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

Certificate of Tax Exemption No: NSH- 457-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **L.R. De Guzman Construction,** with Taxpayer Identification Number (TIN)), an entity engaged by the **National Housing Authority (NHA),** is exempt from project-related income taxes/creditable withholding tax (CWT) 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 construction/procurement of completed six (6) three (3) – Storey Low-Rise Buildings (LRBs) with 216 socialized housing units in **1-Bataan Village Phase 1**, a socialized housing project of the NHA located at Brgy. Daan Pare, Orion, Bataan, intended for the informal settler families (ISFs)[1] living in danger areas who are qualified for housing assistance.

Moreover, the delivery of the said completed six (6) three (3) LRBs with 216 socialized housing units shall be exempt from value-added tax (VAT) pursuant to Section 109 (1) (P) of the National Internal Revenue Code (Tax Code) of 1997, 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[2] with selling price of not more than P3,199,200.00.[3]

However, the purchases of goods/articles by **L.R. De Guzman Construction** shall be subject to VAT, even if the said purchases are to be used for the socialized housing project, since VAT is an indirect tax which can be passed on by the seller of the goods/services. It shall be understood that **L.R. De Guzman Construction** must issue VAT-exempt official receipts on its gross receipts from the said socialized housing project.

Furthermore, the sale/transfer by the Landowner/s to the Municipality of Orion, Bataan, over the parcels of land described below, to wit:

Date of Sale	Name of Landowner/s	Transfer Certificate of Title (TCT)	Area (Sq. m.)	Area Transferred (Sq. m.)	Location
-	Ramon Jayme; Ramon Gonzalez Jayme, Jr.; Joseph Gonzalez Jayme; and Samuel Patrick Gonzalez Jayme, married to Priska Kaspar Jayme		27,417	27,417[4]	Orion, Bataan

[1] Bagong Pag-asa Homeowners Association, Inc.
[2] Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.
[3] As adjusted using the 2010 Consumer Price Index values per Revenue Regulations (RR) No. 8-2021 dated June 11, 2021.
[4] No sale yet but pursuant to Civil Case No. 10498, Municipality of Orion, as Plaintiff, vs. Ramon Jayme, Ramon G. Jayme, Jr., Joseph G. Jayme, Samuel Partick *(sic)* Jayme, as Defendants, the Regional Trial Court of Bataan, Third Judicial Region, Branch 3, Balanga City, ordered the Defendants or their authorized representative to execute a deed of sale and shall surrender all documents and papers to effect the transfer of the 27,417 square meters in the name of the Plaintiff.

Date of Sale	Name of Landowner/s	Transfer Certificate of Title (TCT)	Area (Sq. m.)	Area Transferred (Sq. m.)	Location
April 30, 2019	Luz Angeles Rodriguez, married to Rolando Pizarro Rodriguez		31,579	31,579	Orion, Bataan
March 21, 2019	Purita L. Gavieres, married to Agustin L. Gavieres		3,437	3,437	
			3,506	3,506	

which have been identified and qualified for development into a residential project under the Supreme Court's Mandamus to clean up, rehabilitate and preserve Manila Bay Area to accommodate ISFs living in danger areas who are qualified for housing assistance[8], is not subject to income tax/capital gains tax/expanded withholding tax pursuant to Section 20 of RA No. 7279 and to VAT pursuant to Section 109 (1) (P) of the Tax Code of 1997, as amended. However, the sale/transfer is subject to documentary stamp tax imposed 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 contracting parties is the Government.

Upon application for exemption, a lien on the titles of the land shall be annotated by the Register of Deeds 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.

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 to effect transfer of the land titles in the name of the NHA without the necessary certificate of authority to register issued by this Bureau. In this regard, this CTE shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the Certificate Authorizing Registration (CAR). The CAR shall only be issued after submission of the complete requirements provided under Revenue Memorandum Order (RMO) No. 15-2003.

This 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 DEC 13 2021, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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[5] Already in the name of the Municipality of Orion under TCT No.
[6] Already in the name of the Municipality of Orion under TCT No.
[7] Already in the name of the Municipality of Orion under TCT No.
[8] Per Certification of the NHA dated July 13, 2021.