REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

TODA HOLDINGS, INC., *Petitioner,*	**CTA AC NO. 152**
	Members:
-versus-	**Bautista**, Chairperson, **Fabon-Victorino**, and **Ringpis-Liban** *JJ.*
CITY OF DAVAO and HON. RODRIGO S. RIOLA, in his official capacity as the City Treasurer of Davao City. *Respondents.*	Promulgated: JUN 14 2017 3:26 p.m.

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RESOLUTION

RINGPIS-LIBAN, *J.*:

This resolves Respondents' "Motion for Reconsideration"[1] filed by registered mail on April 17, 2017 seeking to set aside the Decision[2] promulgated on March 14, 2017 (assailed decision).

On May 05, 2017, the Court issued a Resolution requiring Petitioner to comment on Respondents' "Motion for Reconsideration" within ten (10) days from notice.[3]

On May 25, 2017, Petitioner filed its "Comment to Respondents' Motion for Reconsideration (Re: Decision Rendered 14 March 2017)".[4] Thus, pursuant to the Resolution issued on May 05, 2017, the incident is now deemed submitted for resolution.

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1 Docket. at pp. 238-252.
2 Id. at pp. 223-237.
3 Id at p. 254.
4 Id. at p. 255-287.

The dispositive portion of the assailed decision reads as follows:

> **WHEREFORE**, premises considered, the instant Petition for Review is hereby **GRANTED**. The Decision dated June 22, 2015 and the Order dated September 11, 2015 of the Regional Trial Court, Branch 16 of the City if Davao in Civil Case No. 34,859-13 are hereby **REVERSED** and **SET ASIDE**. Accordingly, respondent Treasurer of the City of Davao is hereby **ORDERED TO REFUND** to petitioner Toda Holdings Inc. the total amount of **ONE MILLION FIVE HUNDRED SIXTY TWO THOUSAND SIX HUNDRED SIXTY TWO THOUDAND SIX HUNDRED THIRTY SIX PESOS** (₱1,562,636.00) representing its erroneously paid local business taxes for the first and second quarters of taxable year 2011.[5]

In its motion, Respondents argue that Petitioner's dividend and interest income from the San Miguel Corporation ("SMC") shares are not exempt from local business tax.

After a careful consideration, the Court finds that the issues and arguments raised in Respondents' motion had already been amply discussed, passed upon and considered by this Court in the assailed Decision. Respondents' arguments constitute neither compelling nor cogent reason to modify, much less reverse our Decision dated March 14, 2017.

We reiterate our finding that –

> The tax imposed in this case is on the dividends and money market placement earnings from the dividends. All were derived from the SMC shares that the government owns. Any earnings of the SMC shares belong to the government. Any local tax imposed on THI, is imposed on the national government. This is clearly in contravention of Section 133(o) of the LGC. Hence, the erroneously paid local business tax must be refunded.[6]

WHEREFORE, premises considered, Respondents' "Motion for Reconsideration is hereby **DENIED** for lack of merit.

[5] Id. at p. 236.
[6] Id. at p. 232.

SO ORDERED.

Ma. Belen S. —

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

LOVELL R. BAUTISTA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice