



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

Section 101 (A) (2) of the
National Internal Revenue
Code of 1997, as amended;
BIR Ruling No. 311-2014
454-2017
9-6-2017

OFFICE OF THE MAYOR
Carmona Municipal Hall, Loyola St.,
Poblacion, Carmona, Cavite

Attention: **DR. DAHLIA A. LOYOLA**
Municipal Mayor

Madam:

This refers to your letter dated October 01, 2015, received by this Office on October 07, 2015, requesting exemption from payment of donor's tax on the donation of a parcel of land made between the **METROPOLITAN MANILA DEVELOPMENT AUTHORITY** (hereinafter referred to as the "**DONOR**") in favor of the **MUNICIPALITY OF CARMONA, CAVITE** (hereinafter referred to as the "**DONEE**").

It is represented that the **DONOR** with Taxpayer Identification Number (TIN) _____ and with principal address at EDSA Corner, Orense St., Guadalupe, Makati City, is a duly organized government entity, constituted and created pursuant to R.A. No. 7924; that it is the registered owner of a parcel of land covered by Transfer Certificate of Title (TCT) No. _____ of the Registry of Deeds of Cavite, containing an area of Six Hundred Fifty Nine Thousand Nine hundred Eighty Four (659,984) square meters, more or less; that on the other hand, the **DONEE**, with Taxpayer Identification Number (TIN) _____ and with principal address at Municipal Hall, J.M. Loyola St., Carmona, Cavite, is a local government unit; that on July 14, 2009, the **DONOR**, represented by its then *Chairman* Hon. Bayani F. Fernando, executed a Deed of Donation in favor of the **DONEE**, represented by its then *Municipal Mayor*, Hon. Roy M. Loyola, conveying to the latter ten (10) hectares of land, a portion of the land covered by Transfer Certificate of Title (TCT) No. _____ and now covered by _____ of the Registry of Deeds for the Province of Cavite, particularly described as follows:

TRANSFER CERTIFICATE OF TITLE (TCT)
NO.

*"A parcel of land (Lot 1-B-2, of the subd. plan, Psd-
being a portion of Lot 1, Psd-5399, L.R.C. Rec. No. _____, situated in
Brgy. Sitio Paligawan, Matanda, Mun. of Carmona, Prov. Of Cavite.
Bounded on _____ containing an area of ONE HUNDRED THOUSAND
(100,000) SQ. METERS."*

and that the **DONEE** accepted the donation under the conditions set forth as embodied in the same instrument.

In reply, please be informed that Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended, provides that:

"SEC. 101. Exemption of Certain Gifts. - The following gifts or donations shall be exempt from the tax provided for in this Chapter:

xxx xxx 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;

xxx xxx xxx"

In view of the foregoing, since the donation is made to or for the use of the **MUNICIPALITY OF CARMONA, CAVITE**, which is a political subdivision of the Government, the aforementioned donation of a parcel of land is exempt from the payment of donor's tax pursuant to Section 101 (A) (2) of the National Internal Revenue Code of 1997, as amended.

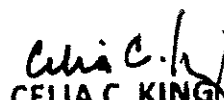
Moreover, Section 185 of Regulations No. 26, otherwise known as the Revised Documentary Stamp Tax Regulations, implementing Title VII of the National Internal Revenue Code of 1997, as amended, provides that conveyances of realties not in connection with a sale, to trustees or other persons without consideration are not taxable. Accordingly, the Deed of Donation is not subject to the documentary stamp tax prescribed under Section 196 of the National Internal Revenue Code of 1997, as amended, but only to the documentary stamp tax of P15.00 imposed under Section 188 of the same Code. *(BIR Ruling No. 311-2014 dated August 4, 2014)*

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 null and void.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

 K-1-IMAT


CELIA C. KING
Deputy Commissioner
Resource Management Group
Officer-In-Charge