REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES, *Plaintiff,*	**CTA Crim. Case Nos. O-867 and O-868** (NPS Docket No. XVI-INV-19F-00229)
	For: Violation of Section 255 of the National Internal Revenue Code of 1997, as amended.
-versus-	Members:
MA. LUISA REYES ANGULO (Cluster 2, 7E Greenhills Garden Condominium, 1110 Boni Serrano Avenue, Quezon City), *Accused.*	**MANAHAN**, *Chairperson,* **REYES-FAJARDO**, *and* **ANGELES**, *JJ.* Promulgated: FEB 13 2025 2:18 p.m.

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AMENDED DECISION

ANGELES, *J.*:

For resolution of the Court is a *Motion for Reconsideration on the Civil Aspect of the Decision* personally filed by the accused on October 22, 2024, praying for the reversal of the *Decision*[1] promulgated on October 8, 2024 (assailed Decision), but only with respect to the civil aspect of the case, and the plaintiff's *Comment* thereto personally filed on November 25, 2024 and electronically filed on November 26, 2024.

In the assailed Decision, the accused was acquitted of the offense of violation of Section 255 of the 1997 National Internal Revenue Code, as amended (NIRC), charged against her in CTA Crim. Case Nos. O-867 and O-868, for failure to prove her guilt beyond reasonable doubt.

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[1] Docket – Crim. Case O-867, pp. 880-912.

Despite her acquittal, the accused was found civilly liable for deficiency taxes, deficiency interest and delinquency interest for the taxable year 2011. The pertinent portion of the dispositive reads:

> However, the accused is **ORDERED TO PAY** the amount of **₱51,236,608.69**, representing deficiency taxes for the taxable year 2011, inclusive of 25% surcharge, 20% deficiency interest and 20% delinquency interest imposed under Section 248(A) (3) and Section 249(B) and (C) of the 1997 NIRC, as amended, computed until December 31, 2017, as follows:

	Income tax (Crim. Case No. O-868)	**VAT (Crim. Case No. O-867)**	**TOTAL**
Basic Tax Due	₱10,969,923.22[2]	₱3,721,700.64[3]	₱14,691,623.86
Add: 25% Surcharge	2,742,480.81	930,425.16	3,672,905.97
20% Deficiency Interest			
April 16, 2012 to December 31, 2014[4]			
(₱10,969,923.22 x 20% x 990 / 365)	5,950,807.66		5,950,807.66
20% Deficiency Interest			
January 26, 2012 to December 31, 2014			
(₱3,721,700.64 x 20% x 1,071 /365)		2,184,077.47	2,184,077.47
Total Amount Due, December 31, 2014	**₱19,663,211.69**	**₱6,836,203.27**	**₱26,499,414.96**
Add:			
20% Deficiency Interest			
January 1, 2015 to December 31, 2017			
(₱10,969,923.22 x 20% x 1,096 / 365)	6,587,964.85		6,587,964.85
(₱3,721,700.64 x 20% x 1,096 / 365)		2,235,059.67	2,235,059.67
20% Delinquency Interest			
January 1, 2015 to December 31, 2017			
(₱19,663,211.69 x 20% x 1,096 / 365)	11,808,701.38		11,808,701.38
(₱6,834,163.98 x 20% x 1,096 / 365)		4,105,467.83	4,105,467.83
Total Amount Due, December 31, 2017	**₱38,059,877.91**	**₱13,176,730.77**	**₱51,236,608.69**

[2] Exhibit "P-7", FLD, Docket – Crim. Case O-867, p. 398.
[3] Exhibit "P-7", FLD, Docket – Crim. Case O-867, p. 398.
[4] Due Date Per FLD, Assessment Notices, Exhibits "P-7" to "P-7-C", Docket – Crim. Case O-867, pp. 398 to 404.

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> In addition, the accused is **ORDERED TO PAY** delinquency interest at the rate of twelve percent (12%) per annum based on the above-stated total unpaid taxes due as of December 31, 2014 amounting to ₱26,499,414.96, equivalent to **₱8,712.14**[5] **per day**, computed from January 1, 2018 until full payment thereof, pursuant to Section 249(C) of the 1997 NIRC, as amended by Republic Act (RA) No. 10963, also known as Tax Reform for Acceleration and Inclusion (TRAIN) and as implemented by RR No. 21-2018.
>
> Lastly, pursuant to Section 13 of RA No. 9282, considering that this Decision is favorable to the national government, the Bureau of Internal Revenue, through the Commissioner of Internal Revenue, is hereby authorized to seize and distraint any goods, chattels, or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interests in and rights to personal property and/or levy the real property of the accused in sufficient quantity to satisfy the tax or charge with any increment thereto incident to delinquency.

In the instant Motion, the accused argues that the right of the Bureau of Internal Revenue (BIR) to collect the subject deficiency taxes is barred by prescription. The accused also argues that there was no sufficient evidence to support her civil liability since the Final Decision on Disputed Assessment (FDDA) was not proven to have been properly served and received by her. Further, she states that the Final Letter of Demand (FLD) cannot be made the basis of her civil liability as her protest was totally disregarded, negating her right to due process.

In its Comment, the plaintiff counters that civil liability to pay taxes arises from the fact that one has engaged himself in business, and not because of any criminal act committed by him. Moreover, acquittal of the taxpayer in the criminal proceeding does not necessarily entail exoneration from his liability to pay taxes. The plaintiff likewise avers that in one case, the Supreme Court ruled that the order of payment of taxes in the criminal case despite the absence of a valid assessment is not a violation of the taxpayer-accused's right to due process.

Before We discuss the merits of the instant Motion, we shall first discuss whether the same was timely filed. On October 8, 2024, the Court issued the assailed Decision. The accused and her counsel received a copy of the said Decision on even date. Per Section 1, Rule 15 of the Revised Rules of the Court of Tax Appeals (RRCTA), the accused had fifteen (15) days from such receipt, or until October 23, 2024, to file the instant Motion.

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[5] ₱26,499,414.96 x 12% / 365.

Considering that the accused filed the instant Motion on October 22, 2024, the same was timely filed.

It must be pointed out, however, that the accused failed to comply with En Banc Resolution No. 8-2024[6] which provides the guidelines to be followed when the primary manner of filing pleadings or other court submissions is through personal filing. The said Resolution provides:

> **1. Coverage.** - The Guidelines shall govern the electronic transmittal to the CTA of copies in Portable Document Format (PDF) of pleadings, court submissions and their additional accompanying documents, such as annexes and exhibits, if any, **for filing of all cases.**
>
> **2. Manner of transmittal.** - The PDF copies must be transmitted by litigants and court users to the official e-mail addresses:
>
> xxx xxx xxx
>
> When the primary manner of filing is through personal filing, by registered mail, or by accredited courier, in accordance with Rule 13, Section 3(a), 3(b), or 3(c) of the 2019 Amendments to the 1997 Rules of Civil Procedure, ten (10) paper copies for En Bane cases, and six (6) paper copies for initiatory pleadings or four (4) paper copies for subsequent pleadings for Division cases, shall be filed. **The PDF copies must be transmitted within twenty-four (24) hours from such filing of paper copies; otherwise, the pleading or court submission shall be deemed as not filed.** *(Emphasis supplied)*

Based on the foregoing, when the primary manner of filing any pleading or court submission is through personal filing, the PDF copies of the same must be transmitted to the official e-mail address of the CTA within twenty-four (24) hours from such filing of paper copies; otherwise, the pleading or court submission shall be deemed as not filed.

In this case, records show that the accused failed to transmit its *Motion for Reconsideration on the Civil Aspect of the Decision* through e-mail within twenty-four (24) hours from the filing of its paper copies on October 22, 2024. Applying the foregoing provision, the said Motion should be deemed as not filed.

Nonetheless, considering the amount involved in this case, the nature of the arguments of the accused, and the paramount

[6] Guidelines on Submission of Electronic Copies of Pleadings and Other Court Submissions Before the Court of Tax Appeals Pursuant to A.M. No. 10-3-7-SC and A.M. No. 11-9-4-SC.

consideration of the ascertain of truth, the aforesaid procedural defect shall be brushed aside for now in the interest of justice.

The right of the BIR to collect the subject deficiency taxes has prescribed

The accused argues that a tax due, made through a valid assessment, may be validly collected if the collection effort, initiated by a distraint, levy or court proceeding, is commenced within three (3) years from the date of issuance of the assessment notice. If no collection is commenced within this period, prescription may be invoked.

The accused explains that for the taxable year 2011, the BIR issued the Preliminary Assessment Notice (PAN) and FLD against her in 2014. Thereafter, the accused timely filed her protest to the FLD. On April 26, 2017, the BIR issued the FDDA, which was not proven to have been properly served and received by the accused. Counting from the date of the PAN and FLD, both issued in 2014, and the filing of the two (2) Informations with the CTA on March 8, 2021, seven years has lapsed. Thus, the accused submits that prescription had already set in when the BIR initiated collection efforts (through the filing of the said Informations) only in 2021, or beyond the three-year period to collect.

It is noted that the plaintiff did not comment or oppose the accused on this matter.

After careful consideration of the arguments of the accused vis-a-vis the relevant facts and pertinent laws and jurisprudence, the Court finds the instant Motion impressed with merit.

In *Bank of the Philippine Islands v. Commissioner of Internal Revenue*[7] (BPI case), the Supreme Court clarified the rules on the three-year prescriptive period to collect taxes. The Court held, to wit:

> **<u>The period for the BIR to assess and collect an internal revenue tax is limited to three years</u>** by Section 203 of the Tax Code of 1977, as amended, which provides that –
>
> xxx xxx xxx
>
> The three-year period of limitations on the assessment and collection of national internal revenue taxes set by Section 203 of the

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[7] G.R. No. 139736, October 17, 2005.

Tax Code of 1977, as amended, **can be affected, adjusted, or suspended**, in accordance with the following provisions of the same Code —

> SEC. 223. — *Exceptions as to period of limitation of assessment and collection of taxes.*— (a) In the case of a false or fraudulent return with intent to evade tax or of failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within ten years after the discovery of the falsity, fraud, or omission: *Provided*, That in a fraud assessment which has become final and executory, the fact of fraud shall be judicially taken cognizance of in the civil or criminal action for the collection thereof.
>
> (b) If before the expiration of the time prescribed in the preceding section for the assessment of the tax, both the Commissioner and the taxpayer have agreed in writing to its assessment after such time the tax may be assessed within the period agreed upon. The period so agreed upon may be extended by subsequent written agreement made before the expiration of the period previously agreed upon.
>
> **(c) Any internal revenue tax which has been assessed within the period of limitation above-prescribed may be collected by distraint or levy or by a proceeding in court within three years following the assessment of the tax.**
>
> (d) Any internal revenue tax which has been assessed within the period agreed upon as provided in paragraph (b) hereinabove may be collected by distraint or levy or by a proceeding in court within the period agreed upon in writing before the expiration of the three-year period. The period so agreed upon may be extended by subsequent written agreements made before the expiration of the period previously agreed upon.
>
> (e) *Provided, however,* That nothing in the immediately preceding section and paragraph (a) hereof shall be construed to authorize the examination and investigation or inquiry into any tax returns filed in accordance with the provisions of any tax amnesty law or decree.
>
> SEC. 224. *Suspension of running of statute.*— The running of the statute of limitation provided in Section[s] 203 and 223 on the making of assessment and the beginning of distraint or levy or a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and for sixty days thereafter; **when the taxpayer requests for a**

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> **reinvestigation which is granted by the Commissioner**; when the taxpayer cannot be located in the address given by him in the return filed upon which a tax is being assessed or collected: *Provided*, That, if the taxpayer informs the Commissioner of any change in address, the running of the statute of limitations will not be suspended; when the warrant of distraint and levy is duly served upon the taxpayer, his authorized representative, or a member of his household with sufficient discretion, and no property could be located; and when the taxpayer is out of the Philippines.

> xxx xxx xxx When the BIR validly issues an assessment, within either the three-year or ten-year period, whichever is appropriate, then the BIR has another three years after the assessment within which to collect the national internal revenue tax due thereon by distraint, levy, and/or court proceeding. **The assessment of the tax is deemed made and the three-year period for collection of the assessed tax begins to run on the date the assessment notice had been released, mailed or sent by the BIR to the taxpayer.**

> xxx xxx xxx

> **Under Section 223(c) of the Tax Code of 1977, as amended, it is not essential that the Warrant of Distraint and/or Levy be fully executed so that it can suspend the running of the statute of limitations on the collection of the tax. It is enough that the proceedings have validly began or commenced and that their execution has not been suspended by reason of the voluntary desistance of the respondent BIR Commissioner. Existing jurisprudence establishes that distraint and levy proceedings are validly begun or commenced by the issuance of the Warrant *and* service thereof on the taxpayer.** It is only logical to require that the Warrant of Distraint and/or Levy be, at the very least, served upon the taxpayer in order to suspend the running of the prescriptive period for collection of an assessed tax, because it may only be upon the service of the Warrant that the taxpayer is informed of the denial by the BIR of any pending protest of the said taxpayer, and the resolute intention of the BIR to collect the tax assessed.

It can be gleaned from the foregoing jurisprudence and cited provisions that the three (3) year prescriptive period to collect taxes begins to run on the date the assessment notice had been released, mailed or sent by the BIR to the taxpayer; and is suspended by, among others, the commencement of collection proceedings by distraint or levy or by a proceeding in court, or by the filing of a request for reinvestigation which is granted by the Commissioner of Internal Revenue (CIR).

The BPI case further held that to suspend the running of the prescriptive periods for assessment and collection, the NIRC very

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plainly requires that the request for reinvestigation must be granted by the BIR Commissioner. The burden of proof that the taxpayer's request for reinvestigation had been actually granted by the BIR Commissioner shall be on the latter. The grant may be expressed in communications with the taxpayer or implied from the actions of the BIR Commissioner or his authorized representatives in response to the request for reinvestigation.[8]

Here, the Court found the evidence of the plaintiff insufficient to prove that the FDDA[9] was duly received by the accused. As the accused was not informed in writing of the law and the facts on which her tax liability in the FDDA was based, the same is void pursuant Section 3.1.5 of Revenue Regulations (RR) No. 18-13.[10]

Be that as it may, a void FDDA does not *ipso facto* render the assessment void. This is because a decision of the CIR on a disputed assessment differs from the assessment itself. Hence, the invalidity of one does not necessarily result to the invalidity of the other — unless the law or regulations otherwise provide.[11]

Applying the foregoing to the case at bar, in view of the nullity of the FDDA, the FLD[12], issued and received by the accused on December 1, 2014, remains to be the valid assessment notice from which the running of the three-year prescriptive period to collect taxes shall be reckoned.

While the accused filed a protest[13] with a request for reinvestigation on December 23, 2014, such filing did not operate to suspend the running of the three-year prescriptive period to collect. The accused had a period of sixty (60) days from the filing of her protest to submit all relevant supporting documents, as required under Section 3.1.4 of RR No. 18-13[14], in relation to Section 228 of the NIRC. However, the accused failed to submit any such document within the prescribed period. As the protest was not in the form and manner prescribed under Section 3.1.4 of RR No. 18-13, in relation to Section 228 of the NIRC, the same is likewise void.

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[8] *Supra*, note 7.

[9] Exhibit "P-9", Docket – Crim. Case O-867, pp. 412-415.

[10] Amending Certain Sections of Revenue Regulations No. 12-99, Revenue Regulations No. 18-13, November 28, 2013.

[11] *Commissioner of Internal Revenue v. Liquigaz Philippines Corp.*, G.R. Nos. 215534 & 215557, April 18, 2016.

[12] Exhibit "P-7", Docket – Crim. Case O-867, pp. 398-402.

[13] Exhibit "P-8", Docket – Crim. Case O-867, pp. 408-411.

[14] *Supra*, note 9.

Even assuming that the request for reinvestigation was valid, there is nothing in the records that show that the BIR granted such request. In fact, the BIR only responded to the accused's protest letter more than two (2) years later through the issuance of the FDDA on April 26, 2017. Hence, there is no basis for the suspension of the prescriptive period to collect the subject deficiency taxes.

As the three-year period for collection of the assessed tax begins to run on the date the assessment notice had been released, mailed or sent by the BIR to the taxpayer[15], the three-year period herein commenced on December 1, 2014. Counting three (3) years therefrom, the BIR had until **December 1, 2017** to collect the assessed deficiency income tax and VAT.

With the BIR having issued the Warrant of Distraint and/or Levy No. RR7-2017-11-27-793[16], covering the accused's deficiency taxes for the taxable year 2011, only on **December 13, 2017**, or with the filing of the two *Informations* in Court only on **March 8, 2021**, regardless, the BIR's right to collect the said taxes had already clearly prescribed.

In view of the foregoing findings, We shall no longer belabor to discuss the other issues raised by the parties.

WHEREFORE, premises considered, the instant *Motion for Reconsideration on the Civil Aspect of the Decision*, filed by the accused on October 22, 2024, is **GRANTED**.

Accordingly, the directive for the accused **Ma. Luisa Reyes Angulo** to pay the amount of ₱51,236,608.69, representing deficiency taxes for the taxable year 2011, inclusive of 25% surcharge, 20% deficiency interest and 20% delinquency interest, and delinquency interest at the rate of twelve percent (12%) per annum based on the above-stated total unpaid taxes due as of December 31, 2014 amounting to ₱26,499,414.96, equivalent to ₱8,712.14[17] per day, computed from January 1, 2018 until full payment thereof, as ordered in the *Decision* promulgated on October 8, 2024, is **REVERSED** and **SET ASIDE.**

Further, the authority granted to the BIR to seize and distraint the personal property and rights to personal property and/or levy the real property of the accused in sufficient quantity to satisfy the tax or

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[15] *Supra*, note 7.
[16] Exhibit "P-12", Docket – Crim. Case O-867, pp. 418.
[17] ₱26,499,414.96 x 12% / 365.

charge with any increment thereto incident to delinquency, is **REVOKED**.

SO ORDERED.

HENRY S. ANGELES
Associate Justice

WE CONCUR:

(With Concurring and Dissenting Opinion)
CATHERINE T. MANAHAN
Associate Justice

Marian Ivy F. Reyes-Fajardo
(With Concurrence)
MARIAN IVY F. REYES-FAJARDO
Associate Justice

ATTESTATION

I attest that the conclusions in the above Amended Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

CATHERINE T. MANAHAN
Associate Justice
Chairperson, 3rd Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's *Attestation,* it is hereby certified that the conclusions in the above Amended Decision were reached in consultation before the cases were assigned to the writer of the opinion of the Court's Division.

ROMAN G. DEL ROSARIO
Presiding Justice

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

CTA Crim. Case Nos. O-867 and O-868
(NPS Docket No. XVI-INV-19F-00229)
For: Violation of Section 255 of the National Internal Revenue Code of 1997, as amended.

- versus -

Members:

MANAHAN, *Chairperson,*
REYES-FAJARDO, *and*
ANGELES, *JJ.*

MA. LUISA REYES ANGULO (Cluster 2, 7E Greenhills Garden Condominium, 1110 Boni Serrano Avenue, Quezon City),
Accused.

Promulgated:
FEB 13 2025
2:18 p.m.

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CONCURRING AND DISSENTING OPINION

MANAHAN, *J.*:

I agree with the conclusion reached in the Resolution, granting the *Motion for Reconsideration on the Civil Aspect of the Decision,* albeit on a different ground.

In ruling in favor of the accused, the *ponencia* found that the latter is not civilly liable on the ground of prescription, as follows:

> "As the three-year period for collection of the assessed tax begins to run on the date the assessment notice had been released, mailed or sent by the BIR to the taxpayer, the three-year period herein commenced on December 1, 2014. Counting three (3) years therefrom, the BIR had until December 1, 2017 to collect the assessed deficiency income tax and VAT.

> With the BIR having issued the Warrant of Distraint and/or Levy No. RR7-2017-11-27-793, covering the accused's deficiency taxes for the taxable year 2011, only on December 13, 2017, or with the filing of the two Informations in Court only on March 8, 2021, regardless, the BIR's right to collect said taxes had already clearly prescribed."

With due respect, the three (3)-year period should have been reckoned from January 1, 2015 and not from December 1, 2014.

In *Commissioner of Internal Revenue v. T Shuttle Services, Inc.*,[1] the Supreme Court laid down the rule that assessment notices should demand the payment of the taxes due within a specific period, in this wise:

> "As held in *Commissioner of Internal Revenue v. Fitness by Design, Inc.*:
>
> A final assessment is a notice 'to the effect that the amount therein stated is due as tax and a demand for payment thereof.' This demand for payment signals the time 'when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies[.]' Thus, it must be 'sent to and received by the taxpayer, and must demand payment of the taxes described therein within a specific period."[2]

The Commissioner of Internal Revenue (CIR)'s assessment must be paid upon notice and demand. Meanwhile, as prescribed in *T Shuttle*, said notice and demand must contain a <u>specific period</u> for payment because it signals the time when penalties and interests begin to accrue against the taxpayer.

