4

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

PEOPLE OF THE PHILIPPINES,
Petitioner,

-versus-

PROSPERO A. PICHAY, JR.,
Respondent.

CTA EB Crim. No. 059
(CTA Crim. Case No.O-637)

Present:

DEL ROSARIO, *PJ*,
CASTAÑEDA, JR.,
UY,
FABON-VICTORINO,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA, and
MODESTO-SAN PEDRO, *JJ*.

Promulgated:

JUL 08 2020
3:45 p.m.

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RESOLUTION

Fabon-Victorino, J.:

On December 6, 2019, the Court rendered a Decision, which disposed the case in the following fashion:

> **WHEREFORE**, the Petition for Review filed by petitioner People of the Philippines on September 18, 2018 against respondent Prospero A. Pichay, Jr., is hereby **DENIED** for lack of merit. Accordingly, the assailed Resolutions promulgated on May 3, 2018 and August 17, 2018, of the Court in Division in CTA Crim. Case No. O-637, are hereby **AFFIRMED *in toto***.
>
> **SO ORDERED**.

The Court explained that respondent may not be adjudged civilly liable for alleged tax liabilities slapped by the Bureau of Internal Revenue (BIR) since it failed to properly serve a valid Letter of Authority (LOA) to respondent or his authorized representative within 30 days from issuance thereof. In addition, there was improvident service of, and non-receipt by respondent, or his authorized representative of the BIR's Preliminary Assessment Notice (PAN); and Formal Assessment Notice and Formal Letter of Demand (FAN/FLD). And assuming that the LOA, PAN, and FAN/FLD were properly served by the BIR to respondent, the significant increase in his net worth,[1] treated by the former as unreported income amounting to ₱58,496,797.94 was wanting of factual foundation as the foregoing finding resulted from conjectures and assumptions by the examining officers *sans* pertinent documents to support them.

Undaunted, petitioner filed its Motion for Reconsideration dated December 20, 2019, arguing that:

I. it had established by compelling proof that respondent had actually received colossal amounts of income which he failed to report in his pertinent income tax returns (ITRs), hence imposition of deficiency income taxes, as well as statutory increments against him is in order; and

II. it had demonstrated by formidable evidence that the LOA was duly served to, and received by respondent.

On the other hand, respondent failed to file his comment/opposition to the instant Motion despite directive from the Court.[2] Thus, the present incident was submitted for resolution on June 16, 2020.[3]

Treading over the assailed Decision of December 6, 2019, side by side with the concomitant arguments set forth

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1 This was arrived at after comparing respondent's net worth per his Statement of Assets Liabilities and Net Worth (SALN) as of December 31, 2008 vis-à-vis his net worth per his SALN as of December 31, 2009, the discrepancy of which was treated as unaccounted income purportedly subject to income tax.

2 Records verification report dated February 28, 2020.

3 Resolution dated June 16, 2020.

by petitioner in its Motion for Reconsideration shows that these were the very same contentions it advanced in its Petition for Review, all of which have been meticulously determined and passed upon by the Court *En Banc*. Without any novel or significant matter warranting departure from, much less modification of the assailed Decision of December 6, 2019, petitioner's Motion for Reconsideration dated December 20, 2019 must be denied.

WHEREFORE, petitioner's Motion for Reconsideration dated December 20, 2019 is **DENIED**, for lack of merit.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We Concur:

ROMAN G. DEL ROSARIO
Presiding Justice

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

ERLINDA P. UY
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice