REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

ONE NETWORK BANK, INC. (A RURAL BANK),
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE.
Respondent.

CTA CASE NO. 8826

Members:

Bautista, Chairperson,
Fabon-Victorino, and
Ringpis-Liban *JJ.*

Promulgated:
MAY 25 2017
1:26 p.m.

x- -x

RESOLUTION

RINGPIS-LIBAN, *J.*:

This resolves Petitioner's "Second Supplemental Motion for Reconsideration"[1] filed on April 05, 2017 seeking to set aside the Decision[2] promulgated on May 13, 2016 (assailed decision).

In a Resolution dated April 26, 2017, the Court ordered Respondent to comment on the subject Motion within ten (10) days from notice. Records show that Respondent received the said Resolution on April 27, 2017. Hence, he had until May 07, 2017 to comply. The Judicial Records Division issued a Records Verification Report dated May 12, 2017 stating that Respondent failed to do so. Hence, the subject Motion shall now be resolved by the Court.

It bears stressing that the Court had been very lenient with Petitioner. Petitioner's "Second Supplemental Motion for Reconsideration" is in the nature of a second Motion for Reconsideration. The Revised Rules of the Court of Tax Appeals[3] prohibits the filing of second Motions for Reconsideration of a decision, final resolution or order. Rule 15, Section 7 of the Rules provides:

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1 Docket at pp. 867-876.
2 Id. at pp. 765-774.
3 A.M. No. 05-11-07-CTA, November 22, 2005.

> SEC. 7. No second motion for reconsideration or for new trial. – No party shall be allowed to file a second motion for reconsideration of a decision, final resolution or order; or for new trial. (Rules of Court, Rule 52, sec. 2a)

Yet this Court and gave the Respondent the opportunity to file his comment thereon within ten (10) days from notice in a Resolution dated April 26, 2017 before the Court resolves the said motion.[4]

A perusal of Petitioner's "Second Supplemental Motion for Reconsideration" show that it is a mere rehash of the arguments presented in Petitioner's "Motion for Reconsideration" and "Supplemental Motion for Reconsideration". Apart from citing *Secretary of Finance v. Lazatin*[5], Petitioner did not offer any other new argument.

Unfortunately, Petitioner's reliance on *Lazatin* is misplaced. This Court in its Decision dated May 13, 2016[6] and Resolution dated April 07, 2017[7], denying Petitioner's "Motion for Reconsideration" and "Supplemental Motion for Reconsideration", had already held that Revenue Memorandum Circular No. 66-2012 is consistent with Republic Act No. 7353 as well as the Corporation Code.[8] In the Resolution dated April 07, 2017, the Court further ruled that an indefinite tax exemption is not the plain intent of Republic Act No. 7353.

> Petitioner's position that consolidated rural banks are also afforded the tax exemption under Section 15 creates a loophole for rural banks to enjoy tax exemption indefinitely. For, if petitioner is to be believed, all rural banks need to do is consolidate every five years to enjoy the Section 15 exemption. Surely, the legislature did not intend this to be the case...[9]

Lastly, we reiterate that the very same issue was already ruled upon by the Court of Tax Appeals *En Banc* in the Decision dated August 14, 2015[10] and Resolution dated March 30, 2016[11] involving the same parties.

WHEREFORE, premises considered, Petitioner's "Second Supplemental Motion for Reconsideration" is hereby **DENIED** for lack of merit.

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4 Id. at pp. 887-888.
5 G.R. No. 210588, November 29, 2016.
6 Id. at pp. 765-774.
7 Id. at pp. 887-883.
8 Id. at pp. 880.
9 Id. at pp. 882.
10 One Network Bank, Inc. (A Rural Bank) v. Commissioner of Internal Revenue, CTA EB No. 1200 (CTA Case No. 8640), August 14, 2015.
11 One Network Bank, Inc. (A Rural Bank) v. Commissioner of Internal Revenue, CTA EB No. 1200 (CTA Case No. 8640), March 30, 2016.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

LOVELL R. BAUTISTA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice