REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

ALLEN ARTHUR (Manila), INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

C.T.A. CASE NO. 4821

Promulgated :
OCT 19 1995

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DECISION

This is a judicial claim for tax credit of value-added taxes (VAT) in the amount of P329,295.71 representing input taxes on domestic purchase of taxable goods and services covering four taxable quarters from March 1, 1990 up to February 28, 1991.

Petitioner is a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines. It is engaged in the business of exporting toupees, wigs, wiglets, hairpieces and other related accessories, and also, of selling raw materials such as doll wigs, to export-oriented Board of Investment (BOI) registered enterprises.

The antecedent facts are as follows:

On December 20, 1991, petitioner filed with respondent a claim for tax credit of the abovestated amount of input taxes in accordance with Section 106 (a) and (b) of the National Internal Revenue Code (Tax Code, for brevity) in relation with Section 16 (a) of Revenue Regulations No. 5-87.

On June 19, 1992, with the statutory period of two (2) years within which to file a claim for tax credit and/or refund of said VAT input taxes allegedly about to lapse without action on the part of the respondent, petitioner commenced the instant petition for review.

Petitioner is a VAT registered entity with an approved application for zero-rating on its sales of raw materials to export-oriented BOI-registered enterprises pursuant to Sections 107 and 100 (a) (2) of the Tax Code.

From March 1, 1990 to February 28, 1991, petitioner generated and recorded zero-rated sales amounting to P59,678,160.24 which were paid for in convertible foreign currency inwardly remitted through the banking system in accordance with existing regulations of the Central Bank of the Philippines. Correspondingly, it paid VAT input taxes on its domestic purchase of taxable goods and services allegedly attributable to said sales amounting to P329,295.71 for the same period. It further alleges that the input taxes being claimed for tax credit have not been applied to any VAT output tax liability during said taxable quarters or any succeeding quarters pursuant to Section 106 of the Tax Code. (Petition for Review, p. 5)

In her answer, respondent avers, *inter alia*, as special and affirmative defenses the failure of the petitioner to state any cause of action under Section 204 of the Tax Code. She asserts that petitioner begs the issue as it failed to show on the face of the petition that the collection of the tax liability in the amount of P329,295.71 is illegal and erroneous, as against the legal presumption that the collection thereof is lawful and regular. In addition, she alleges that the claim for "refund" is still under investigation, and thus prays for the dismissal of the petition for lack of merit.

It is to be noted that respondent did not submit any quantum of evidence in support of her assertions including the filing of her memorandum, which leaves the court no recourse but to decide this case on the basis of pleadings, testimonies and evidences presented by petitioner.

The only issue in this appeal is whether or not petitioner is entitled to the issuance of Tax Credit Certificate on VAT input taxes it paid.

We rule in the affirmative.

Petitioner has complied with the requirements of a valid claim for tax credit under Section 106 (a) and (b) of the Tax Code, as implemented by Revenue Regulations No. 5-87, as amended, namely:

1) The exporter must be VAT-registered;

2) An application for tax credit/refund of VAT paid (BIR Form No. 2552) shall be filed with the Revenue District Office;

3) A photocopy of the purchase invoice or receipt evidencing VAT paid shall be submitted together with the application;

4) Photocopy of export document showing the amount of export, and the date and destination of the goods exported;

5) Statement from the Central Bank or any of its accredited agent banks that the proceeds of the sale in acceptable foreign currency has been inwardly remitted and accounted for in accordance with applicable banking regulations;

6) That such input taxes paid has not been applied to output taxes; and,

7) The VAT (input tax) paid must be directly and entirely attributable to the goods exported.

It has also made a timely appeal in accordance with Section 110 (b) in relation with Section 230 of the Tax Code which provide, to quote:

"SEC. 110. *Return and payment of value-added tax.*-

xxx xxx

(b) Time for filing of return and payment of tax.-The return shall be filed and the tax paid within 20 days following the end of each quarter specifically prescribed for a VAT-registered person XXX" (Underscoring supplied)

"SEC. 230. Recovery of tax erroneously or illegally collected.- No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority or of any sum alleged to have been excessive or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.

In any case, no suit or proceeding shall be begun after the expiration of two years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment: Provided, however, That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid. XXX" (Underscoring supplied)

The prayer of respondent that this case be dismissed on account of its alleged pendency before her office is not well taken.

Our Supreme Court "has consistently adhered to the rule that the claim for refund [or credit] should first be filed with the Commissioner of Internal Revenue, and the subsequent appeal to the Court of Tax Appeals must be instituted, within the said two year period. If, however, the Commissioner takes time in deciding the claim, and the period of two years is about to end, the suit or proceeding must be started in the Court of Tax Appeals before the end of the two year period without awaiting the decision of the Commissioner."(**Insular Lumber Co., Inc. vs. CTA**, 104 SCRA 721)

Records show that petitioner, in support of its claim, has formally offered in evidence the following documents : 1) VAT registration certificate, 2) duly approved application for zero-rating of its sales of raw materials to Tikicraft Industries, Inc., an export-oriented BOI-registered enterprise, 3) BOI certification dated February 1, 1990 showing that Tikicraft Industries, Inc. has exported more than 70% of its total sales from January to December 1989 and favorably endorsing its application for zero-rating with the BIR, 4) application for tax credit/refund of VAT (BIR Form No. 2552), 5) VAT quarterly returns separately filed on June 20, 1990, September 20, 1990, December 20, 1990, and March 30, 1991, 6) schedule of export sales, 7) sales invoices inclusive of airway bills/courier assignment notes, certificates of marking and export declaration, 8) bank credit advices/memoranda, 9)schedule of input, taxes, and 10) suppliers invoices and/or official receipts covering the period from March 1, 1990 to February 28, 1991.

From the foregoing facts, it can be gleaned readily that petitioner filed its VAT returns within the twenty-day period after the close of each quarter, and duly filed the instant appeal within the two-year period starting from the filing of the first VAT return with the respondent on June 20, 1990 up to the filing of herein petition for review on June 19, 1992. Likewise , a closer examination of the VAT returns would dislose that petitioner has not applied the input taxes being claimed to any of its output tax liability.

Evidently, petitioner's entitlement to tax credit is sufficiently established by the above-listed proofs. With input taxes definitely in excess of its zero-rated output tax, respondent thus collected such input taxes excessively or in a wrongful manner, and petitioner is, by provisions of Section 106 (a) and (b) in relation with Section 230 of the Tax Code, **supra**, clearly deserving of its claim for tax credit.

A careful scrutiny however of the submitted invoices/receipts on domestic purchase of goods and services reveals that most of the input taxes are not directly and entirely attributable to the zero-rated transactions covered by the application for credit. Hence, input taxes on items such as medicines, office supplies, refrigerator, television set, gas range, copiers, repairs and maintenance of automobiles, grocery items, christmas lights and the like which cannot, in any manner, be directly and entirely attributed to the goods exported are excluded as part of the claim.

Hereunder is the detailed computation of the amount of input taxes to be granted to petitioner as tax credit on its domestic purchase of goods and service, to wit:

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
TNT Skypak	32A-7-000490	M-3	74202	03-31-90	895.00	813.64	81.36
One-Source Enterprises	23-1-004761	M-6	1319	03-05-90	90.00	81.82	8.18
Henkel Philippines, Inc.	32A-2-000255	M-14	13759	03-10-90	7,908.75	7,189.77	718.98
Jarvil Printing & Services	30-1-004076	M-25	149	03-12-90	1,672.00	1,520.00	152.00
Jarvil Printing & Services	30-1-004076	M-26	150	03-12-90	800.00	727.27	72.73
Colorado Chemical Sales	32-9-000084-87	M-27	25693	03-12-90	12,850.00	11,681.82	1,168.18
St. Louis International Corp.	30-1-002773	M-28	8728	03-13-90	6,375.00	5,795.45	579.55
Chemdyes Corporation	31-900-4326	M-30	0043	03-14-90	2,850.00	2,590.91	259.09
Nissin Metals Center	23-1-004191	M-32	6370	03-14-90	3,600.00	3,272.73	327.27
Goodwin General Merchandise	22-3000956	M-36	16122	03-14-90	30.00	27.27	2.73
William Bazar	22-0-001164	M-37	20493	03-14-90	1,431.00	1,300.91	130.09
Filipinas Lace Center	22-7-00676	M-39	119279	03-16-90	160.00	145.45	14.55
Ferdie's Commercial	22-8-001877	M-40	70079	03-09-90	15,000.00	13,636.36	1,363.64
Pacific Textile Traders	22-8-000598	M-41	20629	03-14-90	1,818.80	1,653.45	165.35
Pamo Fishing Supply	22-2-001691	M-45	11919	03-21-90	190.00	172.73	17.27
Lion Chemical Corporation	30A-8-006314	M-57	13552	03-23-90	6,400.00	5,818.18	581.82
Wella Chemo-Technische Mfg.,Inc.	34-9-000076	M-65	113234	03-30-90	61.60	56.00	5.60
Henkel Philippines, Inc.	32A-2-000255	M-68	13766	04-11-90	5,272.50	4,793.18	479.32
St. Louis International Corp.	30-1-002773	M-69	9062	04-11-90	4,795.00	4,359.09	435.91
A/J Hortaleza Vaciador	33-2-000610	M-75	17936	04-07-90	34.00	30.91	3.09
A/J Hortaleza Vaciador	33-2-000610	M-85	18529	04-19-90	435.00	395.45	39.55
Oceanic Sales	22-2-000099	M-87	7393	04-17-90	640.50	582.27	58.23
Pacific Textile Traders	22-8-000598	M-88	22581	04-17-90	48.00	43.64	4.36

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
ABC Hardware	23-9-005547	M-91	2529	04-17-90	937.50	852.27	85.23
Worldwide Packaging	30-5-000443	M-92	6528	04-17-90	18,500.00	16,818.18	1,681.82
Jarvil Printing & Services	30-1-004076	M-95	152	04-21-90	1,045.00	950.00	95.00
A/J Hortaleza Vaciador	33-2-000610	M-96	18398	04-21-90	775.00	704.55	70.45
Ferdie's Commercial	22-8-001877	M-97	70696	04-10-90	11,726.00	10,660.00	1,066.00
TNT Skypak	32A-7-000490	M-99	75464	05-18-90	1,590.90	1,446.27	144.63
Chelle -Mark Trading	22-7-003593	M-100	8520	04-24-90	850.00	772.73	77.27
ABC Hardware	23-9-005547	M-102	2550	04-24-90	750.00	681.82	68.18
Pacific Textile Traders	22-8-000598	M-103	24559	04-24-90	442.00	401.82	40.18
Colorado Chemical Sales	32-9-000084-87	M-105	25885	04-11-90	9,500.00	8,636.36	863.64
Colorado Chemical Sales	32-9-000084-87	M-106	25886	04-11-90	4,500.00	4,090.91	409.09
Champion Stationery Co., Inc.	23-7-003080	M-109	53085	04-25-90	10,400.00	9,454.55	945.45
A.G.M. Commercial	22-5-000161	M-110	5219	04-17-90	12,870.00	11,700.00	1,170.00
Chelle-Mark Trading	22-7-003593	M-112	8530	04-27-90	1,855.00	1,686.36	168.64
Polyfoam Chemical Corporation	21-6-000079	M-117	20660	05-05-90	1,805.00	1,640.91	164.09
Polyfoam Chemical Corporation	21-6-000079	M-118	20408	05-04-90	192.70	175.18	17.52
DHL Philippines Corporation	32-7-000698	M-120	361588	06-20-90	2,092.11	1,901.92	190.19
Jarvil Printing & Services	30-1-004076	M-124	160	05-07-90	1,567.50	1,425.00	142.50
Henkel Philippines, Inc.	32A-2-000255	M-127	13792	05-12-90	8,787.50	7,988.64	798.86
St. Louis International Corp.	30-1-002773	M-128	9386	05-11-90	10,460.00	9,509.09	950.91
Jarvil Printing & Services	30-1-004076	M-129	163	05-12-90	1,045.00	950.00	95.00
Lion Chemical Corporation	30A-8-006314	M-134	13822	05-11-90	6,950.00	6,318.18	631.82
ABC Hardware	23-9-005547	M-136	2709	05-15-90	1,867.50	1,697.73	169.77
William Bazar	22-0-001164	M-137	20607	05-15-90	1,719.00	1,562.73	156.27
Oceanic Sales	22-2-000099	M-138	7490	05-15-90	1,173.00	1,066.36	106.64
Pacific Textile Traders	22-8-000598	M-141	0271	05-15-90	2,703.00	2,457.27	245.73
Jarvil Printing & Services	30-1-004076	M-142	154	05-16-90	1,045.00	950.00	95.00
TNT Skypak	32A-7-000490	M-146	68773	06-06-90	3,304.62	3,004.20	300.42
Colorado Chemical Sales	32-9-000084-87	M-149	26117	05-19-90	4,200.00	3,818.18	381.82
Colorado Chemical Sales	32-9-000084-87	M-150	26055	05-11-90	16,200.00	14,727.27	1,472.73
Colorado Chemical Sales	32-9-000084-87	M-151	26068	05-12-90	17,550.00	15,954.55	1,595.45
Colorado Chemical Sales	32-9-000084-87	M-152	26069	05-12-90	4,200.00	3,818.18	381.82
A.G.M. Commercial	22-5-000161	M-153	5379	05-15-90	15,495.00	14,086.36	1,408.64
TNT Skypak	32A-7-000490	M-156	15263	06-02-90	3,589.30	3,263.00	326.30
Jarvil Printing & Services	30-1-004076	M-157	170	06-05-90	1,045.00	950.00	95.00
Jarvil Printing & Services	30-1-004076	M-158	171	06-05-90	1,800.00	1,636.36	163.64
Champion Stationery Co., Inc.	23-7-003080	M-165	54031	06-11-90	5,200.00	4,727.27	472.73
Ferdie's Commercial	22-8-001877	M-167	71466	05-18-90	15,000.00	13,636.36	1,363.64
Jarvil Printing & Services	30-1-004076	M-168	175	06-13-90	836.00	760.00	76.00
Worldwide Packaging	30-5-000443	M-169	6564	06-14-90	18,500.00	16,818.18	1,681.82
Pacific Textile Traders	22-8-000598	M-171	1285	06-15-90	568.00	516.36	51.64
Bon Kee Commercial, Inc.	22-7-001191	M-172	70666	06-15-90	496.00	450.91	45.09
Ferdie's Commercial	22-8-001877	M-173	71952	06-15-90	1,470.00	1,336.36	133.64
Oceanic Sales	22-2-000099	M-174	7596	06-15-90	865.00	786.36	78.64
A.G. Tanlimco Co., Inc.	23-9-006776	M-175	0263	06-18-90	1,560.00	1,418.18	141.82
Henkel Philippines, Inc.	32A-2-000255	M-176	13793	06-16-90	4,393.75	3,994.32	399.43

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
Colorado Chemical Sales	32-9-000084-87	M-177	26270	06-14-90	6,500.00	5,909.09	590.91
Jarvil Printing & Services	30-1-004076	M-179	165	06-20-90	3,160.00	2,872.73	287.27
A.G.M. Commercial	22-5-000161	M-197	5569	06-15-90	6,080.00	5,527.27	552.73
TNT Skypak	32A-7-000490	M-198	71333	07-31-90	2,580.60	2,346.00	234.60
DHL Philippines Corporation	32-7-000698	M-200	383995	07-23-90	2,276.09	2,069.17	206.92
DHL Philippines Corporation	32-7-000698	M-217	153337	05-10-90	603.07	548.25	54.82
William Bazar	22-0-001164	M-219	20700	07-07-90	70.00	63.64	6.36
St. Louis International Corp.	30-1-002773	M-224	10090	07-01-90	7,555.00	6,868.18	686.82
Colorado Chemical Sales	32-9-000084-87	M-227	26418	07-11-90	18,200.00	16,545.45	1,654.55
Lion Chemical Corporation	30A-8-006314	M-234	14235	07-12-90	6,400.00	5,818.18	581.82
Chemdyes Corporation	31-900-4326	M-236	0072	07-13-90	1,375.00	1,250.00	125.00
Henkel Philippines, Inc.	32A-2-000255	M-241	14284	07-14-90	4,393.75	3,994.32	399.43
Sengkon Trading	22-6-001176	M-243	459398	07-15-90	1,903.85	1,730.77	173.08
Pacific Textile Traders	22-8-000598	M-244	4215	07-16-90	2,319.00	2,108.18	210.82
Oceanic Sales	22-2-000099	M-245	7755	07-16-90	1,097.50	997.73	99.77
Ferdie's Commercial	22-8-001877	M-246	72566	07-16-90	886.00	805.45	80.55
Ferdie's Commercial	22-8-001877	M-251	72450	07-11-90	9,000.00	8,181.82	818.18
Jarvil Printing & Services	30-1-004076	M-255	180	07-19-90	1,045.00	950.00	95.00
Champion Stationery Co., Inc.	23-7-003080	M-256	54771	07-13-90	6,240.00	5,672.73	567.27
Citkimson Import-Export, Inc.	30-2-000586	M-260	71042	07-19-90	836.00	760.00	76.00
ABC Hardware	23-9-005547	M-262	3254	07-19-90	750.00	681.82	68.18
Goodwin General Merchandise	22-3000056	M-263	16655	07-19-90	67.50	61.36	6.14
ABC Hardware	23-9-005547	M-268	2841	07-23-90	2,625.00	2,386.36	238.64
Jarvil Printing & Services	30-1-004076	M-273	181	07-25-90	1,045.00	950.00	95.00
A.G.M. Commercial	22-5-000161	M-280	5746	07-16-90	18,535.00	16,850.00	1,685.00
Champion Stationery Co., Inc.	23-7-003080	M-284	55118	07-30-90	52,000.00	47,272.73	4,727.27
TNT Skypak	32A-7-000490	M-290	72814	09-08-90	8,578.20	7,798.36	779.84
Jarvil Printing & Services	30-1-004076	M-295	182	08-03-90	940.50	855.00	85.50
Jarvil Printing & Services	30-1-004076	M-301	156	08-06-90	836.00	760.00	76.00
Jarvil Printing & Services	30-1-004076	M-302	183	08-07-90	1,045.00	950.00	95.00
TNT Skypak	32A-7-000490	M-303	72815	09-08-90	2,759.90	2,509.00	250.90
Colorado Chemical Sales	32-9-000084-87	M-306	26566	08-08-90	17,500.00	15,909.09	1,590.91
Jarvil Printing & Services	30-1-004076	M-307	184	08-10-90	940.50	855.00	85.50
Chemdyes Corporation	31-900-4326	M-313	0078	08-14-90	1,375.00	1,250.00	125.00
Worldwide Packaging	30-5-000443	M-315	6590	08-15-90	18,352.00	16,683.64	1,668.36
St. Louis International Corp.	30-1-002773	M-317	10506	08-16-90	7,610.00	6,918.18	691.82
Jarvil Printing & Services	30-1-004076	M-327	188	08-20-90	1,567.50	1,425.00	142.50
Henkel Philippines, Inc.	32A-2-000255	M-331	14348	08-20-90	4,625.00	4,204.55	420.45
Ferdie's Commercial	22-8-001877	M-333	73237	08-21-90	1,643.00	1,493.64	149.36
Oceanic Sales	22-2-000099	M-335	7875	08-21-90	2,180.50	1,982.27	198.23
Pacific Textile Traders	22-8-000598	M-339	9050	08-21-90	1,459.00	1,326.36	132.64
Ferdie's Commercial	22-8-001877	M-400	73189	08-15-90	12,500.00	11,363.64	1,136.36
Jarvil Printing & Services	30-1-004076	M-406	190	08-23-90	1,045.00	950.00	95.00
Republic Chemical Ind., Inc.	30A-2-000024	M-409	237900	08-26-90	6,750.00	6,136.36	613.64
Jarvil Printing & Services	30-1-004076	M-410	192	08-29-90	1,776.50	1,615.00	161.50
Lion Chemical Corporation	30A-8-006314	M-411	14431	08-17-90	550.00	500.00	50.00

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
TNT Skypak	32A-7-000490	M-415	76407	09-29-90	2,791.80	2,538.00	253.80
A.G.M. Commercial	22-5-000161	M-428	6054	08-21-90	9,276.00	8,432.73	843.27
California Chemical Corp.	31-6-000194	M-433	042142	09-06-90	6,500.00	5,909.09	590.91
St. Louis International Corp.	30-1-002773	M-437	10780	09-10-90	12,125.00	11,022.73	1,102.27
Republic Chemical Ind., Inc.	30A-2-000024	M-444	238445	09-06-90	7,500.00	6,818.18	681.82
Worldwide Packaging	30-5-000443	M-451	6604	09-14-90	18,500.00	16,818.18	1,681.82
St. Louis International Corp.	30-1-002773	M-452	10786	09-11-90	385.00	350.00	35.00
Colorado Chemical Sales	32-9-000084-87	M-453	26741	09-12-90	25,950.00	23,590.91	2,359.09
Colorado Chemical Sales	32-9-000084-87	M-454	26749	09-12-90	45,750.00	41,590.91	4,159.09
Henkel Philippines, Inc.	32A-2-000255	M-459	14395	09-15-90	9,250.00	8,409.09	840.91
Lion Chemical Corporation	30A-8-006314	M-466	14586	09-18-90	7,200.00	6,545.45	654.55
Colorado Chemical Sales	32-9-000084-87	M-469	26742	09-12-90	15,300.00	13,909.09	1,390.91
Colorado Chemical Sales	32-9-000084-87	M-470	26747	09-13-90	21,900.00	19,909.09	1,990.91
Jarvil Printing & Services	30-1-004076	M-474	194	09-20-90	836.00	760.00	76.00
Pacific Textile Traders	22-8-000598	M-476	9999	09-20-90	138.00	125.45	12.55
Sengkon Trading	22-6-001176	M-480	478836	09-20-90	689.70	627.00	62.70
Jojef Marketing	22-3-004439	M-481	867	09-20-90	798.00	725.45	72.55
ABC Hardware	23-9-005547	M-482	3095	09-17-90	4,600.00	4,181.82	418.18
Oceanic Sales	22-2-000099	M-483	7964	09-20-90	3,765.00	3,422.73	342.27
Pacific Textile Traders	22-8-000598	M-484	9994	09-20-90	1,150.00	1,045.45	104.55
Ferdie's Commercial	22-8-001877	M-488	73693	09-13-90	21,836.00	19,850.91	1,985.09
Jarvil Printing & Services	30-1-004076	M-492	195	09-27-90	1,500.00	1,363.64	136.36
Citkimson Import-Export, Inc.	30-2-000586	M-503	73345	10-01-90	272.00	247.27	24.73
TNT Skypak	32A-7-000490	M-510	77537	10-30-90	5,828.13	5,298.30	529.83
Jarvil Printing & Services	30-1-004076	M-515	197	10-03-90	1,000.00	909.09	90.91
Jarvil Printing & Services	30-1-004076	M-516	196	10-03-90	2,500.00	2,272.73	227.27
Citkimson Import-Export, Inc.	30-2-000586	M-521	73425	10-03-90	124.50	113.18	11.32
Sergon Marketing	23-7-003411	M-523	45961	10-04-90	156.00	141.82	14.18
A.G. Tanlimco Co., Inc.	23-9-006776	M-525	0860	10-05-90	304.00	276.36	27.64
Allied Thread	35-4-000147	M-530	202546	09-19-90	6,694.73	6,086.12	608.61
Wella Chemo-Technische Mfg.,Inc.	34-9-000076	M-536	160782	10-09-90	2,479.00	2,253.64	225.36
Jarvil Printing & Services	30-1-004076	M-539	200	10-10-90	875.00	795.45	79.55
St. Louis International Corp.	30-1-002773	M-544	11076	10-11-90	1,700.00	1,545.45	154.55
Chemdyes Corporation	31-900-4326	M-545	080	10-11-90	1,687.50	1,534.09	153.41
Champion Stationery Co., Inc.	23-7-003080	M-546	121505	10-12-90	750.00	681.82	68.18
Citizen Shoe Supply	23-5-001797	M-551	54128	10-13-90	75.00	68.18	6.82
Sheraton Shoe Supply	23-0-003567	M-552	18696	10-13-90	700.00	636.36	63.64
Sheraton Shoe Supply	23-0-003567	M-553	18703	10-15-90	2,100.00	1,909.09	190.91
Theo-Pam Trading Corporation	33-1-000199	M-564	047948	10-18-90	517.70	470.64	47.06
Oceanic Sales	22-2-000099	M-567	8120	10-19-90	1,350.00	1,227.27	122.73
Ferdie's Commércial	22-8-001877	M-568	74327	10-19-90	2,035.00	1,850.00	185.00
Sengkon Trading	22-6-001176	M-571	487708	10-19-90	294.00	267.27	26.73
Colorado Chemical Sales	32-9-000084-87	M-578	26926	10-19-90	4,850.00	4,409.09	440.91
Henkel Philippines, Inc.	32A-2-000255	M-579	14633	10-20-90	9,250.00	8,409.09	840.91
Jarvil Printing & Services	30-1-004076	M-580	203	10-22-90	1,875.00	1,704.55	170.45
Jarvil Printing & Services	30-1-004076	M-585	205	10-25-90	1,250.00	1,136.36	113.64

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
Jarvil Printing & Services	30-1-004076	M-593	206	10-26-90	2,000.00	1,818.18	181.82
Jarvil Printing & Services	30-1-004076	M-596	209	10-29-90	3,300.00	3,000.00	300.00
Lion Chemical Corporation	30A-8-006314	M-597	14834	10-29-90	605.00	550.00	55.00
Sheraton Shoe Supply	23-0-003567	M-603	18889	10-30-90	2,450.00	2,227.27	222.73
TNT Skypak	32A-7-000490	M-608	020506	11-03-90	8,499.15	7,726.50	772.65
Gramaege Metalcraft	29-2-002517	M-610	056	11-02-90	4,000.00	3,636.36	363.64
Gramaege Metalcraft	29-2-002517	M-611	061	11-05-90	15,250.00	13,863.64	1,386.36
Colorado Chemical Sales	32-9-000084-87	M-628	27014	11-12-90	10,900.00	9,909.09	990.91
A.G.M. Commercial	22-5-000161	M-630	6562	11-06-90	18,250.00	16,590.91	1,659.09
A.G.M. Commercial	22-5-000161	M-631	6563	11-06-90	18,250.00	16,590.91	1,659.09
Wella Chemo-Technische Mfg.,Inc.	34-9-000076	M-632	167697	11-14-90	2,974.80	2,704.36	270.44
A.G.M. Commercial	22-5-000161	M-630	6562	11-06-90	18,250.00	16,590.91	1,659.09
St. Louis International Corp.	30-1-002773	M-633	11369	11-10-90	8,485.00	7,713.64	771.36
St. Louis International Corp.	30-1-002773	M-634	11414	11-13-90	10,625.00	9,659.09	965.91
Sheraton Shoe Supply	23-0-003567	M-635	19036	11-13-90	10,000.00	9,090.91	909.09
Sengkon Trading	22-6-001176	M-637	495324	11-13-90	850.50	773.18	77.32
Oceanic Sales	22-2-000099	M-638	8206	11-13-90	1,710.00	1,554.55	155.45
Pacific Textile Traders	22-8-000598	M-639	11635	11-13-90	900.00	818.18	81.82
Pamo Fishing Supply	22-2-001691	M-641	12494	11-13-90	256.00	232.73	23.27
Chemdyes Corporation	31-900-4326	M-652	090	11-15-90	1,962.50	1,784.09	178.41
Theo-Pam Trading Corporation	33-1-000199	M-653	048200	11-15-90	569.45	517.68	51.77
Jarvil Printing & Services	30-1-004076	M-654	210	11-07-90	1,937.50	1,761.36	176.14
Worldwide Packaging	30-5-000443	M-659	6631	11-16-90	22,500.00	20,454.55	2,045.45
Jarvil Printing & Services	30-1-004076	M-661	212	11-16-90	1,250.00	1,136.36	113.64
Gramaege Metalcraft	29-2-002517	M-663	049	12-18-90	15,882.50	14,438.64	1,443.86
Lion Chemical Corporation	30A-8-006314	M-674	14995	11-19-90	19,200.00	17,454.55	1,745.45
Jarvil Printing & Services	30-1-004076	M-675	214	11-19-90	2,937.50	2,670.45	267.05
ABC Hardware	23-9-005547	M-680	3245	11-20-90	2,250.00	2,045.45	204.55
Dragon Knight Ind. Phil., Inc.	30-6-006605	M-682	17178	11-13-90	4,725.00	4,295.45	429.55
Dragon Knight Ind. Phil., Inc.	30-6-006605	M-683	17207	11-20-90	1,750.00	1,590.91	159.09
St. Louis International Corp.	30-1-002773	M-684	11534	11-22-90	19,060.00	17,327.27	1,732.73
Worldwide Packaging	30-5-000443	M-690	6639	11-23-90	45,000.00	40,909.09	4,090.91
Chemdyes Corporation	31-900-4326	M-692	692	11-19-90	2,337.50	2,125.00	212.50
Chemdyes Corporation	31-900-4326	M-693	095	11-21-90	1,962.50	1,784.09	178.41
Neo-Star Enterprises	29-9-003856	M-694	001	11-20-90	3,465.00	3,150.00	315.00
Neo-Star Enterprises	29-9-003856	M-695	002	11-23-90	2,887.50	2,625.00	262.50
Jarvil Printing & Services	30-1-004076	M-699	216	11-24-90	1,875.00	1,704.55	170.45
Gramaege Metalcraft	29-2-002517	M-706	065	11-26-90	8,300.00	7,545.45	754.55
Colorado Chemical Sales	32-9-000084-87	M-707	27050	11-24-90	27,800.00	25,272.73	2,527.27
Champion Stationery Co., Inc.	23-7-003080	M-710	57672	11-26-90	39,000.00	35,454.55	3,545.45
Henkel Philippines, Inc.	32A-2-000255	M-717	15103	11-15-90	5,550.00	5,045.45	504.55
TNT Skypak	32A-7-000490	M-720	79788	12-29-90	1,635.92	1,487.20	148.72
Perdie's Commercial	22-8-001877	M-724	74058	10-05-90	11,340.00	10,309.09	1,030.91
Sheraton Shoe Supply	23-0-003567	M-725	19211	11-26-90	13,175.00	11,977.27	1,197.73
Oceanic Sales	22-2-000099	M-739	8282	12-03-90	9,155.00	8,322.73	832.27
Perdie's Commercial	22-8-001877	M-740	75349	12-03-90	3,675.00	3,340.91	334.09

DECISION -
C.T.A. Case No. 4821.

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
Bon Kee Commercial, Inc.	22-7-001191	M-742	74873	12-03-90	1,480.00	1,345.45	134.55
New Sultana Modiste Mart	22-4-000022	M-745	23572	12-04-90	1,500.00	1,363.64	136.36
ABC Hardware	23-[illegible]-005547	M-752	3410	12-05-90	6,000.00	5,454.55	545.45
Sengkon Trading	22-[illegible]-001176	M-753	501736	12-03-90	4,868.85	4,426.23	442.62
Pamo Fishing Supply	22-2-001691	M-756	13844	12-05-90	102.00	92.73	9.27
Neo-Star Enterprises	29-9-003856	M-761	005	12-08-90	6,352.50	5,775.00	577.50
Neo-Star Enterprises	29-9-003856	M-762	004	12-05-90	11,550.00	10,500.00	1,050.00
Neo-Star Enterprises	29-9-003856	M-763	003	12-01-90	6,352.50	5,775.00	577.50
New Sultana Modiste Mart	22-4-000022	M-767	23663	12-10-90	1,200.00	1,090.91	109.09
Ferdie's Commercial	22-8-001877	M-768	75540	12-10-90	276.00	250.91	25.09
Lion Chemical Corporation	30A-8-006314	M-777	14015	12-10-90	1,330.00	1,209.09	120.91
Champion Stationery Co., Inc.	23-7-003080	M-781	57994	12-10-90	130.00	118.18	11.82
Neo-Star Enterprises	29-9-003856	M-783	007	12-12-90	5,486.25	4,987.50	498.75
Neo-Star Enterprises	29-9-003856	M-784	006	12-12-90	4,042.50	3,675.00	367.50
Ferdie's Commercial	22-8-001877	M-786	75632	12-13-90	3,676.00	3,341.82	334.18
Citkimson Import-Export, Inc.	30-2-000586	M-787	75779	12-14-90	519.00	471.82	47.18
Commoners' Commercial	22-8-001117	M-788	15828	12-14-90	480.00	436.36	43.64
Ferdie's Commercial	22-8-001877	M-789	75650	12-14-90	736.00	669.09	66.91
Henkel Philippines, Inc.	32A-2-000255	M-790	15181	12-15-90	10,175.00	9,250.00	925.00
Neo-Star Enterprises	29-9-003856	M-794	008	12-15-90	4,620.00	4,200.00	420.00
Neo-Star Enterprises	29-9-003856	M-795	009	12-17-90	4,331.25	3,937.50	393.75
Jarvil Printing & Services	30-1-004076	M-805	217	12-05-90	2,125.00	1,931.82	193.18
Allied Thread	35-4-000147	M-810	210007	12-10-90	6,108.44	5,553.13	555.31
TNT Skypak	32A-7-000490	M-815	81317	02-19-91	4,781.92	4,347.20	434.72
Gramaege Metalcraft	29-2-002517	M-828	069	01-08-91	2,450.00	2,227.27	222.73
Neo-Star Enterprises	29-9-003856	M-833	010	01-12-91	4,908.75	4,462.50	446.25
Neo-Star Enterprises	29-9-003856	M-834	011	01-15-91	5,197.50	4,725.00	472.50
Gramaege Metalcraft	29-2-002517	M-835	071	01-15-91	1,250.00	1,136.36	113.64
Gramaege Metalcraft	29-2-002517	M-836	073	01-15-91	8,550.00	7,772.73	777.27
Gramaege Metalcraft	29-2-002517	M-837	070	01-08-91	1,400.00	1,272.73	127.27
Gramaege Metalcraft	29-2-002517	M-838	072	01-15-91	4,600.00	4,181.82	418.18
TNT Skypak	32A-7-000490	M-847	82441	02-19-91	1,038.18	943.80	94.38
Bon Kee Commercial, Inc.	22-7-001191	M-849	261495	01-17-91	198.00	180.00	18.00
A.G.M. Commercial	22-5-000161	M-854	47133	01-25-91	75.00	68.18	6.82
Citkimson Import-Export, Inc.	30-2-000586	M-855	76857	01-25-91	1,254.00	1,140.00	114.00
South East Commercial Corporation	23-7-003000	M-857	17945	01-25-91	5,850.00	5,318.18	531.82
Pamo Fishing Supply	22-2-001691	M-858	12664	01-25-91	236.00	214.55	21.45
Prosperity Hardware	23-4-001691	M-859	20105	01-25-91	2,125.00	1,931.82	193.18
Pacific Textile Traders	22-8-000598	M-860	13948	01-25-91	1,050.00	954.55	95.45
Gramaege Metalcraft	29-2-002517	M-861	074	01-26-91	34,425.00	31,295.45	3,129.55
TNT Skypak	32A-7-000490	M-862	023585	01-26-91	1,038.18	943.80	94.38
Jarvil Printing & Services	30-1-004076	M-865	229	01-28-91	1,875.00	1,704.55	170.45
Jarvil Printing & Services	30-1-004076	M-866	230	01-28-91	2,300.00	2,090.91	209.09
Henkel Philippines, Inc.	32A-2-000255	M-867	15497	01-26-91	7,960.00	7,236.36	723.64
Jarvil Printing & Services	30-1-004076	M-872	231	01-30-91	1,250.00	1,136.36	113.64
TNT Skypak	32A-7-000490	M-874	023716	02-02-91	943.80	858.00	85.80

Supplier	VAT Reg. No.	Exh.	Inv/OR #	Date	Inv. Amount	Cost	Input Tax
Neo-Star Enterprises	[illegible]-9-003856	M-875	012	02-01-91	6,930.00	6,300.00	630.00
Jarvil Printing & Services	[illegible]-1-004076	M-877	228	01-23-91	2,500.00	2,272.73	227.27
Neo-Star Enterprises	[illegible]-9-003856	M-884	013	02-05-91	5,763.45	5,239.50	523.95
Jarvil Printing & Services	[illegible]-1-004076	M-886	233	02-05-91	1,250.00	1,136.36	113.64
Neo-Star Enterprises	[illegible]-9-003856	M-887	014	02-07-91	7,218.75	6,562.50	656.25
Pacific Textile Traders	[illegible]-8-000598	M-888	14457	02-08-91	232.00	210.91	21.09
A.G.M. Commercial	[illegible]-5-000161	M-890	6945	01-25-91	17,256.00	15,687.27	1,568.73
A.G.M. Commercial	[illegible]-5-000161	M-891	6948	01-26-91	16,514.00	15,012.73	1,501.27
Jarvil Printing & Services	[illegible]-1-004076	M-893	235	02-08-91	2,500.00	2,272.73	227.27
Neo-Star Enterprises	29-9-003856	M-895	015	02-09-91	5,197.50	4,725.00	472.50
TNT Skypak	32A-7-000490	M-896	024583	02-09-91	2,076.36	1,887.60	188.76
Neo-Star Enterprises	29-9-003856	M-898	016	02-12-91	3,465.00	3,150.00	315.00
Wella Chemo-Technische Mfg.,Inc	34-9-000076	M-904	173301	02-14-91	2,974.80	2,704.36	270.44
Jarvil Printing & Services	30-1-004076	M-905	237	02-14-91	1,500.00	1,363.64	136.36
Colorado Chemical Sales	32-9-000084-87	M-911	27246	02-12-91	37,500.00	34,090.91	3,409.09
Colorado Chemical Sales	32-9-000084-87	M-912	27243	02-12-91	31,000.00	28,181.82	2,818.18
Chemdyes Corporation	31-900-4326	M-915	121	02-16-91	1,962.50	1,784.09	178.41
TNT Skypak	32A-7-000490	M-916	024758	02-16-91	2,109.02	1,917.29	191.73
Quality Labels, Inc.	30-9-002056	M-918	2465	02-28-91	7,900.00	7,181.82	718.18
Lion Chemical Corporation	30A-8-006314	M-919	15313	02-16-91	12,850.00	11,681.82	1,168.18
Jarvil Printing & Services	30-1-004076	M-930	242	02-22-91	1,250.00	1,136.36	113.64
A.G.M. Commercial	22-5-000161	M-934	7084	02-22-91	1,632.00	1,483.64	148.36
Joros Enterprises	22-8-000291	M-935	26042	02-22-91	252.00	229.09	22.91
Neo-Star Enterprises	29-9-003856	M-936	017	02-23-91	4,019.40	3,654.00	365.40
TNT Skypak	32A-7-000490	M-938	024933	02-23-91	3,866.55	3,515.05	351.50
Pacific Textile Traders	22-8-000598	M-939	15014	02-21-91	3,043.50	2,766.82	276.68
Pamo Fishing Supply	22-2-001691	M-940	12728	02-22-91	360.00	327.27	32.73
South East Commercial Corporation	23-7-003000	M-941	18588	02-22-91	8,282.00	7,529.09	752.91
Bon Kee Commercial, Inc.	22-7-001191	M-942	76828	02-22-91	1,200.00	1,090.91	109.09
Oceanic Sales	22-2-000099	M-944	8561	02-22-91	4,352.00	3,956.36	395.64
Gramaege Metalcraft	29-2-002517	M-952	077	02-26-91	12,000.00	10,909.09	1,090.91Q
TNT Skypak	32A-7-000490	M-955	025110	02-03-91	958.65	871.50	87.15
T O T A L					1,621,614.97	1,474,195.36	147,419.61

"It must be stressed at this point that a refund [or tax credit] of taxes partakes the nature of a tax exemption and are construed in strictissimi juris against the taxpayer and in favor of the taxing authority." (Associated Sugar, Inc. vs. CIR, CTA Case No. 2944, May

6, 1994, p.4 citing **Insular Lumber Co. vs. CTA, supra,** and **CIR vs. Rio Tuba Nickel Mining Corp.,** 207 SCRA 549)

WHEREFORE, in view of the foregoing, this Court hereby orders the issuance of a tax credit certificate in the amount of P147,419.61 in favor of the petitioner.

SO ORDERED.

ERNESTO D. ACOSTA
Presiding Judge

WE CONCUR:

MANUEL K. GRUBA
Associate Judge

RAMON O. DE VEYRA
Associate Judge

CERTIFICATION

I hereby certify that this decision was reached after due consultation among the members of the Court of Tax Appeals in accordance with Section 13, Article VIII of the Constitution.

ERNESTO D. ACOSTA
Presiding Judge
Court of Tax Appeals