REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Special Third Division

CALFURN MFG. PHILIPPINES INCORPORATED, ASIA RAN MFG. COMPANY, AWECA EXIM TRADING CORPORATION, AIM-EX ASIA INT'L TRADING CORPORATION, AWECA CARGO SERVICES, INC., and AWECA AGRO-FOREST INDUSTRIES CORPORATION, *Petitioners,*	**CTA AC NO. 253** Members: **RINGPIS-LIBAN,** *Chairperson,* **MODESTO-SAN PEDRO,** *and* **FERRER, FLORES,** *JJ.*
-versus-	
JULIETA QUINSAAT, in her capacity as City Treasurer of Angeles City, Pampanga, *Respondent.*	Promulgated: JUN 11 2024 8:23 a.m.

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RESOLUTION

MODESTO-SAN PEDRO, J.:

Before the Court are a Motion for Reconsideration, filed by petitioners on February 20, 2024,[1] and a Motion for Partial Reconsideration filed by respondent also on February 20, 2024[2], both seeking to set aside the January 25, 2024 Decision of the Court in this case.

Respondent filed her Comment/Opposition to Petitioner's Motion for Reconsideration on March 4, 2024[3] while petitioners filed their Comment/Opposition on March 7, 2024.[4] On April 3, 2024, both Motions were submitted for resolution.[5]

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[1] *Rollo*, pp. 340-370..
[2] *Id.* at 371-379.
[3] *Id.* at 388-397.
[4] *Id.* at 398-416.
[5] *See* Minute Resolution, dated April 3, 2024, *id.* at 417.

Petitioners' Motion for Reconsideration

While petitioners expound on the rationale for stay orders, the purposes of rehabilitation, and the FRIA law, they fail to present any argument against the following clear ruling in the questioned Decision –

> Given this, local taxes that accrued during the taxable year 2009 against petitioners are deemed partially waived in accordance with ***Section 19 of the FRIA.*** This is because these taxes fell due between the dates the Commencement Order was issued on 17 December 2008 and the date the Rehabilitation Plan was approved on 16 December 2009. However, the waiver shall be made pro-rata since taxable year 2009 ends on 31 December 2009 which means that there is a remaining fifteen (15) days in 2009 that taxes are no longer deemed waived.
>
> On the other hand, local taxes for taxable years 2010 to 2022 can be assessed and collected directly from petitioners. These taxes cannot be deemed waived since ***Section 19 of the FRIA*** expressly limits the waiver of taxes until the approval of a Rehabilitation Plan or dismissal of the Petition, whichever comes first. Further, the assessment of these taxes can be directly made against petitioners. It is no longer necessary to ventilate the assessment of these taxes before the Rehabilitation Receiver considering that rehabilitation proceedings have already been terminated as of 31 December 2023.
>
> Taxes are the lifeblood of the government and so should be collected without unnecessary hindrance. Their collection is of primordial importance. The waiver of national and local taxes provided for under ***Section 19 of the FRIA*** is akin to a tax exemption. Well-settled is the rule that a tax exemption is strictly construed against the taxpayer because an exemption restricts the collection of taxes necessary for the existence of the government. Thus, the waiver of taxes in ***Section 19 of the FRIA*** can only be claimed within the specific parameters provided therein, specifically only from the date of issuance of the Commencement Order until the approval of the Rehabilitation Plan or dismissal of the Petition, whichever comes first. (Citations omitted)

What is more, the arguments presented in their Motion for Reconsideration are the very same ones already contained in their Petition for Review and Memorandum. Indeed, the contents appearing on pages 6-11 of their Petition for Review and on pages 10-24 of their Memorandum have been simply reproduced verbatim on pages 2-14 of the instant Motion for Reconsideration.

In the oft-cited case of *Harry L. Roque, Jr., et al. v. Commission on Elections, represented by Hon. Chairman Jose Melo, et al.*,[6] the Supreme Court *En Banc* ruled that whenever the issues raised in the Motion for Reconsideration have already been addressed and passed upon in the

[6] G.R. No. 188456, Resolution, February 10, 2010.

Decision, and the Motion for Reconsideration fails to raise matters which are substantially plausible or compellingly persuasive, enough to lead the Court to rule in favor of the desired course of action, then the Motion for Reconsideration must be denied by the Court, to wit –

> While a motion for reconsideration may tend to dwell on issues already resolved in the decision sought to be reconsidered—and this should not be an obstacle for a reconsideration—the hard reality is that petitioners have failed to raise matters substantially plausible or compellingly persuasive to warrant the desired course of action.

This was earlier expressed in *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*[7] –

> The bulk of the aforementioned grounds is a mere rehash of movant's previous arguments. While DGCI is correct in stating that a motion for reconsideration, by its very nature, may tend to dwell on issues already resolved in the decision sought to be reconsidered and that this should not be an obstacle for a reconsideration, the hard reality is that movant has failed to raise matters substantially plausible or compellingly persuasive to warrant the desired course of action.
>
> Considering that the grounds presently raised have been sufficiently considered, if not squarely addressed, in the subject Decision, it behooves movant to convince the Court that certain findings or conclusions in the Decision are contrary to law. As it is, however, the instant motion does not raise any new or substantial legitimate ground or reason to justify the reconsideration sought.

Given that petitioners' arguments have already been passed upon, discussed, threshed out, and judiciously resolved by this Court in the assailed Decision, the Motion discloses no cogent reason to disturb our earlier findings and conclusions. There is nothing that the Court can add to its previous disposition; accordingly, nothing is left for this Court to do but to deny the Motion.

<u>Respondent's Motion for Partial Reconsideration</u>

Respondent's lone argument is as follows –

> . . . The taxes assessed and paid by the Petition(ers) in 2009 are in the form of business tax which are in the nature of regulatory fees being collected by the Local Government Unit. Said regulatory fees are fees paid for doing business within the territorial jurisdiction of the Local Government Unit. They are not in the form of income tax, or tax levied on the income derived during a taxable year. . . .[8]

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[7] G.R. No. 159938 (Resolution), January 22, 2007.

[8] *See* Motion for Partial Reconsideration, p. 3, *Rollo*, p. 373.

Respondent continues on that these are not within the coverage of the waiver/exemption provided for in *Section 19 of the FRIA*, which simply provides as follows –

> SEC. 19. *Waiver of Taxes and Fees Due to the National Government and to Local Government Units (LGUs).* — Upon issuance of the Commencement Order by the court, and until the approval of the Rehabilitation Plan or dismissal of the petition, whichever is earlier, the imposition of all taxes and fees, including penalties, interests and charges thereof, due to the national government or to LGUs shall be considered waived, in furtherance of the objectives of rehabilitation.

This provision lays down the rule that all taxes, fees, penalties, interests, and charges due to the national government or to LGUs shall be considered waived. There is no qualifier that such taxes or fees shall be in the form of income taxes. Clearly, then, respondent's argument on this score is without merit.

ACCORDINGLY, in light of the foregoing considerations, both the Motion for Reconsideration of petitioners and the Motion for Partial Reconsideration of respondent are here **DENIED** for lack of merit.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice