REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Sections 34 (H) and 101 of the Tax Code, as amended;
BIR Ruling No. 600-2018
OT-391-2022
SEP 19 2022

Department of Science and Technology
Science and Technology Information Institute
DOST Complex, Gen. Santos Ave.
Bicutan, Taguig City

Attention: **Richard P. Burgos**
Director

Gentlemen:

This refers to your request for the issuance of a ruling that will govern the availment of tax incentives available to donors in connection with the official science broadcast program of the **Department of Science and Technology** (**"DOST"**) titled *"DOSTv: Science for the People"* ("DOSTv"), which is being operated by the **Science and Technology Information Institute** (**"DOST-STII"**).

The DOSTv is the official weather and science program of the DOST which communicates science to the people, promotes a culture of science and technology, and encourages the youth to pursue science, technology, engineering and mathematics. It is represented that the DOSTv is included in the National Economic and Development Authority's ("NEDA") National Priority Plan ("NPP") for the years 2019 to 2022.

In reply, ***Section 101 of the National Internal Revenue Code of 1997 ("Tax Code"), as amended***, exempts from donor's tax gifts or donations made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government.

As the DOST is a Government Agency created pursuant to Executive Order No. 128, series of 1987, any gifts or donations made to it is exempt from donor's tax.

As to the deductibility of donations, ***Section 34 (H) of the Tax Code, as amended***, states that gifts or donations made to the Government of the Philippines or to any of its agencies is deductible in full from the donor's gross income provided that the gifts or donations shall be used to exclusively finance, or to be used in undertaking priority activities, in education, health, youth and sports developments, human settlements, science and culture, and in economic development according to a NPP determined by the NEDA. However, if the gifts or donations made to the Government or its agencies is not included in NEDA's NPP, the deductions shall be limited to ten percent (10%) in case of an individual or five percent (5%) for corporations, of the taxpayer's taxable income derived from trade, business or profession.

In applying the foregoing, donations made in favor of the DOST-STII in order to finance the DOSTv program during the years 2019 to 2022 are entitled to full deductibility provided that the DOSTv is included in the NEDA's NPP. However, for donations made during the years without the NEDA's certification of inclusion in the NPP, the same shall be subject to the 10% or 5% limitation, as the case may be.

The 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,

Lili C. Gulle

LILIA CATRIS GUILLERMO
Commissioner of Internal Revenue

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