REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Sec 101(A)(2) of the Tax Code of 1997
BIR Ruling No. 175-11 BIR Ruling No. 387-11 BIR Ruling No. 300-11
564-2017

12-7-2017

AZUCENA D. SANTAYANA
14 Rizal St., San Juan, Metro Manila

Madam:

This refers to your letter dated October 2, 2012 requesting exemption from the payment of donor's tax on the donation of a parcel of land to the Municipal Government of Unisan, Quezon to be used exclusively for the objectives and purposes of Gawad Kalinga Community Development foundation such as residential, livelihood, multi-purpose, Sibol School and other purposes to complete the model Gawad Kalinga Community.

It is represented that Glen Santayana married to Elizabeth Chua, with Taxpayer's Identification No. , is the registered owner of parcel of land covered by Transfer Certificate of Title No. situated in Brgy. Ibabang Kalilayan, Unisan, Quezon, containing areas of Fifty Two Thousand Thirty Five square meters (52,035 sq.m.). On the other hand, Municipal Government of Unisan, Quezon with Taxpayer's Identification No. , is a local government unit created by law, organized and existing under the laws of the Republic of the Philippines; and that on July 22, 2008, a Deed of Donation was executed whereby the owner through his attorney-in-fact, Azucena D. Santayana, transfers and conveys a portion of the subject property or Twenty Five Thousand square meters (25,000 sq.m.) to the Municipal Government of Unisan, Quezon.

In reply, please be informed that under Section 101(A) (2) of the Tax Code of 1997, as amended, 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 Government are exempt from donor's tax.

Considering that the above donation was made, in so far as the **Twenty Five Thousand square meters (25,000 sq.m.)** portion thereof of the property covered by TCT No. is concerned, by the owner in favor of Municipal Government of Unisan, Quezon, a political subdivision of the Government, said donation, therefore, is exempt from donor's tax. (BIR Ruling No. 175-11 dated May 27, 2011)

Moreover, the Deed of Donation is not subject to documentary stamp tax. However, the acknowledgment on said deed is subject to the documentary stamp tax of P15.00 imposed under Section 188 of the Tax Code of 1997, as amended. (BIR Ruling No. 387-11 dated October 18, 2011 and BIR Ruling No. 300-11 dated May 12, 2011)

Lastly, the Register of Deeds shall annotate the Deed of Donation at the back of the Transfer Certificate of Title because failure to comply with particular terms therein shall be a ground for the revocation of the donation pursuant to Article 764 of the New Civil Code.

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

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