REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

TRICOR MANAGEMENT & DEVELOPMENT CORPORATION Represented by MELANIE R. GERASTA, *Petitioner,*	**CTA EB No. 3100** (CTA AC No. 299)
	Present:
-versus-	**RINGPIS-LIBAN**, PJ **BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES**, and, **ANGELES**, *JJ.*
CEBU CITY GOVERNMENT and OFFICE OF THE CITY TREASURER, represented by MARE VAE F. REYES, City Treasurer of Cebu City, *Respondents.*	Promulgated: JUL 03 2026 3:25 pm

x---x

DECISION

REYES-FAJARDO, *J.*:

We are called upon to address the Petition for Review[1] dated February 27, 2025, challenging the Decision[2] dated August 22, 2024 and Resolution[3] dated February 5, 2025, both rendered by the Court of Tax Appeals - First Division in CTA AC No. 299. The challenged Decision and Resolution affirmed Branch 19, Regional Trial Court of

---

1 *Rollo*, pp. 1-69.

2 *Id.* at pp. 174-191. Penned by Associate Justice Lanee S. Cui-David. Presiding Justice Roman G. Del Rosario (Ret.), concurring. Associate Justice Jean Marie A. Bacorro-Villena, on official business.

3 *Id.* at pp. 194-197. Penned by Associate Justice Lanee S. Cui-David. Presiding Justice Roman G. Del Rosario (Ret.) and Associate Justice Jean Marie A. Bacorro-Villena, concurring.

Cebu City (RTC-Cebu)'s dismissal of Civil Case No. R-CEB-22-06407-CV, for lack of jurisdiction.

The facts follow.

Petitioner is a domestic holding company duly organized and existing under and by virtue of the laws of the Philippines, with principal business address at the Concession Space No. 3, The Regency Crest, Maria Luisa Rd., Banilad, Cebu City 6000. It is represented in this case by its Administrative Officer, Melanie R. Gerasta, pursuant to an authority issued by the Board of Directors dated June 30, 2023, and evidenced by a Secretary's Certificate dated July 12, 2023.

Respondents are the Cebu City Government and the Office of the City Treasurer, represented by Mare Vae F. Reyes, City Treasurer of Cebu City, with address at the Ground Floor, Executive Building and the 2nd Floor, Cebu City Finance Center Building both located in M.C. Briones Street, Cebu City, Philippines.

On April 10, 2019, petitioner executed a Deed of Absolute Sale of Real Property in favor of Angelli Suzanne Lim Lua (Lua) for a consideration of ₱21,840,000.00.

On May 30, 2019, the Bureau of Internal Revenue issued Certificate Authorizing Registration (eCAR) for the transaction involving transfer of real property under eCAR No. C-2019-081-018008-M (eCR201700588435), in view of the payment of the corresponding Capital Gains Tax and Documentary Stamp Tax.

On July 15, 2022, petitioner received a Letter of Assessment (1st Notice) dated June 30, 2022, pursuant to a Letter of Authority No. 2020-03-009 dated March 2, 2020, assessing petitioner of additional business taxes and charges, including surcharge, interest, and penalty for taxable year (TY) 2020 in the aggregate amount of ₱441,800.00.

In the Letter dated September 19, 2022 addressed to Atty. Eugene C. Orbita of the Cebu City Legal Office (Cebu CLO), respondents sought a legal opinion as to whether petitioner is liable for LBT on the sale of its real property. Petitioner was copy-furnished with said letter-request.

On October 5, 2022, petitioner received Cebu CLO's legal opinion. Cebu CLO opined that *"[petitioner] is liable to pay Local Business Tax on the sale of its real property in 2019 worth [₱]21,840,000.00, based on the fact that [petitioner] issued official receipt therefor, under its name and in a commercial capacity which, according to BIR Revenue Regulations No. 07-2003, makes [petitioner] as one engaged in real estate business."*

On October 13, 2022, petitioner received a Letter of Assessment (Final Demand) dated October 5, 2022, demanding settlement of the deficiency LBT assessment in the total amount of ₱463,640.00.

On October 19, 2022, petitioner filed its Complaint pursuant to Section 195 of 1991 Local Government Code (LGC), before RTC-Cebu, docketed as Civil Case No. R-CEB-22-06407-CV.

On December 27, 2022, respondents filed their Verified Answer with Affirmative Factual and Special Defenses. Among the defenses they interposed is that petitioner's complaint should be dismissed for lack of jurisdiction, based on Section 12(a)(1), Rule 15 of the Rules of Court, as amended.

In the Order dated March 7, 2023, RTC-Cebu explained that based on *China Banking Corporation v. City Treasurer of Manila (CBC)*,[4] citing *Yamane v. BA Lepanto Condominium Corporation (BLCC)*,[5] the trial court's authority to exercise original or appellate jurisdiction on local tax cases is dependent on the amount of the claim per Batas Pambansa (BP) Blg. 129, as amended by Republic Act (RA) No. 11576.[6] Since the amount, *i.e.*, ₱463,640.00, involved in assailed Final Demand falls within the exclusive original jurisdiction of the first-level courts, RTC-Cebu dismissed Civil Case No. R-CEB-22-06407-CV, for lack of jurisdiction.

Petitioner moved,[7] but failed[8] to reverse RTC-Cebu's Order dated May 7, 2023; thus, it appealed with the CTA in Division, docketed as CTA AC No. 299.

---

4 G.R. No. 204117, July 1, 2015.
5 G.R. No. 154993, October 25, 2005.
6 Enacted on July 30, 2021.
7 Petitioner's Motion for Reconsideration. Division Docket, pp. 221-234.
8 Order dated June 19, 2023.

By Decision[9] dated August 22, 2024, the CTA in Division upheld RTC-Cebu's finding of lack of jurisdiction, as follows:

> **WHEREFORE**, premises considered, the instant *Petition for Review* is **DENIED**, for lack of merit. Accordingly, the *Orders* dated March 7, 2023 and June 19, 2023, both issued by the Regional Trial Court of Cebu City, Branch 19 in Civil Case No. R-CEB-22-06407-CV, are hereby **AFFIRMED**.
>
> **SO ORDERED.**

Petitioner moved,[10] but failed[11] to obtain reversal of the challenged Decision dated August 22, 2024; hence, the present[12] recourse.

Petitioner ascribes fault on the CTA in Division's finding that RTC-Cebu is correct in dismissing the complaint filed with the latter, for lack of jurisdiction, attended by the following justifications:

> *First.* The jurisdictional threshold delineating the jurisdiction of the first-level and second-level courts involves claim or demand of sum of money, among others. Given that its complaint does not involve actions on sum of money, the CTA in Division erred in applying the jurisdictional amounts in BP Blg. 129, as amended, to conclude that RTC-Cebu lacks jurisdiction over said complaint.
>
> *Second.* Both RTC-Cebu and CTA in Division erred in using *CBC,*[13] as bases of their respective disquisition due to difference in factual milieu. Specifically, its complaint is *not* a local tax refund case — the matter being addressed in *CBC.*
>
> *Third.* Its complaint deals with the propriety of the local tax assessment, irrespective of the sums assessed; hence, it is an action incapable of pecuniary estimation, over which RTC-Cebu has jurisdiction.
>
> *Fourth.* Its case involves significant public interest; thus, it should not be dismissed based on technical rules of procedure.

---

9 *Supra* note 2.
10 Petitioner's Motion for Reconsideration. Division Docket, pp. 814-842.
11 *Supra* note 3.
12 *Supra* note 1.
13 *Supra* note 4.

From these points, petitioner hypothesizes that RTC-Cebu attained jurisdiction over Civil Case No. R-CEB-22-06407-CV.

Armed with the foregoing hypothesis, petitioner then asserts that being a holding and management company, it is not engaged in real estate business. Additionally, its payment of CGT on said transaction exhibits that the real property subject thereof is a capital, rather than ordinary asset, thereby reinforcing its posture that it is not engaged in real estate business. Therefore, its sale of real property is not subject to local business tax under Sections 143 and 151 of the LGC.

In contradiction,[14] respondents mainly retort that the CTA in Division correctly upheld RTC-Cebu's lack of jurisdiction over Civil Case No. R-CEB-22-06407-CV.

RULING

We deny the Petition.

First. Was jurisdiction secured over CTA EB No. 3100?

Yes.

Section 18 of RA No. 1125, as amended by RA No. 9282, reads:

> SEC. 18. *Appeal to the Court of Tax Appeals En Banc.* - No civil proceeding involving matters arising under the National Internal Revenue Code, the Tariff and Customs Code or the Local Government Code shall be maintained, except as herein provided, until and unless an appeal has been previously filed with the CTA and disposed of in accordance with the provisions of this Act.
>
> A party adversely affected by a **resolution of a Division of the CTA on a motion for reconsideration or new trial**, may file a petition for review with the CTA en banc.[15]

---

14 Respondents' Comment and Vehement Opposition to Petitioner's Petition for Review. *Rollo*, pp. 217-267.

15 Boldfacing ours.

qn

Before the CTA *En Banc* could entertain appeals from the resolution of the CTA in Division on a motion for reconsideration or new trial, Section 3(b),[16] Rule 8 of the Revised Rules of the Court of Tax Appeals commands the filing of a petition for review, within fifteen (15) days from receipt of said resolution.

As alleged[17] in the Petition, petitioner received the assailed Resolution[18] on February 14, 2025. Counting fifteen (15) days therefrom, it initially had until March 1, 2025 to appeal with the CTA *En Banc*. Considering that March 1, 2025 fell on a Saturday, petitioner had, at most, March 3, 2025 to seek further redress. Therefore, the timely[19] filing of the Petition for Review on March 3, 2025 clad Us with jurisdiction over CTA EB No. 3100.

Second. Was the CTA in Division correct in affirming RTC-Cebu's dismissal of Civil Case No. R-CEB-22-06407-CV for lack of jurisdiction?

Yes.

Anama v. Citybank, N.A. (formerly First National City Bank) [20] crafted the yardstick, as to how jurisdiction of a court or tribunal is determined, *viz.*:

> The principle is that jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiffs cause of action. The nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted. Jurisdiction being a matter of substantive law, the established rule is that the statute in

---

16 SEC. 3. *Who may appeal; period to file petition.* –...
(b) A party adversely affected by a decision or resolution of a Division of the Court on a motion for reconsideration or new trial may appeal to the Court by filing before it a petition for review within fifteen days from receipt of a copy of the questioned decision or resolution. Upon proper motion and the payment of the full amount of the docket and other lawful fees and deposit for costs before the expiration of the reglementary period herein fixed, the Court may grant an additional period not exceeding fifteen days from the expiration of the original period within which to file the petition for review.

17 Page 4, Petition for Review. *Rollo*, p.4.

18 *Supra* note 3.

19 Page 1, Petition for Review. *Rollo*, p. 1.

20 G.R. No. 192048, December 13, 2017. *Anama* for brevity.

force at the time of the commencement of the action determines the jurisdiction of the court.

With *Anama* as Our guide, petitioner's complaint filed with RTC-Cebu on October 19, 2022[21] was triggered by respondents' supposed inaction on its letter protest of July 20, 2022, and filed pursuant to Section 195 of the LGC.[22] In turn, said letter-protest questioned respondents' Letter of Assessment (1st Notice), imposing local business tax amounting to ₱441,800.00,[23] inclusive of surcharge, interest, and penalty, relative to petitioner's sale of land to Lua.[24] The complaint encapsulated the following prayer:[25]

PRAYER

WHEREFORE, premises considered, it is most respectfully prayed for this Honorable Court that judgment be rendered in favor of herein Plaintiff and order that the Letter of Assessment (1st Notice) dated 30 June 2022 and Letter of Assessment (Final Demand) dated October 5, 2022 issued by herein Defendant in the amounts of Four Hundred Forty One Thousand Eight Hundred Pesos (Php441,800.00) and Four Hundred Sixty Three Thousand Six Hundred Forty Pesos (463,640.00),[26] respectively, be ANNULLED and SET ASIDE. Plaintiff likewise prays for such other reliefs that are deemed just and equitable under the premises.

---

21 Page 1, Complaint. RTC Records, p. 2.

22 Par. 12, Complaint. RTC Records, RTC Records, p. 6.

23 The breakdown thereof is as follows (Par 5, Complaint [RTC Records, p. 4]):

2020 Holding Company Sale of Land Php21,840,000.00	₱218,400.00
25% Surcharge	54,600.00
60% Interest (1/20 – 6/22)	163,800.00
Total	436,800.00
Penalty for underdeclaration of Gross Sales for CY 2019	5,000.00
Total Tax Deficiency	**₱441,800.00**

24 Pars. 3, 5, and 6, Complaint. RTC Records, pp. 3-4.

25 Page 20, Complaint. RTC Records, p. 21.

26 The breakdown thereof is as follows (Par 9, Complaint [RTC Records, p. 5]):

2020 Holding Company Sale of Land Php21,840,000.00	₱218,400.00
25% Surcharge	54,600.00
60% Interest (1/20 – 10/22)	185,640.00
Total	436,800.00
Penalty for underdeclaration of Gross Sales for CY 2019	5,000.00
Total Tax Deficiency	**₱463,640.00**

As We see it, petitioner seeks an appeal with the court of competent jurisdiction to challenge the local tax assessment pertaining to petitioner's sale of land to Lua, pursuant to Section 195[27] of the LGC. In this regard, *CBC*[28] and *BLCC*[29] alluded the proper determination thereof on the jurisdictional amounts set forth in BP Blg. 129. Considering that petitioner's complaint was filed on October 19, 2022, the *adjusted* jurisdictional amounts inscribed in BP Blg. 129, as amended by RA No. 11576[30] are the benchmark of the trial court's jurisdiction[31] over local tax cases, with Sections 19(8) and 33(1) thereof, providing as follows:

> **Section 19.** Jurisdiction of the Regional Trial Courts in Civil Cases. - Regional Trial Courts shall exercise exclusive original jurisdiction:
>
> ...
>
> (8) In all other cases in which the demand, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses and costs or the value of the property in controversy exceeds Two million pesos (P2,000,000.00).
>
> ...
>
> **Section 33. Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts, and Municipal Circuit Trial Courts in Civil Cases**. - Metropolitan Trial Courts, Municipal Trial Courts in Cities, Municipal Trial Courts, and Municipal Circuit Trial Courts shall exercise:
>
> (1) **Exclusive original jurisdiction over civil actions** and probate proceedings, testate and intestate, including the grant of

---

27 **Section 195.** *Protest of Assessment.* - When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties. Within sixty (60) days from the receipt of the notice of assessment, the taxpayer may file a written protest with the local treasurer contesting the assessment; otherwise, the assessment shall become final and executory. The local treasurer shall decide the protest within sixty (60) days from the time of its filing. If the local treasurer finds the protest to be wholly or partly meritorious, he shall issue a notice cancelling wholly or partially the assessment. However, if the local treasurer finds the assessment to be wholly or partly correct, he shall deny the protest wholly or partly with notice to the taxpayer. **The taxpayer shall have thirty (30) days from the receipt of the denial of the protest or from the lapse of the sixty (60) day period prescribed herein within which to appeal with the court of competent jurisdiction otherwise the assessment becomes conclusive and unappealable.** (Boldfacing ours)

28 *Supra* note 4.

29 *Supra* note 5.

30 Enacted on July 30, 2021.

31 In *Bank of the Philippine Islands v. Hong, infra* note 38, the Supreme Court held that the law in force at the time the action was filed determines jurisdiction.

> provisional remedies in proper cases, **where the** value of the personal property, estate, or **amount of the demand does not exceed Two million pesos (P2,000,000.00)**, exclusive of interest, damages of whatever kind, attorney's fees, litigation expenses, and costs, the amount of which must be specifically alleged: …

Consulting petitioner's complaint, the basic local tax assessed on petitioner's sale of land to Lua, found in respondents' Letter of Assessment (1st Notice)[32] dated June 30, 2022 and Letter of Assessment (Final Demand)[33] dated October 5, 2022, stands at ₱218,400.00. Obviously, said amount falls under the jurisdiction of the first-level courts. *Ergo*, the CTA in Division is correct in sustaining RTC-Cebu's dismissal of Civil Case No. R-CEB-22-06407-CV, for lack of jurisdiction.

Petitioner differs from the immediately preceding result, explaining that the jurisdictional amounts set forth in BP Blg. 129, as amended, only applies on a claim or demand for sum of money.

This is hollow.

Sections 19(8) and 33(1) of BP Blg. 129, as amended,[34] both use the word "demand" *sans* specifying the subject matter of demand. These provisions are not meant to be narrowed down, much more, isolate sum of money as the sole coverage thereof. As *Villanueva v. People*[35] puts it: "[i]t is an elementary rule in statutory construction that: where the law does not distinguish, the courts should not distinguish. *Ubi lex non distinguit, nec nos distinguere debemus.*"

Since petitioner's appeal with RTC-Cebu was induced by respondents' demand for payment of local tax on petitioner's sale of land to Lua, this subject matter is covered by Sections 19(8) and 33(1) of BP Blg. 129, as amended by RA No. 11576. Besides, *CBC* and *BLCC* are clear in that the determination of the court of competent jurisdiction in Sections 195 and 196 of the LGC are based on the jurisdictional amounts in BP Blg. 129, as amended.

---

32 *Supra* note 23.
33 *Supra* note 26.
34 See pages 8 and 9 of this Decision for the full text of these provisions.
35 G.R. No. 237864, July 8, 2020.

Petitioner views the usage of *CBC* as flawed, insisting the difference in factual milieu here and in *CBC*.

Petitioner misunderstood *CBC*.

