

REVENUE MEMORANDUM ORDER NO. 44-2016 issued on July 26, 2016 amends Revenue Memorandum Order No. 20-2013, as amended re: "Prescribing the Policies and Guidelines in the Issuance of Tax Exemption Rulings to Qualified Non-Stock, Non-Profit Corporations and Associations under Section 30 of the National Internal Revenue Code of 1997, as Amended".

In order for the non-stock, non-profit educational institutions to enjoy its tax exemption conferred by the 1987 Constitution, there are two requisites, namely: (a) the school must be non-stock and non-profit; and (b) the income is actually, directly and exclusively used for educational purposes. There are no other conditions and limitations.

Non-stock, non-profit educational institutions shall file their respective applications for Tax Exemption with the office of the Assistant Commissioner, Legal Service, Attention: Law Division, together with the following documents:

- a. Original copy of the application letter for issuance of Tax Exemption Ruling;
- b. Certified true copy of the Certificate of Good Standing issued by the Securities and Exchange Commission;
- c. Original copy of the Certification under Oath of the Treasurer as to the amount of the income, compensation, salaries or any emoluments paid to its trustees, officers and other executive officers;
- d. Certified true copy of the Financial Statements of the corporation for the last three (3) years;
- e. Certified true copy of government recognition/permit/accreditation to operate as an educational institution issued by the Commission on Higher Education (CHED), Department of Education (DepEd), or Technical Education and Skills Development Authority (TESDA); Provided, that if the government recognition/ permit/accreditation to operate as an educational institution was issued five (5) years prior to the application for tax exemption, an original copy of a current Certificate of Operation/Good Standing, or other equivalent document issued by the appropriate government agency (i.e., CHED, DepEd, or TESDA) shall be submitted as proof that the non-stock and non-profit educational institution is currently operating as such; and
- f. Original copy of the Certificate of utilization of annual revenues and assets by the Treasurer or his equivalent of the non-stock and non-profit educational institution.

In the course of review of the application for tax exemption, the BIR may require additional information or documents as the circumstances may warrant.

Tax Exemption Rulings or Certificates of Tax Exemption of non-stock, non-profit educational institutions shall remain valid and effective, unless recalled for valid grounds. They are not required to renew or revalidate the Tax Exemption Rulings previously issued to them, but it shall be subject to revocation if there are material changes in the character, purpose or method of operation of the corporation which are inconsistent with the basis for its Income Tax exemption.

Non-stock, non-profit educational institutions with Tax Exemption Rulings or Certificates of Exemption issued prior to June 30, 2012 are required to apply for new Tax Exemption Rulings.