REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Sec. 94(a)(2) of the 1977 Tax Code	000-00	534-2017 11-17-2017

Person to Contact: Chief, Law Division
Tel. Nos. 926-55-36/ 927-09-63

NATIONAL HOUSING AUTHORITY
Pinatubo Project Office
Block 69, Administration Bldg., EPZA Resettlement Project
Pulung Cacutud, Angeles City

Attention: **INES C. GONZALES**
OIC-Project Manager
Bataan/Pamp./Zambales Projects
Region III-B, NCL

Gentlemen:

This refers to your letter dated July 20, 2015, requesting for donor's tax exemption on the donation of real property in favor of the Republic of the Philippines through the Mt. Pinatubo Commission.

Documents submitted disclosed that Joaquin J. Gonzales, III (1/10), Zenaida S. Gonzales (1/10), Reinerio S. Gonzales (1/10), Jesus S. Gonzales (2/10), Ernesto S. Gonzales (1/10), Eduardo G. Gonzales (1/10), Dorita S. Gonzales (1/10), Alfonso S. Gonzales (1/10) and Ignacio B. Guiao are the registered owners of parcel of land (road lot) with an area of five hundred seventy thousand eighty two square meters (570,082 sq.m.) covered by Transfer Certificate of Title (TCT) No. issued by the Registry of Deeds for San Fernando, Pampanga situated in Barangay Pandacaqui, Mexico, Pampanga; that on November 26, 1996, a Deed of Donation was executed by Ernesto S. Gonzales, for himself and as Attorney-in-Fact of his co-heirs, donating the subject property to the Government of the Republic of the Philippines through the Mt. Pinatubo Commission (MPC), created pursuant to Republic Act (RA) No. 7637.

It is represented that the donated parcel of land was converted by MPC into Pandacaqui Resettlement Site intended for families displaced by the eruption of Mt. Pinatubo in June 1991; that upon the dissolution of MPC, the Pinatubo Project Management Office (PPMO) under the direct supervision of the Housing and Urban Development Coordinating Council (HUDCC) was created by virtue of Executive Order (EO) No. 6, series of 2014 to continue the operation of the MPC; that on August 1, 2016, the control, administration, supervision and management of Pinatubo Projects were transferred from PPMO-HUDCC to the National Housing Authority

534-2017
11-17-2017

(NHA) by virtue of EO No. 552 which is implemented by a Trust Agreement between HUDCC and NHA; that pursuant to the said EO and Trust Agreement, NHA is presently undertaking the completion of unfinished business of the PPMO, the documentation of award of houses and lots to Pinatubo victim-awardees and the management and supervision of the Pinatubo Projects ; and that the NHA is now in the process of transferring the donated lot/s in the name of the Republic of the Philippines to be able to transfer and convey the same in favor of the 3,144 Pinatubo victim-awardees relocated in Pandacaqui Resettlement Site.

However, the donated property was subsequently subdivided into several lots/ derivative titles, to wit:

Cancelled
TCT No. Lot 1, 570,082 sq.m.

Cancelled	Derivative title	Derivative title	Cancelled
TCT No. Lot 1-A, 52,374 sq.m.	TCT No Lot 1-B, 154,270 sq.m.	TCT No. Lot 1-C, 171,027 sq.m.	TCT No. Lot 1-D, 192,411 sq.m.

Derivative titles
TCT No. Lot 1-A-1, 8,972 sq.m.
TCT No. Lot 1-A-2, 390 sq.m.
TCT No. Lot 1-A-3, 283 sq.m.
TCT No. Lot 1-A-4, 200 sq.m.
TCT No. Lot 1-A-5,250 sq.m.
TCT No. Lot 1-A-6, 250 sq.m.
TCT No. Lot 1-A-7, 33,279 sq.m.
TCT No. Lot 1-A-8, 2,000 sq.m.
TCT No. Lot 1-A-9, 203 sq.m.
TCT No. Lot 1-A-10, 6,547 sq.m.

Derivative titles
TCT No. Lot 1-D-1, 174,211 sq.m.
TCT No. Lot 1-D-2, 2,348 sq.m.
TCT No. Lot 1-D-3, 6,728 sq.m.
TCT No. Lot 1-D-4, 228 sq.m.
TCT No. Lot 1-D-5, 3,075 sq.m.
TCT No. Lot 1-D-6, 5,821 sq.m.

You now request for a donor's tax exemption on the donation of the property subject of the Deed of Donation dated November 26, 1996.

In reply, please be informed that the donation by the landowners to the MPC of the subject property covered by (TCT) No. 393179-R is exempt from donor's tax in view of then Section 94(a)(2) of the 1977 Tax Code, as amended, which provides that gifts 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 shall be exempt from tax.

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,

CAESAR R. DULAY
Commissioner of Internal Revenue

K-1-JRC

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