True, the nature of this case, *i.e.*, local tax assessment, and that of *CBC*, *i.e.*, local tax refund, are unalike. Yet, *CBC's* discussion regarding the court of competent jurisdiction is *not solely limited to a local tax refund case*. Rather, said discourse is applicable, so long as the controversy is a *local tax case*. This finds succor in the following passage from *CBC*, used by petitioner in its Petition, *viz.*:[36]

> Clearly, **with the passage of R.A. No. 9282, the authority to exercise either original or appellate jurisdiction over local tax cases depended on the amount of the claim.** In cases where the RTC exercises appellate jurisdiction, it necessarily follows that there must be a court capable of exercising original jurisdiction - otherwise there would be no appeal over which the RTC would exercise appellate jurisdiction. ...
>
> ...
>
> Indeed, in cases where the amount sought to be refunded is below the jurisdictional amount of the RTC, the Metropolitan, Municipal, and Municipal Circuit Trial Courts are clothed with ample authority to rule on such claims.

Mactel Corporation v. The City Government of Makati, et al. (Mactel)[37] then illuminated on the subject matter falling under a local tax case, to wit:

> ... **a local tax case is understood to mean as a dispute between the local government unit (LGU) and a taxpayer involving the imposition of the LGU's power to levy tax, fees, or charges against the property or business of the taxpayer concerned. A local tax case may involve**: the legality or validity of the real property tax assessment, **protests of assessments, disputed assessments**, surcharges or penalties; the validity of a tax ordinance; claims for tax refund/credit; claims for tax exemption; actions to collect the tax due; and even prescription of assessments.[38]

---

36 Pages 26 and 27, Petition for Review in CTA EB No. 3100. *Rollo*, pp. 26-27. Emphases ours.

37 G.R. No. 244602, July 14, 2021.

38 Boldfacing ours.

Once more, petitioner's appeal with RTC-Cebu essentially challenges the local tax assessment imposed by respondents on petitioner's sale of land to Lua. Consistent with *Mactel,* the nature of controversy between petitioner and respondents is considered a local tax case. *Ergo,* the principle in *CBC* that the jurisdictional amounts in BP Blg. 129, as amended, determines jurisdiction of trial courts in local tax cases finds application, notwithstanding the divergence in the nature of action between this case and that of *CBC.*

Petitioner penultimately contends that its complaint dealt with the propriety of the local tax assessment, irrespective of the sums assessed; hence, it is an action incapable of pecuniary estimation, over which RTC-Cebu has exclusive original jurisdiction.

The contention is far-fetched.

CBC is straightforward in that "[c]learly, with the passage of R.A. No. 9282, the authority to exercise either original or appellate jurisdiction over local tax cases depended on the amount of the claim." Among the types of local tax cases recognized by *Mactel* are actions for local tax assessments and local tax refunds, which contain amounts being assessed, or sums being refunded or credited. In fact, petitioner mentioned[39] that the amount of basic local tax assessment in its complaint stands at ₱218,400.00, over which first-level courts have jurisdiction. These notations militate against petitioner's contention that its action is one incapable of pecuniary estimation.

In a last-ditch effort to ward-off defeat, petitioner gripes that RTC-Cebu should avoid dismissal of Civil Case No. R-CEB-22-06407-CV, based on technicality.

Petitioner is clutching at straws.

Jurisdiction is not grounded on sheer technicality. It is matter of substantive law,[40] and not a rule of procedure. Thus, when a court lacks jurisdiction, the only act it could do is to dismiss the case.[41] *Foronda-Crystal v. Son*[42] voiced the significance thereof, in this wise:

---

39 *Supra* notes 32 and 33.

40 See *Bank of the Philippine Islands v. Hong,* G.R. No. 161771, February 15, 2012.

41 See *Mitsubishi Motors Philippines Corporation v. Bureau of Customs,* G.R. No. 209830, June 17, 2015.

42 G.R. No. 221815, November 29, 2017. Italics in the original.

> *In law, nothing is as elementary as the concept of jurisdiction, for the same is the foundation upon which the courts exercise their power of adjudication, and without which, no rights or obligation could emanate from any decision or resolution.*

Petitioner ignored these basic, yet, weighty tenets.

ACCORDINGLY, the Petition for Review dated February 27, 2025 in CTA EB No. 3100 is **DENIED** for lack of merit. The Decision dated August 22, 2024 and Resolution dated February 5, 2025, both rendered by the Court of Tax Appeals – First Division in CTA AC No. 299 are **AFFIRMED**.

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice