REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

Sec. 101(A)(2); 196, 1997 NIRC, as amended
BIR Ruling No. 316-2014 BIR Ruling No. 163-2014
#327-2016
6-29-2016

Bureau of Fire Protection
Gloria, Oriental Mindoro

Attention : <u>SSupt Ireneo P. Palicpic</u>
OIC- Regional Director, Region 4-B

Gentlemen:

This refers to your letter dated July 14, 2015 requesting for an exemption from donor's tax on the donation made by the Municipal Government of Gloria, Oriental Mindoro of a parcel of land to the Bureau of Fire Protection (BFP) of Gloria, Oriental Mindoro.

Documents submitted show that the Municipal Government of Gloria, Oriental Mindoro (TIN) is the registered owner of a real property situated at Poblacion, Gloria, Oriental Mindoro as evidenced by Transfer Certificate of Title (TCT) No. and described as Lot No. 6, Block 31, Psd-73381. It is covered by Tax Declaration No. with Property Index No. containing an area of 526 sq.m. On the other hand, the BFP of Gloria, Oriental Mindoro (TIN) is one of the units under the municipal government created and organized in accordance with Philippine laws. By way of Resolution No. 79 Series of 2015, the Office of the Sangguniang Bayan of Gloria, Oriental Mindoro authorized the Municipal Mayor, in behalf of the local government unit, to enter into and sign the said Deed of Donation and transfer to BFP of Gloria, Oriental Mindoro the lot intended for the construction of the BFP Station building. The afore-stated municipality on June 15, 2015, thru a Deed of Donation, transferred and conveyed to BFP of Gloria, Oriental Mindoro, as represented by SFO1 Herminio Mapacpac Lazo, its Acting Municipal Fire Marshall, who accepted the subject property.

In reply, please be informed that Section 101(A)(2) of the Tax Code of 1997 provides that:

> "SEC. 101. Exemption of Certain Gifts. — The following gifts or donations shall be exempt from the tax provided for in this Chapter:
>
> (A) In the Case of Gifts Made by a Resident. —
> (1) 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; and
>
> xxx xxx xxx"

In view of the foregoing, this Office is of the opinion as it hereby rules that the donations of real property above-described in favor of BFP of Gloria, being an entity created by an agency of the National Government and is not conducted for profit, is exempt from donor's tax. (BIR Ruling No. 163-2014 dated May 30, 2014)

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Moreover, the transfer of realty under the Deed of Donation is not subject to the documentary stamp tax. However, the notarial acknowledgment on the 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. 316-2014 dated August 11, 2014)

It is understood that this ruling is never intended and shall not be construed as giving authority to the Register of Deeds for Calapan, Mindoro Oriental, to effect transfer of the land title in the name of the donee without the necessary certificate of authority to register issued by this Bureau. In this regard, this ruling shall be presented to Revenue District Office (RDO) No. 63, Calapan, Mindoro Oriental, in order for the latter to issue the Certificate Authorizing Registration (CAR). The CAR shall only be issued after the submission of the requirements provided under Revenue Memorandum Order (RMO) No. 15-2003.

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 as null and void.

Very truly yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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