



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Bureau of Internal Revenue Ruling

Sec 4, 25 of RA 9500	287-2018
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Person to Contact: Chief, Legal and
Legislative Division
Tel Nos. 926-55-36 / 927-09-63

February 27, 2018
Date

UNIVERSITY OF THE PHILIPPINES LOS BAÑOS
Laguna, Philippines 4031

Attention: **HON. REX VICTOR O. CRUZ**
Chancellor

Gentlemen:

This refers to your undated letter received by this Office on July 7, 2014 requesting a confirmation of your opinion that the donation made by **INTERNATIONAL RICE RESEARCH INSTITUTE (IRRI)** to the **UNIVERSITY OF THE PHILIPPINES LOS BAÑOS' MAKILING CENTER FOR MOUNTAIN ECOSYSTEMS (MCME)** of the **COLLEGE OF FORESTRY AND NATURAL RESOURCES (CFNR)** is exempt from Donor's Tax.

On October 17, 2013, the **IRRI** executed in favor of the **UNIVERSITY OF THE PHILIPPINES LOS BAÑOS** a Deed of Donation covering the donation of a 1991 Toyota Hi-Lux Pick-up for the official use of the MCME of the CFNR, more specifically described as follows:

Make/Type :
Motor No. :
Chassis No. :
Plate No. :
Color :

In support of such claim for exemption from Donor's Tax, **UNIVERSITY OF THE PHILIPPINES LOS BAÑOS** invokes Section 25 of Republic Act No. 9500, otherwise known as the "University of the Philippines Charter of 2008", which provides:

"Sec. 25. Tax Exemptions. - The provisions of any general or special law to the contrary notwithstanding:

"(a) All revenues and assets of the University of the Philippines used for educational purposes or in support thereof shall be exempt from all taxes and duties;

"(b) Gifts and donations of real and personal properties of all kinds shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended: Provided, That the allowable deductions shall be equivalent to 150 percent of the value of such donation. Valuation of assistance other than money shall

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be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of property in case said property has been used;

xxx

“(d) The University shall only pay 0% value-added tax for all transactions subject to this tax; and xxx”

In relation to this, Section 4 of the same law provides:

Sec. 4. The University System. - The University of the Philippines is a university system and shall be composed of constituent universities established solely by its Board of Regents upon the recommendation of the President of the University. The University of the Philippines System is composed of its existing constituent universities, as follows: University of the Philippines Diliman; University of the Philippines Manila; University of the Philippines Los Baños; University of the Philippines Visayas; University of the Philippines Mindanao; University of the Philippines Baguio; University of the Philippines Open University; and those that may be created in the future. It is referred to in this law as the "National University."

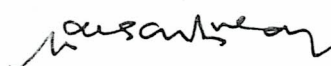
In reply, please be informed that gifts and donations of real and personal properties to the **UNIVERSITY OF THE PHILIPPINES** are exempt from Donors' Tax. The **UNIVERSITY OF THE PHILIPPINES LOS BAÑOS** being a constituent university of the **UNIVERSITY OF THE PHILIPPINES**, the donation of a 1991 Toyota Hi-Lux Pick-up by IRRI to it is exempt from Donor's Tax.

It should be noted that the purchase of the vehicle was previously exempted from VAT and *ad valorem* tax (excise tax), thus, subsequent transfers are subject to both the VAT and excise tax. However, Section 25 of Republic Act No. 9500 also exempts **UNIVERSITY OF THE PHILIPPINES LOS BAÑOS**, from excise tax and imposes VAT at zero-percent.

Lastly, the acknowledgment on the Deed of Donation is subject to documentary stamp tax of P15.00 imposed under Section 188 of the same Code. (*BIR Ruling No. 024-10 dated August 4, 2010*)

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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