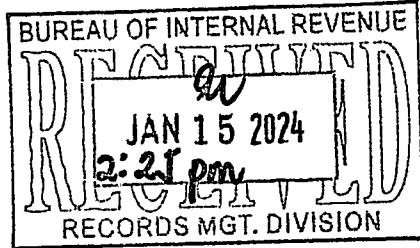


REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE



Date: January 10, 2024

REVENUE REGULATIONS NO. 1-2024

SUBJECT: Further Amending Section 2, Sub-section 4.109-1(B)(p) of Revenue Regulations No. 4-2021, as Amended by Revenue Regulations No. 8-2021, to Implement the Adjustment of the Selling Price Threshold of the Sale of House and Lot, and Other Residential Dwellings for Value-Added Tax Exemption Purposes

TO : All Internal Revenue Officials, Employees and Others Concerned

SECTION 1. SCOPE. – Pursuant to the provisions of Sections 244 and 245 of the National Internal Revenue Code (NIRC) of 1997, as amended, these Regulations are hereby promulgated to further amend Section 2, Sub-section 4.109-1(B)(p) of Revenue Regulations (RR) No. 4-2021, as amended by RR No. 8-2021, by adjusting the selling price threshold of the sale of house and lot, and other residential dwellings, currently at Three Million One Hundred Ninety-Nine Thousand Two Hundred (Php3,199,200.00) Pesos, for value-added tax (VAT) exemption purposes.

The adjustment is prescribed under Section 109 (P) of the NIRC of 1997, as amended, that “every three (3) years thereafter, the amount herein stated shall be adjusted to its present value using the Consumer Price Index, as published by the Philippine Statistics Authority (PSA).”

SECTION 2. ADJUSTED AMOUNT. – Taken into account the Consumer Price Index (CPI) values for 2023 as published by the PSA, the new price threshold, for sale of house and lot and other residential dwellings for VAT-exemption purposes, rounded up is **Three Million Six Hundred Thousand (Php3,600,000.00) Pesos** from the current threshold amount of Php3,199,200.00, computed using the following formula:

$$\text{New Threshold} = \text{Current Threshold} \times \frac{\text{CPI (2023)}}{\text{CPI (2021)}}$$

SECTION 3. AMENDMENT. – Section 2, sub-section 4.109-1(B)(p) of RR No 4-2021, as amended by RR No. 8-2021, is hereby further amended to read as follows:

“Provided, That beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business; sale of real

property utilized for socialized housing as defined by Republic Act (RA) No. 7279, as amended, and, sale of house and lot, and other residential dwellings with selling price of not more than Three Million One Hundred Ninety-Nine Thousand Two Hundred (P3,199,200.00) Pesos, as adjusted to **Three Million Six Hundred Thousand (Php3,600,000.00) Pesos** using the 2023 Consumer Price Index values to take effect beginning January 1, 2024: *Provided, further,* That every three (3) years thereafter, the amount stated herein shall be adjusted to its present value using the Consumer Price Index as published by the Philippine Statistics Authority (PSA)."

SECTION 4. REPEALING CLAUSE. All existing rules and regulations, issuances or parts thereof which are inconsistent with the provisions of these Regulations are hereby repealed, amended or modified accordingly.

SECTION 5. SEPARABILITY CLAUSE. – If any of the provisions of these Regulations is subsequently declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 6. EFFECTIVITY. These Regulations shall take effect fifteen (15) days after the date of publication in the Official Gazette or newspaper of general circulation, whichever comes first.



BENJAMIN E. DIOKNO
Secretary of Finance

JAN 11 2024

Recommending Approval:


ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

