



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Certificate of Tax Exemption No:

NSH- 427 - 2022

NOV 11 2022

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **EDMOND RAY CONSTRUCTION AND SUPPLY**, an entity engaged by the **National Housing Authority (NHA)**¹, is exempt from project-related income tax and creditable withholding tax 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 housing construction of 164 (82 Duplex) socialized housing units in Cagayan de Oro Housing Project located at Brgy. San Simon, Cagayan de Oro City, under the Resettlement Assistance Program for the Local Government Unit of Cagayan de Oro City, intended for the underprivileged and homeless. Moreover, the delivery of 164 (82 Duplex) socialized housing units shall be exempt from value-added tax (VAT) pursuant to Section 109 (1)(P) of the National Internal Revenue Code of 1997 (Tax Code), as amended, provided that the selling price/value thereof does not exceed P3,199,200.00² 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 dwellings³ with selling price of not more than P3,199,200.00.

However, the purchases of goods/articles by **EDMOND RAY CONSTRUCTION AND SUPPLY** 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 **EDMOND RAY CONSTRUCTION AND SUPPLY** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deed of Absolute Sale executed by the Landowner in favor of the City Government of Cagayan de Oro over the parcel of land described below, to wit:

Date of Deed of Absolute Sale	Name of Landowners /Sellers	Original Certificate of Title	Area (Sq.m.)	Area Transferred (Sq. m.)	Location
May 07, 2021	Heirs of Josefina Lim Pung	P.			

which shall be used for the above-mentioned socialized housing project is **not subject** to **capital gains tax** pursuant to Section 20 (d)(2) of Republic Act (RA) No. 7279, as amended, and to VAT pursuant to Section 109 (1)(P) of the Tax Code of 1997, as amended. The

¹ Per Contract Agreement dated October 18, 2021.

² As adjusted using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021 dated June 11, 2021.

³ Sale of lot only, regardless of the price, shall be subject to VAT starting January 01, 2021 pursuant to RA No. 10963.

⁴ Now TCT No.

under the name of the City Government of Cagayan de Oro.

transaction is, however, **subject to documentary stamp tax** 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 parties is the Government.

It is, however, understood that this Certificate of Tax Exemption (CTE) is never intended, and shall not be construed, as giving authority to concerned Register of Deeds to effect transfer of the land title in the name of the City Government of Cagayan De Oro without the necessary Certificate Authorizing Registration (CAR) issued by this Bureau. In this regard, this CTE, together with the documentary requirements provided under RMO No. 15-2003, shall be presented to the Revenue District Office (RDO) concerned in order for the latter to issue the CAR.

Upon application for exemption, a lien on the title of the land shall be annotated by the Register of Deeds having jurisdiction over the property, to the effect that the same is to be applied to socialized housing project pursuant to RA 7279.

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 _____, _____.

K-1-JAC

Lilia C. Guillermo
LILIA CATRIS GUILLERMO
Commissioner of Internal Revenue
002409