

**[BIR REVENUE REGULATIONS NO. 3-2012,
February 20, 2012]**

**EFFECTIVITY OF THRESHOLD AMOUNTS FOR SALE OF
RESIDENTIAL LOT, SALE OF HOUSE AND LOT, LEASE OF
RESIDENTIAL UNIT AND SALE OR LEASE OF GOODS OR
PROPERTIES OR PERFORMANCE OF SERVICES COVERED BY
SECTION 109 (P), (Q) AND (V) OF THE TAX CODE OF 1997, AS
AMENDED**

Adopted: 20 February 2012

Date Filed: 29 February 2012

Section 1. BACKGROUND. Sections 109(P), (Q) and (V) of the Tax Code of 1997, as amended provides that the amounts stated therein shall be adjusted to their present values using the Consumer Price Index as published by the National Statistics Office (NSO). With the issuance of Revenue Regulations No. 16-2011 dated October 27, 2011, the threshold amounts has been adjusted as follows:

Section	Amount in Pesos (2005)	Adjusted Threshold Amounts
Section 109 (P)	1,500,000	1,919,500.00
Section 109 (P)	2,500,000	3,199,200.00
Section 109 (Q)	10,000	12,800.00
Section 109 (V)	1,500,000	1,919,500.00

Section 2. EFFECTIVITY OF ADJUSTED THRESHOLD AMOUNT. — The new threshold amounts shall be made effective for instrument of sale (whether the instrument is nominated as a deed of absolute sale, deed of conditional sale or otherwise) is executed and notarized on or after January 1, 2012.

Thus, pertinent portions of Section 4.106-3 of Revenue Regulations No. 16-2005, as amended by Revenue Regulations No. 16-2011 should properly be worded as follows:

“Section 4.106-3 Sale of Real Properties. — Sale of real properties held primarily for sale to customers or held for lease in the ordinary course of trade or business of the seller shall be subject to VAT.

Sale of residential lot with gross selling price exceeding P1,919,500.00, residential house and lot or other residential dwellings with gross selling price exceeding P3,199,200.00, where the instrument of sale (whether the instrument is nominated as a deed of absolute sale, deed of