

AN ACT EXEMPTING FROM PAYMENT OF DONOR'S TAX, DONATIONS OF PRIVATE AGRICULTURAL LANDS AND/OR HOMELOTS AND WAIVERS OF COMPENSATION UNDER THE AGRARIAN REFORM PROGRAM, AND FOR OTHE...

BATAS PAMBANSA BLG. 649, March 07, 1984

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Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. The provisions of existing laws to the contrary notwithstanding, donations of private agricultural lands and/or homelots not covered by Operation Land Transfer (OLT) under Presidential Decree Numbered Twenty-seven, as amended, made to or in favor of tenant-farmers, actual tillers and/or occupants, pursuant to the agrarian reform program of the government, shall be exempt from the payment of donor's tax. Claims for exemption under this provision shall be allowed upon certification by the Ministry of Agrarian Reform that the donee is a tenant-farmer, actual tiller and/or occupant of the land donated which, in no case, shall exceed a family-size farm and/or homelot area and that the donation conforms with the agrarian reform program of the government. For purposes of this Act, the terms "family-size farm and/or homelot area" and "tenant-farmer, actual tiller and/or occupant" shall be understood in the sense that they are defined in existing laws, rules, regulations and guidelines establishing and implementing the land reform program of the government.

The certification shall be issued within sixty days from receipt of the request therefor.

In case the land donated is tenanted, in no case shall the security of tenure of the tenant be violated.

SEC. 2. No land and/or homelot donated under the provisions of this Act shall be further transferred to anybody except by hereditary succession or to the government. Any violation of this provision will subject the donee to liability for the payment of the donor's tax.

SEC. 3. The tax exemption provided under Section 1 hereof can also be availed of by a landowner covered by Operation Land Transfer (OLT) or his successor-in-interest who waives his right to receive the whole or the balance of the compensation due him from the Land Bank of the Philippines or the farmer-beneficiary, as the case may be, and in such case the tenant-farmer shall be relieved of the obligation to pay the amount waived. Claims for exemption under this provision shall be allowed upon certification by the Ministry of Agrarian Reform that the compensation waived has been determined to be in accordance with the provisions of Presidential Decree Numbered Twenty-seven, as amended, and its implementing guidelines, which certification shall be issued within the period provided for in Section one hereof.

SEC. 4. Fifty percent of the fair market value of the property donated as determined in the tax declaration of such property at least one year prior to the donation shall be a deduction against taxable income of the donor in the year the donation is made. If the donation is in accordance with the immediately preceding section, the deduction shall be the whole amount waived.

SEC. 5. The Minister of Finance, in consultation with the Minister of Agrarian Reform, and upon

recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 6. Any provision of this Act or any part thereof which may be declared unconstitutional shall not affect the other provisions hereof.

SEC. 7. This Act shall take effect upon its approval.

Approved, March 7, 1984.

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