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

Certificate of Tax Exemption No:
NSH-301-2021

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **PHINTECSTAR CONSTRUCTION, INC.**, an entity engaged by the **National Housing Authority (NHA)**[1], is exempt from project-related income taxes 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 construction/development of 887[2] socialized housing units in Ormoc Highlands 1 and 2 located at Brgys. Gaas and Dolores, Ormoc City, Leyte, intended for the families displaced by the Magnitude 6.5 Earthquake in the Visayas. Moreover, the delivery of 887 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 thereof does not exceed P3,199,200.00[3] 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 dwellings[4] with selling price of not more than P3,199,200.00.

The purchases of goods/articles by **PHINTECSTAR CONSTRUCTION, INC.** 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 **PHINTECSTAR CONSTRUCTION, INC.** must issue VAT Exempt official receipts on its gross receipts from the said socialized housing project.

Moreover, the Deeds of Absolute Sale/ Unilateral Sale Executed by the Landowners in favor of the LGU-Ormoc City over the parcels of land described below, to wit:

Date of Deeds of Absolute Sale	Name of Landowners /Sellers	Original/Transfer Certificate of Title No.	Area (Sq.m.)	Area Transferred (Sq. m.)	Location
December 13, 2017	Sps.Alberto Belmoro and Diosdada F. Belmoro		13,587	13,587	

[1] Per Contract Agreement dated October 23, 2018.

[2] The number of units was increased from the original 792 house and lot units to 887 per Variation Order No.1 issued by the NHA dated October 31, 2018.

[3] As adjusted in 2011 using the 2010 Consumer Price Index values per Revenue Regulation No. 8-2021.

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

June 10, 2018	Sps.Alberto Belmoro and Diosdada F. Belmoro	(	39,429	19,161	
October 11, 2018	Abraham Perez[5]		78,960	78,960	
October 11, 2018	Arleen May Perez		78,961	78,961	

which shall be used for the above-mentioned socialized housing project, is **not subject** to capital gains tax under Section 20 (d)(2) of RA No. 7279, as amended by RA No. 10884 (Balanced Housing Development Program Amendments) dated July 17, 2016, and to VAT pursuant to Section 109 (1)(P) of the Tax Code, as amended. The transaction is, however, **subject** to documentary stamp tax under Section 196 of the Tax Code, 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 titles in the name of the NHA 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.

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 AUG 10 2021.

CAESAR R. DULAY
Commissioner of Internal Revenue
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[5] Special Power of Attorney dated March 23, 2018, was granted to Arleen May Perez Figurasin to execute the Deed of Absolute Sale on behalf of Abraham P. Perez for the sale of the property identified and described in TCT No.