Records show that while the subject Formal Letter of Demand and Final Assessment Notices[3] were issued on December 1, 2014, the due date for the payment of taxes involved therein was on December 31, 2014. In other words, accused had until December 31, 2014 within which to pay the taxes involved. After which, the same shall become delinquent.

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[1] G.R. No. 240729, August 24, 2020.
[2] *Id.*, citing G.R. No. 215957, November 9, 2016, 799 Phil 391 (2016).
[3] Exhibits "P-7" and series, Docket, Vol. I, pp. 398-406.

Following *T Shuttle*, the tax liabilities involved here became delinquent on January 1, 2015 – the time when penalties and interests began to accrue against the taxpayer. Counting three (3) years from January 1, 2015, the CIR had until January 1, 2018 within which to institute collection proceedings against the accused. Considering that the subject Warrant of Distraint and/or Levy was issued on December 13, 2017, the same was issued well within the three (3)-year period.

At any rate, I agree that the present motion should still be granted, as per Honorable Associate Justice Marian Ivy F. Reyes-Fajardo's *Concurrence*:

> "For another, accused's civil liability for unpaid IT and VAT on said cases should be proven by competent evidence other than the Formal Letter of Demand and Final Assessment Notices (FLD/FAN). A perusal of the prosecution's Formal Offer of Evidence, in relation to the resolution resolving the same, reveals that no such evidence was presented by the prosecution."

Considering the foregoing, I **VOTE** to **GRANT** the instant *Motion for Reconsideration on the Civil Aspect of the Decision.*

CATHERINE T. MANAHAN
Associate Justice

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES, *Plaintiff,*	**CTA Crim. Case Nos. O-867 and O-868**
	Members:
- versus -	**MANAHAN,** *Chairperson,* **REYES-FAJARDO,** and **ANGELES,** *JJ.*
MA. LUISA REYES ANGULO, *Accused.*	Promulgated: FEB 13 2025 2:18 p.m.

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CONCURRENCE

REYES-FAJARDO, ***J.*****:**

I agree with the *ponencia* in granting accused's Motion for Reconsideration on the Civil Aspect of the Decision, resulting in accused's absolution from civil liability on the unpaid Income Tax and Value-Added Tax subject of CTA Crim. Case Nos. O-867 and O-868, solely based on the ensuing discussion.

People v. Mendez (Mendez)[1] laid down the requirements for the government to successfully collect civil liability for unpaid taxes by way of criminal action, as follows:

> For the guidance of the bench and bar, the following rules shall govern the prosecution of criminal tax law violations and the corresponding civil liability for unpaid taxes:

1 G.R. Nos. 208310-11, March 28, 2023.

(1) When a criminal action for violation of the tax laws is filed, a prior assessment is not required. Neither a final assessment is a precondition to *collection* of delinquent taxes in the criminal tax case. The criminal action is deemed a collection case. **Therefore, the government must prove two things:** *one,* **the guilt of the accused by proof beyond reasonable doubt**, and *two,* **the accused's civil liability for taxes by competent evidence (other than an assessment)**.

...[2]

For one, accused was *acquitted*[3] of the criminal charges hurled against her in CTA Crim. Case Nos. O-867 and O-868 because the prosecution failed to establish her guilt beyond reasonable doubt.

For another, accused's civil liability for unpaid IT and VAT on said cases should be proven by competent evidence *other than* the Formal Letter of Demand and Final Assessment Notices (FLD/FAN). A perusal of the prosecution's Formal Offer of Evidence,[4] in relation to the resolution[5] resolving the same, reveals that no such evidence was presented by the prosecution.

Following *Mendez,* accused should indeed be excused from civil liability on unpaid Income Tax and Value-Added Tax subject of CTA Crim. Case Nos. O-867 and O-868.

Marian Ivy F. Reyes-Fajardo

MARIAN IVY F. REYES-FAJARDO
Associate Justice

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2 Boldfacing supplied.
3 Original Decision dated October 8, 2023. Docket (CTA Crim. Case No. O-867), pp. 880-912.
4 Docket (CTA Crim. Case No. O-867), pp. 379-385.
5 *Id.* at pp. 461-462.