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

| Certificate of Tax Exemption No: |
|---|
| NSH-398-2021 |

# CERTIFICATE OF TAX EXEMPTION

**TO ALL WHOM IT MAY CONCERN:**

This certifies that **PERSAN 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 1,000 socialized housing units in Dumangas Peoples Village Phase III located at Brgy. Pulao, Dumangas, Iloilo, intended for the families affected by Typhoon Yolanda under the NHA's Yolanda Permanent Housing Program. Moreover, the delivery of 990[2] 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.

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

Moreover, the Deeds of Absolute Sale executed by the Landowners in favor of the NHA over the parcels of land described below, to wit:

| Date | Name of Landowner/Seller | Transfer Certificate of Title No. | Area (Sq.m.) | Area Transferred (Sq. m.) | Location |
|---|---|---|---|---|---|
| December 27, 2019 | Ferdinand D. Dominado[5] | | 19,163 | 13,913 | |

[1] The Original contract price amounting to Php per Contract Agreement dated August 29, 2017 was revised to Php due to change in site location and deletion of works covered by Variation Order No. 1 dated August 14, 2019 issued by the NHA. The Contract Cost was finally adjusted to Php for additional works covered by Variation Order No. 2 dated August 11, 2020.

[2] The original number of 1,000 socialized housing units per Contract Agreement dated August 29, 2017 was reduced to 546 units per Variation Order No. 1 dated August 14, 2019 and was finally increased by 444 units per Variation Order No. 2 dated August 11, 2020 for a total of 990 socialized housing units.

[3] As adjusted 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.

[5] Special Power of Attorney dated November 11, 2019, was granted to Marc Runsted G. Ang, to execute the Deed of Absolute Sale on behalf of the registered owner, Ferdinand D. Dominado, for the sale of the property identified and described in TCT No.

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Date issued OCT 25 2021

| | | | | | |
|---|---|---|---|---|---|
| January 7, 2020 | Ferdinand D. Dominado | | 19,163 | 3,671 | |
| November 20, 2020 | Ferdinand D. Dominado[6] | | 29,275 | 29,275 | |
| March 10, 2021[7] | Heirs of Sofonias Docdocil[8] | | 24,679 | 24,679 | |

which shall be used for the above-mentioned socialized housing project, is not subject to capital gains tax and documentary stamp tax pursuant to Sections 19 and 20 of RA No. 7279, and VAT pursuant to Section 109 (1)(P) of the Tax Code, as amended.

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 OCT 25 2021.

**CAESAR R. DULAY**
Commissioner of Internal Revenue

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[6] Special Power of Attorney dated November 11, 2019, was granted to Marc Runsted G. Ang, to execute the Deed of Absolute Sale on behalf of the registered owner, Ferdinand D. Dominado, for the sale of the property identified and described in TCT No

[7] Special Power of Attorney dated March 2, 2021, was granted to Angela D. Docdocil, to execute the Deed of Absolute Sale on behalf of the heirs of Sofonias Docdocil, for the sale of the property identified and described in TCT No.

[8] This Certificate of Tax Exemption does not include exemption from estate tax on the transfer of TCT No. from its registered owner, Sofonias Docdocil, to her heirs.