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Subject: Re: Letter of Ambassador Cuisia to EODB Team

Please find here under our comments relative to the suggestion of Ambassador Joey Cuisia for us to cite legal and factual basis to show that issuance of the new tax declaration is not part of the registration process under the Registering Property Indicator, thusly:

Presidential Decree (PD) No. 1529

Section 51 of PD 1529 pertains to the general provision on conveyance of registered land, in that, the owner thereof may "use such form of deed...as are sufficient in law" to convey registered land. Section 53 of the same law, in turn, refers to the requirement for the presentation of the owner's duplicate certificate to be able to register the deed of conveyance. Section 57, on the other hand, provides for the procedure in registration of conveyances wherein the need to execute a deed of conveyance in a form sufficient in law is reiterated, preparatory to registration with the Register of Deeds (RD). Thereafter, the RD shall "make out in the registration book a new certificate of title to the grantee and shall prepare and deliver to him an owner's duplicate certificate."

The foregoing pertinent provisions of PD 1529 are cited to show that the issuance of a tax declaration corresponding to the **new** title is not a part of the registration process. To further bolster this contention, attached herewith are images of the mandatory requirements embedded in the LRA's computerized system (PHILARIS), namely: (i) screenshot of a sample assessment form, (ii) screenshot of mandatory requirements for Sale transaction and (iii) screenshot of RIO Assessment of Fees.

From these images can be seen the fact that for purposes of registering a deed of conveyance (sale), only the following documents are necessary:

- a. Deed of Absolute Sale
- b. Realty Tax Clearance
- c. Owner's Duplicate copy of Title
- d. **Tax Declaration (certified copy)**
- e. BIR CAR/Tax Clearance Certificate

While a certified copy of the tax declaration is a considered a mandatory requirement, clarification is made, in that, this tax declaration corresponds to the **present title** or to the title covering the land that is being sold and **NOT** the tax declaration for the ENSUING or NEW title that is issued to the new owner after the registration of the deed of conveyance (sale) shall have been completed, as mandated under The Local Government Code of the Philippines (LGCP).

This leads us now to the pertinent provisions of the LGCP.

Section 202, Book II, Title II, Chapter 2 of the LGCP (Declaration of Real Property by the Owner or Administrator) mandates that “it shall be the duty of all persons, natural or juridical, owning or administering real property, including the improvements therein.....to prepare, or cause to be prepared, and file with the provincial, city or municipal assessor, a sworn statement declaring the true value of their property, whether previously declared or undeclared, taxable or exempt, which shall be the current and fair market value o the property, as determined by the declarant. Such declaration shall contain a description of the property sufficient in detail to enable the assessor or his deputy to **identify the same for assessment purposes....**” (Emphasis supplied.)

Section 203 of the same Code (Duty of Person Acquiring Real property or Making Improvement Thereon), in turn, provides that “it shall also be the duty of any person, or his authorized representative, acquiring at any time real property in any municipality or city or making any improvement on real property, to prepare, or cause to be prepared, and file with the provincial, city or municipal assessor, a sworn statement declaring the true value of subject property, within sixty (60) days **after the acquisition of said property** or upon completion or occupancy of the improvement, whichever comes earlier.” (Emphasis supplied.)

It is clear from the foregoing provisions of the LGCP that the duty to secure a new tax declaration covering a NEWLY-ACQUIRED real property arises only AFTER the acquisition of said property and not before.

Thus, the tax declaration required and considered as a mandatory requirement in registering deeds of conveyance of real property under existing LRA Rules and Regulations, which simply refers to the previous declaration of the real property being sold, should not be confused with the tax declaration mandated under the LGCP to be secured by the new owner after the latter shall have acquired the same. In the first case, the purpose of the requirement is to ensure that before ownership over the real property is transferred to the buyer, realty tax payments thereover are fully paid and current. In the latter case, the purpose of the requirement is “to enable the assessor or his deputy to identify the same for assessment purposes.” (Ibid.)

Respectfully submitted.

Thank you.

Very truly yours,

RONALD A. ORTILE
Deputy Administrator
Land Registration Authority

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REPUBLIKA NG PILIPINAS
KAGAWARAN NG KATARUNGAN
PANGASIWAAN SA PATALAAN NG LUPAIN
(LAND REGISTRATION AUTHORITY)
East Avenue cor. NIA Road
Quezon City

Registry of Deeds for Quezon City

RIO ASSESSMENT FORM

Issuance of Certificate Title in Subsequent Registration Consideration : 500,000.00 Assessed: 500,000.00
 ■ Sale

Documentary Requirements	Qty	Received	No. of Copies
Deed of Absolute Sale	1	Y	1
BIR CAR / Tax Clearance Certificate	1	Y	1
Owners Duplicate Copy of Title	1	Y	1
Realty Tax Clearance	1	Y	1
Tax Declaration (Certified Copy)	1	Y	1
Transfer Tax Receipt/Clearance	1	Y	1

RIO No : RIO0000004

LRA Fees Assessment

Fee Type	Fee Description	Consideration	Fee Value (Php)	Qty	Amount (Php)
Entry Fee	Entry Fees		30.00	1	30.00
Registration Fee	Higher of Consideration value & Assessed Value	500,000.00	3,396.00	1	3,396.00
Issuance of Title Fee	For each certificate of title issued (owners duplicate)		60.00	1	60.00
Legal Research Fund	1% of reg. fee or Php 10 whichever is higher	3,396.00	33.96	1	33.96
Fee for Additional Page	Fee for additional page		30.00	1	30.00
Sub Total :					3,549.96

IT Service Fees Assessment (Payable in cash only)

Fee Type	Fee Description	Fee Value (Php)	Qty	Amount (Php)	
IT Service - Registration Fee	IT Service Fee per Deed/ Document		386.32	5	1,931.60
IT Service - issuance of Title Fee	IT Service Fee per title		241.45	1	241.45
Sub Total :				2,173.05	

Total Fees in words: Php Five Thousand Seven Hundred Twenty-Three And 01 / 100 only Total : 5,723.01

Grand Total Fees in Word: Php Five Thousand Seven Hundred Twenty-Three And 01/ 100 only Grand Total* : 5,723.01

*Value Added Tax on IT Service Fees

232.83

Issuance of Title	Sale	Deed of Absolute Sale	MD
Issuance of Title	Sale	BIR CAR / Tax Clearance Certificate	SD
Issuance of Title	Sale	Owners Duplicate Copy of Title	SD
Issuance of Title	Sale	Realty Tax Clearance	SD
Issuance of Title	Sale	Tax Declaration (Certified Copy)	SD
Issuance of Title	Sale	Transfer Tax Receipt/Clearance	SD

RTO Assessment of Fees

EPFB Type: Registered Land

FD Name	EPFB No.	EPFB Date	EPFB ID	Link EPFB No.	Link EPFB Date	Creator
Custom City	R100000004	7/15/2014 5:16 PM	EPFB-95	R100000004	7/15/2014 5:16 PM	muelan

Presenter | Transaction | Executed by | In Favor of | Documents | Fees | Link EPFB | Link EPFB Group

Documents Details

Select All Documents No of Document(s) 0

Received	Document Type	Document	Date Received	Document Date (m...	Quantity	No of Copies	No
<input type="checkbox"/>	Main document	Deed of Absolute Sale					1
<input type="checkbox"/>	Supporting document	Realty Tax Clearance					1
<input type="checkbox"/>	Supporting document	Owners Duplicate Copy of Title					1
<input type="checkbox"/>	Supporting document	Transfer Tax Receipt/Clearance					1
<input type="checkbox"/>	Supporting document	Tax Declaration (Certified Copy)					1
<input type="checkbox"/>	Supporting document	BIR CAR / Tax Clearance Certificate					1