REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

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HEIRS OF JACOB G. ASSAD, JR., represented by MRS. MILAGROS F. ASSAD, Petitioner,	**CTA Case No. 9229**
	Members:
- versus -	**UY**, *Chairperson*, and **RINGPIS-LIBAN**, *JJ.*
	Promulgated:
COMMISSIONER OF INTERNAL REVENUE, Respondent.	NOV 15 2018 3:12 p.m.

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RESOLUTION

For resolution is petitioner's **"COMPLIANCE / ADDENDUM TO COMPROMISE AGREEMENT"** filed on October 22, 2018.

Records show that on June 28, 2018, the parties filed with the First Division of this Court the **"COMPROMISE AGREEMENT"** dated June 25, 2018, praying that the same be approved by the Court and an order be issued (1) that the garnished but not collected amount of ₱1,439,624.90 in the savings/time deposit account and current account be lifted, and that the heirs of Jacob G. Assad, Jr. be allowed to avail of the funds therein, including interests these bank account may have earned in the interim; (2) that the cash bond deposited by the late Jacob G. Assad, Jr. with this Court amounting to ₱359,818.69 be refunded to the heirs of Jacob G. Assad, Jr.; and (3) that the instant case be dismissed, with prejudice and without pronouncement as to costs.

In the Resolution dated September 18, 2018, the First Division of this Court partially granted the said parties' *Compromise Agreement*, wherein only the capital gains tax (CGT) assessment issued against petitioner were considered withdrawn by virtue thereof. In effect, it was ruled that petitioner did not entirely pay the documentary stamp tax (DST) and the corresponding penalties due, and thus, the DST assessment has not been fully satisfied and cannot be withdrawn.

Subsequently, the instant case was transferred to the Third Division of this Court in the Order dated September 27, 2018 of the First Division issued by Presiding Justice Roman G. Del Rosario pursuant to Administrative Circular No. 02-2018[1].

On October 22, 2018, petitioner filed the instant *Compliance / Addendum To Compromise Agreement*, reiterating its prayer in the earlier *Compromise Agreement* filed before the First Division of this Court.

Hence, this resolution.

THE COURT'S RULING

We find merit in petitioner's *Compliance / Addendum To Compromise Agreement*.

In the Resolution dated September 18, 2018, the First Division found that as of June 19, 2018, at the time the amount of ₱18,898.05 was paid by petitioner to the Bureau of Internal Revenue (BIR) to supposedly settle the DST assessment, Jacob G. Assad, Jr. has still an unpaid amount of ₱44,990.92 therefor. Thus, the subject DST liability has **<u>not</u>** been extinguished.

The First Division also noted that from June 19, 2018, the delinquency interest continues to run at the rate of ₱14.79 per day (₱44,990.92 x 12% x [1/365]), based on the said unpaid amount.

In its *Compliance / Addendum To Compromise Agreement*, petitioner attached BIR Payment Form (BIR Form No. 0605) and BTR-BIR Deposit/Payment Slip, showing that the Estate of Jacob G. Assad, Jr. paid/remitted on October 17, 2018 the amount of ₱46,780.51 to the BIR relative to the instant case.

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[1] Entitled "*Reorganizing the Three (3) Divisions of the Court*", issued on September 18, 2018.

Considering that from June 19, 2018 up to October 17, 2018, one hundred twenty-one (121) days have lapsed, and thus, the delinquency interest that have ran amounts to ₱1,789.59 (121 days x ₱14.79 per day); and that the unpaid amount as found by the First Division is ₱44,990.92, the amount of ₱46,780.51 (₱44,990.92 + ₱1,789.59) fully settles Mr. Jacob G. Assad, Jr.'s DST liability.

WHEREFORE, in light of the foregoing considerations, petitioner's **"COMPLIANCE / ADDENDUM TO COMPROMISE AGREEMENT"** is **GRANTED**. Accordingly, the Resolution dated September 18, 2018 issued by the First Division of this Court is **MODIFIED**.

The parties' **"COMPROMISE AGREEMENT"** dated June 25, 2018, covering the compromise of both the CGT and DST assessments issued against the late Jacob G. Assad, Jr. for taxable year 1999, is **APPROVED *IN TOTO***.

The Warrant of Garnishment No. WG-RR8-2015-09-0397-01 dated November 2, 2015 in the following accounts of the late Jacob G. Assad Jr.: 1) Savings Account No. 1201957658, United Coconut Planters Bank, Taft Avenue Branch; 2) Savings/Time Deposit Account No. 009-36-001481-1, Bank of Commerce, Taft Avenue Branch; and 2) Current Account No. 009-00-000565-4, Bank of Commerce, Taft Avenue Branch, is hereby **LIFTED**.

Moreover, let the cash bond posted to suspend the collection of tax in this case in the amount of ₱359,818.69 be **REFUNDED** to petitioner upon presentation of appropriate documents.

ACCORDINGLY, this case is hereby **DISMISSED** and considered **CLOSED AND TERMINATED.**

SO ORDERED.

ERLINDA P. UY
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice