of Santa Resettlement Project Phase 2 consisting of 50 Socialized housing units located at Brgy. Labu Norte, Santa, Ilocos Sur, intended for the benefit of the informal settler families living in danger areas under the NHA's National Shelter Program. Moreover, the delivery of 50 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 per house and lot package; provided further, that beginning January 01, 2021, the exemption from VAT shall only apply to sale of house and lot and other residential dwellings with selling price of not more than P3,199,200.00.

However, the purchases of goods/articles by **BBBJR DESIGN, BUILD AND SUPPLY** 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 **BBBJR DESIGN, BUILD AND SUPPLY** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing projects.

Moreover, the Absolute Deed of Sale (ADOS) in Favor of the Local Government Unit of Santa, Ilocos Sur and the Landowner described below, to wit:

Date	Name of Landowner	Tax Declaration No.	Area (sq. m.)	Transferred (sq. m.)	Location
July 14, 2021	Atty. Benjamin E. Martinez	TD No.			

which will be used for the above mentioned socialized housing project, is not subject to income tax/capital gains tax/expanded withholding tax pursuant to Sections 20 of RA No. 7279 and to VAT pursuant to Section 109 (1) of the Tax Code of 1997, as amended. The transaction is, however, subject to documentary stamp tax under Section 196 of the Tax Code of 1997, as amended, based on the actual consideration of the property transferred considering that one of the parties is the Government.

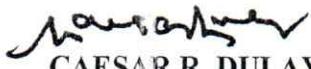
It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended and shall not be construed as giving authority to the concerned Register of Deeds (RD) to effect transfer of the land tiles in the name of the buyer without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under Revenue Memorandum Order (RMO) No. 15-2003, shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

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Upon application for exemption, a lien on the titles of the land shall be annotated by the concerned RD having jurisdiction over the properties, to the effect that the same are to be applied or are being applied to a socialized housing project pursuant to RA No. 7279.

This Certificate of Tax Exemption (CTE) 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 JUN 30 2022, _____.


CAESAR R. DULAY
Commissioner of Internal Revenue

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