REPUBLIC OF THE PHILIPPINES
**COURT OF TAX APPEALS**
QUEZON CITY

# SECOND DIVISION

**LIGHT RAIL MANILA CORPORATION,**
Petitioner,

**CTA AC NO. 224**

Members:

**- versus -**

**CASTAÑEDA, JR.,** *Chairperson, and*
**BACORRO-VILLENA,** *JJ.*

**CITY OF CALOOCAN AND HON. ANALIZA E. MENDIOLA, IN HER CAPACITY AS THE CITY TREASURER OF CALOOCAN CITY,**
Respondents.

Promulgated:
JAN 29 2021
2:30 p.m.

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# RESOLUTION

***BACORRO-VILLENA, J.:***

For the Court's Resolution is the "Motion for Reconsideration (of the Decision dated 02 September 2020)" filed on 24 September 2020 by respondents City of Caloocan and Hon. Analiza E. Mendiola, in her capacity as the City Treasurer of Caloocan City (**respondents**), with the "Comment/Opposition (Re: Motion for Reconsideration dated 24 September 2020)" filed on 03 November 2020 by petitioner Light Rail Manila Corporation (**petitioner**).

The instant motion seeks the reversal of this Court's Decision dated 02 September 2020. The dispositive portion of which states:

> ...
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> **WHEREFORE**, the foregoing considered, petitioner Light Rail Manila Corporation's Petition for Review filed on 19 July 2019 is **GRANTED**. The assailed Decision of the Regional Trial Court (RTC), Branch 232 of Caloocan City, dated 10 July 2019, is hereby **REVERSED** and **SET ASIDE**.

> Accordingly, petitioner's Application for a Writ of Prohibition is **GRANTED**. Respondents are therefore **ORDERED** to **DESIST** from further assessing petitioner for local business taxes on its gross receipts. Likewise, Section 311 of the Updated Caloocan Revenue Code is found violative of Republic Act No. 7160 or The Local Government Code of 1991 and hence, declared, **NULL** and **VOID**.
>
> . . .

A mere perusal of respondents' motion will show that they merely rehashed their arguments against petitioner's Petition for Review. Except on respondents insistent doubt of this Court's appellate jurisdiction over the Regional Trial Court's (**RTC's**) decision, the Court shall no longer belabor itself with a repeated discussion of said issues and arguments.

According to respondents, the Court erred in relying on the case of *Smart Communications, Inc. v. Municipality of Malvar, Batangas*[1] (**SMI**) wherein the Supreme Court held that, "the [CTA] may likewise take cognizance of cases directly challenging the constitutionality or validity of a tax law or regulation or administrative issuance".

Respondents point out that this Court, sitting *En Banc* in the case of *The City Government of Makati, et al. v. Honorable Regional Trial Court of Makati, Branch 59 and Mactel Corporation*[2] (**Makati City**) limited its power of judicial review only to cases brought before the RTC arising out of Sections 195 and 196 of the Local Government Code (**LGC**).

To reiterate, in *SMI*, the Supreme Court, despite its pronouncement regarding the authority of the Court to determine local tax ordinances, upheld the refusal of this Court to rule on the validity of an ordinance which merely imposed fees.

Unlike in *SMI*, petitioner herein attacks the legitimacy of a provision of Caloocan City's Updated Revenue Code particularly, Section 311 thereof, to wit:

> . . .
>
> **Sec. 311**. *Payment Under Protest.* – (a) No protest on the computation of the tax shall be entertained by the City Treasurer unless the taxpayer first pays the tax. The tax receipts acknowledging the tax payments shall bear the words "paid under

[1] G.R. No. 204429, 18 February 2014.

[2] CTA EB No. 1465, 14 February 2018.

> protest." The protest in writing must be filed within thirty (30) days from the payment of the tax to the City Treasurer, who shall decide the protest within sixty (60) days from receipt.
>
> ...

Although not on all fours with the facts of the present case, the Court sees no reason to completely disregard the principles established in *SMI* especially, when such concepts are merely instructive on the limits of this Court's authority. In sum, we learn from *SMI* that the Court of Tax Appeals (**CTA**) cannot extend its jurisdiction to review statutes, ordinances and issuances beyond those involving the imposition of taxes.

Clearly, the validity of the foregoing provision of Caloocan City's Updated Revenue Code, a codification of Caloocan City's tax ordinances fall squarely within Our jurisdiction.

Despite respondents' invocation of the CTA *En Banc's* ruling in the case of *Makati City*, respondents must be reminded that this Court's decisions are not binding. The principle of *stare decisis* applies only to cases decided by the Supreme Court[3] to the exclusion of other courts, including the CTA.

**WHEREFORE**, the foregoing considered, "Motion for Reconsideration (of the Decision dated 02 September 2020)" filed by respondents City of Caloocan and Hon. Analiza E. Mendiola, in her capacity as the City Treasurer of Caloocan City, is **DENIED.** Accordingly, the assailed Decision dated 02 September 2020, is hereby **AFFIRMED.**

**SO ORDERED.**

**JEAN MARIE A. BACORRO-VILLENA**
Associate Justice

**I CONCUR:**

Juanito C. Castañeda, Jr.
**JUANITO C. CASTAÑEDA, JR.**
Associate Justice

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[3] *United Coconut Planters Bank v. Sps. Uy*, G.R. No. 204039, 10 January 2018.