REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

RA7279
BIR Ruling No. 243-2016
#323-2016 6-29-2016

GOLDENVILLE REALTY AND DEVELOPMENT CORPORATION
3368 Harvard Street, Pinagkaisahan Makati City

Attention : **IDA ABENDANO- GUINTU**
President and General Manager

Gentlemen:

This refers to your letter dated June 9, 2016, requesting issuance of Certificate of Tax Exemption for socialized housing project, the "Fully Developed & Completed Housing Units" under NHA's Yolanda Permanent Housing Program located at Brgy. Tabuc/Ilaya, Panay, Capiz pursuant to Republic Act (R.A.) No. 7279, otherwise known as the "Urban Development and Housing Act of 1992".

Documents submitted show that Carmela B. Jamora (hereinafter referred to as Landowner) is the registered owner of a parcel of land with an area of One Hundred Twenty Thousand Two Hundred Eighty square meters (120,280 sq.m.), identified as Lot No. 356-B of the subdivision plan, Psd-48323, being a portion of Lot 356 of the cadastral survey of Panay, G.LR.O Cad. Record No. situated at Brgy. Pob. Tabuc, Panay, Capiz and covered by Transfer Certificate of Title (TCT) No. issued by the Registry of Deeds for Roxas, Capiz. On April 21, 2015, a Deed of Absolute Sale was executed whereby the Landowner transferred and conveyed the subject property to National Housing Authority (NHA) (TIN: at an agreed price of

In BIR Ruling No. 003-2016 dated January 6, 2016, it was ruled that the sale by Carmela B. Jamora to NHA of the property covered by TCT No. is exempt from capital gains tax, documentary stamp tax and value-added tax; and that the above described property has been identified and certified for development into a residential project under the Yolanda Permanent Housing Program intended for the families affected by Typhoon Yolanda and qualified for housing assistance under R. A. No. 7279.

042579

[1] Formerly: TCT No.

#323-2016
6-29-2016

The NHA has issued Notice of Award dated December 23, 2015 to Goldenville Realty and Development Corporation (TIN: [redacted] for the "Procurement of Fully Developed Lots and Completed Housing Units under the NHA's Yolanda Permanent Housing Program located at Site 2, Brgy. Ilaya/Tabuc, Panay, Capiz-543 Housing Units" with a contract price of [redacted]

To give effect to the Notice of Award, Contract for the Procurement of Fully Developed Lots and Completed Housing Units (543 Units) at Panay Ville Housing Project-Site 2, Brgy. Ilaya/Tabuc, Panay, Capiz was executed on February 4, 2016 between NHA and Goldenville Realty and Development Corporation, whereby the latter is committed to deliver Five Hundred Forty Three (543) units (House and Lot Package) for a price of [redacted] and that according to the contract, the scope of work under this project are "Survey Works, Earthworks, Road Works, Drainage Works, Water System, Electrical Power Lines, Miscellaneous Works and Housing Construction"

In reply, please be informed that pursuant to Section 20 of Republic Act (RA) No. 7279, pertinent portions of which state that:

> *"Sec. 20. Incentives for Private Sector Participating in Socialized Housing. — To encourage greater private sector participation in socialized housing and further reduce the cost of housing units for the benefit of the underprivileged and homeless, the following incentives shall be extended to the private sector:*
>
> *xxx xxx xxx*
>
> *"(d) Exemption from the payment of the following:*
>
> *(1) Project-related income taxes;*
> *(2) Capital Gains Tax on raw lands used for the project;*
> *(3) Value-added tax for the project contractor concerned;"*
>
> *xxx xxx xxx*

Considering that Goldenville Realty and Development Corporation is a project contractor whose services are engaged by NHA to undertake construction of 543 Housing Units with its necessary construction components in Panay Ville Housing Project-Site 2, Brgy. Ilaya/Tabuc, Panay, Capiz and which was certified by the NHA as a socialized housing project as resettlement site pursuant to R.A. 7279, the income directly realized by Goldenville Realty and Development Corporation from the land development and housing construction with its necessary construction components for 543 Housing Units in Panay Ville Housing Project-Site 2, Brgy. Ilaya/Tabuc, Panay, Capiz shall be exempt from project-related income taxes. (BIR Ruling No. 243-2016 dated June 7, 2016)

Moreover, pursuant to Section 20 (d)(3) of R.A. No. 7279, the housing construction with its necessary construction components for 543 Housing Units in Panay Ville Housing Project-Site 2, Brgy. Ilaya/Tabuc, Panay, Capiz by Goldenville Realty and Development Corporation shall be exempt from VAT. However, the

#323-2016
6-29-2016

purchases of goods/articles by Goldenville Realty and Development Corporation 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 Goldenville Realty and Development Corporation must issue non-VAT official receipts on its gross receipts from the said socialized housing project.

This ruling is being issued on the basis of the foregoing facts as represented. However, if upon investigation, it will be disclosed that the facts are different, then this ruling shall be considered null and void.

Very truly yours,

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

K-1-JRC

042579
JUN 2 9 2016