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

R.A. No. 8525 & RR No. 10-2003
BIR Ruling No. 1349-2018
OT-348-2022
JUN 30 2022

Alsons Development and Investment Corporation
329 Bonifacio St., Davao City 8000

Attention: **Mr. Amado C. Bernardino**
Assistant General Manager
Management Services Group

Gentlemen:

This refers to your letter dated May 31, 2013 filed with the Large Taxpayer's Service (LTS) and indorsed to this Office requesting the availment of tax incentives under the Adopt-A-School Act of 1998 or Republic Act (R.A.) No. 8525 covering the donation of the following:

	Donated Item	**Amount (PhP)**
1	Wage Subsidy of one (1) non-DepEd plantilla teacher for San Jose Elementary School located in Eden, Toril Davao City	PhP
2	Wage Subsidies of three (3) non-DepEd plantilla teacher for Cabantian National High School located in Cabantian Davao City	
3	School Ground Improvement and Landscaping work of Cabantian National High School located in Cabantian Davao City	
	Total Amount	**Phl**

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In reply, please be informed that Revenue Regulations (RR) No. 10-2003 implementing R.A. No. 8525, otherwise known as "An Act Establishing an 'Adopt-A-School Program,' Providing Incentives Therefore, and for Other Purposes," provides for the procedure in availing of said incentives:

"Section 6. Procedures for the Availment of Tax Incentives under the Program by the Adopting Private Entity. In order to avail of the tax incentives provided for under these Regulations, the following procedures and requirements should be complied with, *viz*:

(a) National Secretariat shall endorse to the RDO of the Bureau of Internal Revenue (BIR) having jurisdiction over the place of business of the adopting private entity, copy furnished the RDO having jurisdiction over the property if the donation or contribution is in the form of real property, the following:

(i) duly notarized/approved Agreement;
(ii) duly notarized Deed of Donation;
(iii) Official receipts or any document showing the actual value of the contribution/donation;
(iv) Certificate of Title and Tax Declaration, if the donation is in the form of real property; and
(v) Other adequate records showing the direct connection or relation of the expenses being claimed as deduction/donation to the adopting private entity's participation in the Program, as well as showing or proving receipt of the donated property.

(b) Adopting private entity shall submit application for entitlement to the additional 50% special deduction from the gross income, and for exemption from donor's tax to the RDO having jurisdiction over the place of business of the adopting private entity, copy furnished the RDO having jurisdiction over the donated real property.".

Considering that the foregoing Revenue Regulations is clear on the conditions and substantiation requirements that must be satisfied by Alsons Development and Investment Corporation (ALDEVINCO) before it is allowed to claim the incentives under the Adopt-A-School Program of R.A. No. 8525, and that it has already submitted its application with the LTS as a large taxpayer within its jurisdiction, this Office sees no need to issue a Ruling on the availment of incentives by ALDEVINCO in relation to the foregoing donations it made to San Jose Elementary School located in Eden, Toril Davao City and Cabantian National High School located in Cabantian, Davao City.

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For purposes of ALDEVINCO's entitlement to the full deductibility of the contribution/ donation from gross income of the donor under Section 34 (H)(2)(a) of the Tax Code of 1997, as amended,[1] ALDEVINCO must present a certification from the NEDA that the contributions/donations to San Jose Elementary School located in Eden, Toril Davao City and Cabantian National High School located in Cabantian, Davao City are in accordance with priority programs, projects and activities included in the current National Priority Plan. Otherwise, a donation not in accordance with the National Priority Plan is subject to limited deductibility or deduction to an amount not exceeding 10% in the case of an individual and 5% in the case of a corporation of the taxpayer's taxable net income as computed without the benefit of this deduction. (BIR Ruling No. 223-11 dated July 12, 2011)

Please be guided accordingly.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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[1] "(a) Donations to the Government. – Donations to the Government of the Philippines or to any of its agencies or political subdivisions, including fully-owned government corporations, exclusively to finance, to provide for, or to be used in undertaking priority activities in education, health, youth and sports development, human settlements, science and culture, and in economic development according to a National Priority Plan determined by the National Economic and Development Authority (NEDA), in consultation with appropriate government agencies, including its regional development councils and private philanthropic persons and institutions; Provided, That any donation which is made to the Government or to any of its agencies or political subdivision not in accordance with the said annual priority plan shall be subject to the limitations prescribed in paragraph (1) of this Subsection."