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

Republic Act No. 6657
BIR Ruling No. 205-18
OT-582-2021
OCT 11 2021

JAYVEE L. VICTORIA
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Sir:

This refers to your letter dated March 30, 2021, requesting for a ruling exempting the sale of a parcel land, covered by Transfer Certificate of Title ("TCT") No. , by the Land Bank of the Philippines ("LBP") to **JUANITO MANALASTAS**, from payment of capital gains tax ("CGT") and documentary stamp tax ("DST") pursuant to Republic Act ("RA") No. 6657, otherwise known as the *"Comprehensive Agrarian Reform Law of 1988"*.

Documents submitted disclosed that Juanito Manalastas is a farmer-beneficiary of a parcel of land identified as Lot 56 pcs-18411 with an area of 28,837 square meters, more or less, covered by TCT No. ..., located at Biclat, San Miguel, Bulacan, registered in the name of the LBP, covered by RA No. 3844 under Carlos Valerio Estate; that the subject property was transferred to Juanito Manalastas from the LBP through the execution of a *Deed of Absolute Sale* dated February 3, 2009; and that the Provincial Agrarian Reform Office ("PARO") of Bulacan certified that the said *Deed of Absolute Sale* executed by and between LBP and Juanito Manalastas is covered by Section 66 of RA No. 6657, in relation to RA No. 3844.

In reply thereto, please be informed that the above transfer of land is exempt from the payment of CGT and DST pursuant to Section 66 of RA No. 6657, which provides:

> ***"Section 66****. Exemption from taxes and fees of Land Transfers. — Transactions under this Act involving a transfer of ownership, whether from natural or juridical persons, shall be exempted from taxes arising from capital gains. These transactions shall also be exempted from the payment of registration fees, and all other taxes and fees for the conveyance or transfer thereof. Provided, That all arrearages in real property taxes, without penalty or interest, shall be deductible from the compensation to which the owner may be entitled."*

Taking into consideration the *Certification* dated January 28, 2021 from the PARO of Bulacan, it appears that the instant transfer of the subject property, as evidenced by the *Deed of Absolute Sale* dated February 3, 2009 executed by and between LBP and Juanito Manalastas, is indeed covered by Section 66 of RA No. 6657, in relation to RA No. 3844. Consequently, the same is exempt from the payment of CGT and DST.

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Therefore, it is hereby ruled that the sale of the subject land covered by TCT No. T-
by the LBP to Juanito Manalastas is exempt from the payment of CGT and DST pursuant to Section 66 of RA No. 6577.

This ruling is being issued on the basis of the foregoing facts as presented. 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

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