REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

PROVIDENT INSURANCE CORPORATION,
Petitioner,

- versus -

C.T.A. CASE NO. 3916

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

x - - - - - - - - - - - - x

D E C I S I O N

This is a claim for ~~tax~~ credit in the amount of P678,426.00 for the taxable years 1983 and 1984 representing excess tax payments and creditable taxes withheld over the amount due.

Petitioner is a corporation existing under the laws of the Philippines and that respondent Commissioner of Internal Revenue is the head of the Bureau of Internal Revenue. Petitioner is engaged in the business of selling insurance and in investment of its funds in government bonds and other securities.

In 1983, petitioner filed its final annual income tax return showing a tax due of P69,744.00 and that it filed its quarterly income tax return as required by the National Internal Revenue Code and paid the following amounts:

1st Qtr.	P278,004.74
2nd Qtr.	334,547.16
3rd Qtr.	17,438.65

These amounts include creditable taxes withheld on interest for government bonds of P49,275.00, or a total refundable sum of P609,520.00.

In 1984, considering that it lost during that year, there were alleged as creditable taxes withheld on interest from government bonds of P53,882.83, and for rentals earned of P15,023.58, or an alleged total refundable amount of P68,906.10.

Summing up the alleged creditable amounts of P609,520.00 and P68,906.10, it arrived at the total refundable sum of P678,426.00.

On april 2, 1985, petitioner, thru counsel, Atty. Demosthenes B. Gadioma, claimed for the tax credit of the alleged amount of P678,426.00 (Exh. J, pp. 71-73, CTA rec.) as follows:

1983

Tax due per ITR		P 69,744.00
Tax payments:		
1st quarter ITR	P278,004	
2nd " "	334,547	
3rd " "	17,438	
Creditable taxes withheld on interest from government bonds	49,275	679,264.00
Amount refundable		P 609,520.00

1984

Tax due - loss year	Zero
Creditable taxes withheld on interest from government bonds..	P 53,882.53
and from rentals earned	15,023.58
Amount refundable	P 68,906.10
Total amount refundable for 1983 & 1984	P 678,426.00

Respondent Commissioner of Internal Revenue, however, did not act on said claim for tax credit.

The only issue in this case is whether or not petitioner Provident Insurance Corporation is entitled to the credit of the alleged amount of P678,426.00.

Petitioner is entitled to the claim for tax credit so much as it has proved to have been erroneously paid by virtue of its evidence.

The petitioner has shown by its evidence that it is entitled to claim for tax credit for the years 1983 and 1984 only the amount of tax withheld at source in the sum of P640,930.30, computed as follows:

1983

Tax due per ITR		P 69,744.00
1st Qtr. (Exhs. G & B) ...	P278,003.74	
2nd Qtr. (Exhs. H, H-1 & B-1)	334,547.16	
3rd Qtr. (Exhs. I-1 & A) ...	17,438.65	
Creditable taxes withheld on interest from government bonds (Exhs. C, C-1 to C-4)	49,275.00	679,500.00
Total refundable amount for 1983		P609,520.00

1984

Tax Due-loss year		Zero
Creditable taxes withheld on interest from government bonds:		
(Exh. [illegible])	P 6,750.00	
(Exh. E-1)	17,212.50	
(Exh. F)	1,022.25	
(Exh. F-1)	1,057.50	
(Exh. F-2)	295.04	
(Exh. F-3)	1,046.00	
(Exh. F-4)	965.16	
(Exh. F-5)	3,061.05	P 31,410.30
Total refundable amount for 1984		P 31,410.30

SUMMARY

Total refundable for 1983	P609,520.00
Total refundable for 1984	31,410.30
Grand total refundable for 1983 and 1984	P640,930.30

Note that the amounts of P6,750.00 (Exh. E-3) and P17,212.50 (Exh. E-2) were removed in the computation of the refundable amount as they apparently constitute a reproduction only of Exhs. E and E-1.

WHEREFORE, respondent Commissioner of InternalRevenue is hereby ordered to grant a tax credit to petitioner Provident Insurance Corporation the grand total sum of P640,930.30 as excess tax payments for the years 1983 and 1984.

Without pronouncement as to costs.

SO ORDERED.

Quezon City, Metro Manila, August 13, 1988.

CONSTANTE C. ROAQUIN
Associate Judge

WE CONCUR:

AMANTE FILLER
Presiding Judge

ALEX Z. REYES
Associate Judge

C E R T I F I C A T I O N

I hereby certify that this decision was reached after due consultation among the members of the Court of Tax Appeals in accordance with Section 13, Article VIII of the Constitution.

AMANTE FILLER
Presiding Judge
Court of Tax Appeals