

Tax Deductible Donations to MCAD

As of 2018, all donations to the Museum are fully Tax Deductible and will pass through De La Salle's education giving channel which is an accredited PCNC organization.

The Museum will issue all donors with a BIR Form 3222 tax deductibility form which will be issued and notarized directly via the BIR. Combined with this, all donors (when the donation transaction has been completed) will receive supporting documents:

- A notarized deed of donation.
- A notarized MOA.
- An official receipt.

The following is the official documentation issued by the Government of the Philippines.

Under Sec. 17, Exemption of Certain Gifts, Revenue Regulations No. 12-2018, Consolidated Revenue Regulations on Estate Tax and Donor's Tax . . . Tax Reform or Acceleration and Inclusion (TRAIN) Law, 2018.

The following are exempt from the donor's tax:

1. Gifts made to or for the use of the National Government or any entity created by any of its agencies which is not conducted for profit, or to any political subdivision of the said Government; and
2. Gifts in favor of an educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited non-government organization, trust or philanthropic organization or research institution or organization: Provided, however, That not more

than thirty percent (30%) of said gifts shall be used by such donee for administration purposes. For the purpose of this exemption, a 'non-profit educational and/or charitable corporation, institution, accredited non-government organization, trust or philanthropic organization and/or research institution or organization' is a school, college or university and/or charitable corporation, accredited nongovernment organization, trust or philanthropic organization and/or research institution or organization, incorporated as a non-stock entity, paying no dividends, governed by trustees who receive no compensation, and devoting all its income, whether students' fees or gifts, donation, subsidies or other forms of philanthropy, to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation.

Computation of the Donor's Tax.

Donations shall be subject to donor's tax applicable when the donations are made. Hence, for donor's tax purposes, donations made before January 1, 1998 shall be subject to the donor's tax computed on the basis of the old rates imposed under Section 92 of the National Internal Revenue Code of 1977 (R.A. No. 7499), while donations made on or after January 1, 1998 until December 31, 2017 shall be subject to the donor's tax computed in accordance with the amended schedule of rates prescribed under Section 99 of the National Internal Revenue Code of 1997 (R.A. No. 8424), implemented by RR No. 2-2003, as amended. Only donations made on or after January 1, 2018 shall be subject to the donor's tax rate provided under the TRAIN Law as implemented by these Regulations.

The computation of the donor's tax is on a cumulative basis over a period of one calendar year. Husband and wife are considered as separate and distinct taxpayer's for purposes of the donor's tax. However, if what was donated is a conjugal or community property and only the husband signed the deed of donation, there is only one donor for donor's tax purposes, without prejudice to the right of the wife to question the validity of the donation without her consent pursuant to the pertinent provisions of the Civil Code of the Philippines and the Family Code of the Philippines.

It is further noted that from BIR's official website Donor's Tax page is being updated.

Source

<https://home.kpmg.com/content/dam/kpmg/ph/pdf/InTAX/2018/RR%20No%2012-2018.pdf>
<https://www.bir.gov.ph/index.php/tax-information/donor-s-tax.html>