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

Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended;
BIR Ruling No. 311-2014;
#319-2017
6-28-2017

TECHNOLOGICAL UNIVERSITY OF THE PHILIPPINES
Carlos Q. Trinidad Ave., Salawag,
Dasmariñas City, Cavite

Attention: MYRNA M. TEPORA, Ph.D.
Campus Director

Gentlemen:

This refers to your letter dated December 07, 2015, received by this Office on December 10, 2015, requesting exemption from payment of donor's tax on the donation of four parcels of land made between the **BANCO DE ORO (BDO) UNIBANK, INC. (formerly Equitable PCIBank)** (hereinafter referred to as the "**DONOR**") in favor of the **TECHNOLOGICAL UNIVERSITY OF THE PHILIPPINES** (hereinafter referred to as the "**DONEE**").

It is represented that the **DONOR** with Taxpayer Identification Number (TIN) and with principal address at BDO Corporate Center, 7899 Makati Avenue, Makati City, is a universal banking institution duly organized and existing under and by virtue of the laws of the Republic of the Philippines; that it is the registered owner of four parcels of land covered by Transfer Certificate of Title (TCT) No. T- containing an area of Forty Three Thousand Five Hundred Forty (43,540) square meters, of the Registry of Deeds for the Province of Cavite, particularly described as follows:

TCT No.

"A parcel of land (Lot 2 of the cons. subd. plan Pcs- being a portion of the cons. of lots. 5847-B-2, 5847-B-3 & 5847-B-6, all of (LRC), Psd- (LRC) Rec. No. , situated in the Brgy. of Salitran, Mun. of Dasmariñas, Province of Cavite, Island of Luzon. Bounded on . . . . .containing an area of FORTY THREE THOUSAND FIVE HUNDRED FORTY (43,540) SQUARE METERS. . . . ."

Transfer Certificate of Title (TCT) No. T- containing an area of Three Thousand Eight Hundred Ninety Nine (3,899) square meters, of the Registry of Deeds for the Province of Cavite, particularly described as follows:

TCT No. T

"A parcel of land (Lot 3 (ROAD LOT) of the cons. subd. plan Pcs- , being a portion of the cons. of lots. 5847-B-2, 5847-B-3 & 5847-B-6, all of (LRC), Psd- (LRC) Rec. No. situated in the Brgy. of Salitran, Mun. of Dasmariñas, Province of Cavite, Island of Luzon. Bounded on . . . . .containing an area of THREE THOUSAND EIGHT HUNDRED NINETY NINE (3,899) SQUARE METERS. . . . .

Transfer Certificate of Title (TCT) No. T- containing an area of One Thousand One Hundred Four (1,104) square meters, of the Registry of Deeds for the Province of Cavite, particularly described as follows:

TCT No. T-

"A parcel of land (Lot 4 (ROAD LOT) of the cons. subd. plan Pcs- , being a portion of the cons. of lots. -B-2, 5847-B-3 & 5847-B-6, all of (LRC), Psd- (LRC) Rec. No. , situated in the Brgy. of Salitran, Mun. of Dasmariñas, Province of Cavite, Island of Luzon. Bounded on . . . . .containing an area of ONE THOUSAND ONE HUNDRED FOUR (1,104) SQUARE METERS. . . .

and Transfer Certificate of Title (TCT) No. T-1059928 containing an area of Ten Thousand Nine Hundred Eighty Five (10,985) square meters, more or less, of the Registry of Deeds for the Province of Cavite, particularly described as follows:

TCT No. T-

"A PARCEL OF LAND (lot 5847-B-8, of the subd. plan (LRC) Psd-315404, approved as a nons-subd. project, being a portion of Lot 5847-B (LRC) Psd-203721, LRC Rec. No. 8843) situated in the Bo. of Salitran, Mun. of Dasmariñas, Province of Cavite, Island of Luzon. Bounded on . . . . .containing an area of TEN THOUSAND NINE HUNDRED EIGHTY FIVE (10,985) SQUARE METERS, MORE OR LESS. . . .

that on the other hand, the **DONEE**, with Taxpayer Identification Number (TIN) 000-824-548-002 and with principal office at Ayala Boulevard corner San Marcelino Street, Ermita Manila, is a state university established by virtue of Presidential Decree (PD) No. 1518; that on March 25, 2013, the **DONOR**, represented by its *Senior Vice President*, Evylene C. Sison, executed a Deed of Donation in favor of the **DONEE**, represented by its *President*, Dr. Olympio V. Caparas, conveying to the latter the above-described parcels of land in view of the significant impact of the **DONEE's** mission which is supportive of the declared national policy of accelerating human resources education in national development in all its facets; and that the **DONEE** accepted the donation under the conditions set forth as embodied in the same instrument.

In reply, please be informed that Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended, provides that:

"SEC. 101. Exemption of Certain Gifts. - The following gifts or donations shall be exempt from the tax provided for in this Chapter:

xxx xxx xxx

(2) 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;

xxx xxx xxx"

In view of the foregoing, since the donation is made to or for the use of the **TECHNOLOGICAL UNIVERSITY OF THE PHILIPPINES** which is a state-owned institution, the aforementioned donation of four parcels of land is exempt from the payment of donor's tax pursuant to Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended.

Moreover, Section 185 of Regulations No. 26, otherwise known as the Revised Documentary Stamp Tax Regulations, implementing Title VII of the National Internal Revenue Code of 1997, as amended, provides that conveyances of realties not in connection with a sale, to trustees or other persons without consideration are not taxable. Accordingly, the Deed of Donation is not subject to the documentary stamp tax prescribed under Section 196 of the National Internal Revenue Code of 1997, as amended, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Code. ***(BIR Ruling No. 311-2014 dated August 4, 2014)***

Furthermore, if the donor is a VAT-registered person and the donation is an ordinary asset, the donation is subject to VAT pursuant to Section 4.106-7 of Revenue Regulations (RR) No. 16-2005, as amended, the same being considered a transaction deemed sale. But, if the donor is not a VAT-registered person, the donation is exempt from VAT.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be ascertained that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue
007303

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