REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- versus -

ARMADILLO HOLDINGS, INCORPORATED (now ABRAHAM HOLDINGS, INC.),
Respondent.

CTA EB NO. 2655
(CTA Case No. 9781)

Present:

DEL ROSARIO, ***P.J.,***
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, ***JJ.***

Promulgated:
JUN 26 2024 3:05 pm

x - x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court *En Banc*'s resolution is petitioner Commissioner of Internal Revenue's (**petitioner**'s/**CIR**'s) Motion for Reconsideration[1] (**MR**) filed on 04 March 2024 *via* registered mail, with respondent Abraham Holdings, Inc.'s (**respondent**'s) "Comment/Opposition (to Petitioner's Motion for Reconsideration dated March 4, 2024)"[2] (**Comment**) filed on 25 March 2024.

[1] *Rollo*, pp. 140-145.
[2] Id., pp. 149-153.

The MR seeks the reversal of this Court *En Banc*'s Decision dated 12 February 2024[3] (**assailed Decision**), denying petitioner's Petition for Review[4] filed on 21 July 2022. The dispositive portion of the assailed Decision reads, thus:

> ...
>
> **WHEREFORE**, premises considered, the present Petition for Review filed by petitioner Commissioner of Internal Revenue is hereby **DENIED** for lack of merit. Accordingly, the assailed Decision and Resolution dated 02 November 2021 and 24 June 2022, respectively, in CTA Case No. 9781, entitled *Armadillo Holdings, Inc. (now Abraham Holdings, Inc.) v. Commissioner of Internal Revenue* are hereby **AFFIRMED**.
>
> Consequently, petitioner Commissioner of Internal Revenue or any person duly acting on his or her behalf is hereby **ENJOINED** from collecting or taking further action on the subject deficiency taxes assessed against respondent Abraham Holdings, Inc. as provided in the Formal Assessment Notice and Assessment Notice both dated 06 March 2014 and Final Decision on Disputed Assessment and Amended Assessment Notice No. IT-ELA51832-10-18-0260 both dated 01 February 2018, the latter representing deficiency income tax in the aggregate amount of ₱9,302,612.84, inclusive of interest, for the taxable year 2010.
>
> **SO ORDERED.**
>
> ...

In the MR, petitioner submits that it validly utilized the 'net worth method' in uncovering respondent's alleged unreported taxable income. According to petitioner, the same is warranted when the reports or records requested from the concerned taxpayer are unavailable, or when the reports the latter had submitted are erroneous or incomplete.

Petitioner also maintains the propriety of the disallowance of respondent's excess tax credits that were supposedly carried over to succeeding taxable years (**TYs**). He or she asserts the tax benefit thereon that respondent had realized from the succeeding TY 2011, justifying its exclusion from the present subject of the assessment, TY 2010. Invoking the principle that a public official enjoys the presumption of regularity in the discharge of his or her official duties and functions, petitioner

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[3] Id., pp. 75-103.
[4] Id., pp. 5-15.

believes that the assessment should not be disturbed absent any contrary proof.

Meanwhile, in its Comment, respondent points out that the Court *En Banc* had already exhaustively evaluated petitioner's arguments. Respondent highlights that petitioner failed to point out any errors that would warrant the reversal of the assailed Decision or disturb the findings therein. Seeing that petitioner's arguments were similar to those in the Petition for Review, respondent observes that the MR appears to be *pro forma*.

In response to petitioner's arguments, respondent echoes the Court's findings that petitioner incorrectly utilized the 'net worth method'.

Respondent also claims that petitioner's conclusions are purely presumptions, which should not be the basis of an assessment. It counters further that petitioner's basis for his or her treatment of excess tax credits subject of carry-over is incorrect. Respondent insists that petitioner's assessment is void for the latter's failure to state the legal and factual basis therefor.

Respondent similarly reiterates that the utilization of the said credits is properly the scope of an assessment of the succeeding TYs (2011 and onwards) and not TY 2010.

We resolve.

At the onset, the Court *En Banc* must stress that petitioner's arguments are a mere rehash of those already raised and considered by the Court's First Division and the Court *En Banc* in deciding the case at bar. Considering the nature of petitioners' arguments, We do not find it worthwhile to make further exposition.

In *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*[5], the Supreme Court explained, to wit:

[5] G.R. No. 109645, 04 March 1996.

> ...
>
> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.
>
> ...

Furthermore, the Supreme Court in *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*[6] ruled:

> ...
>
> 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.**
>
> ...

6 G.R. No. 159938, 22 January 2007; Citation omitted and emphasis supplied.

It is clear from the above principles that it is the movant's duty to convincingly show grounds for a reconsideration of an assailed judgment or order, or at the least give its previous arguments a fresh perspective in such a way that would warrant a re-examination of the case. Unfortunately, in the instant case, petitioner had failed to do so.

WHEREFORE, the foregoing premises considered, petitioner's Motion for Reconsideration filed on 04 March 2024 is hereby **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

ON LEAVE
MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

ON LEAVE
CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice