CTA Form No. 8 (For DCC)

25-000440-0034

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 11943

OLYMPIC VILLAGE ENTERPRISES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE, AND REGIONAL DIRECTOR OF REVENUE REGION NO. 7B,
Respondents.

NOTICE OF RESOLUTION

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legaspi Village
Makati City

ATTY. MANUEL LUIS B. CRUZ
Bureau of Internal Revenue - Revenue Region No. 7B
Legal Division, 25th Floor, The Podium West Tower
12 ADB Avenue, Ortigas Center
Mandaluyong City

BLL DELA ROSA & PARTNERS
Unit 202, SEDCCO 1 Building
120 Rada Street, Legazpi Village
1229 Makati City

GREETINGS:

You are hereby notified by these presents that on **April 21, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **April 22, 2026.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

OLYMPIC VILLAGE ENTERPRISES, INC.,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE, AND REGIONAL DIRECTOR OF REVENUE REGION NO. 7B,
Respondents.

CTA CASE No. 11943

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:

APR 21 2026; 2:45PM

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RESOLUTION

CUI-DAVID, J.:

Before the Court is respondent Commissioner of Internal Revenue's (CIR's) Motion for Reconsideration filed on January 21, 2026, with petitioner's ***Comment/Opposition (to the Motion for Reconsideration dated 21 January 2026) [Comment/Opposition]***, filed on February 6, 2026.

Respondent CIR seeks the reconsideration and reversal of the *Resolution* dated December 18, 2025 (**assailed *Resolution***),[1] which granted petitioner's *Petition for Review*. The dispositive portion of the assailed *Resolution* reads:

> **WHEREFORE**, premises considered, the Court finds that respondent's right to collect the alleged deficiency taxes for TY 2015 has prescribed. Accordingly, the government's authority to pursue any collection action has been extinguished by operation of law.

[1] Docket, pp. 560–572.

Consequently:

1. The *Petition for Review* filed by petitioner on March 4, 2025, is **GRANTED**;

2. The Formal Letter of Demand with Final Assessment Notice dated October 15, 2018 and the Warrant of Distraint and/or Levy issued against petitioner, covering alleged deficiency taxes in the amount of ₱12,752,376.77, inclusive of interests, are **CANCELLED** and **SET ASIDE** for having been enforced beyond the prescriptive period to collect;

3. Respondents, their representatives, agents, and all persons acting on their behalf are **ENJOINED** from executing, enforcing, implementing, or otherwise giving effect to any Warrant of Distraint and/or Levy, Warrant of Garnishment, or any administrative collection action pertaining to petitioner's alleged deficiency taxes subject of this case.

Given the grant of the *Petition for Review* and the Court's declaration that the assessment and collection measures are no longer enforceable, petitioner's *Extremely Urgent Motion to Suspend Collection of Taxes: (a) Motion to Restrain Issuance and Service of Warrant of Distraint and/or Levy; (b) Motion to Restrain Issuance and Service of Warrant of Garnishment; and/or (c) Motion to Issue Ex Parte a Temporary Suspension Order*, is rendered **MOOT AND ACADEMIC**.

SO ORDERED.

In his *Motion for Reconsideration,* respondent CIR contends that his right to collect petitioner's deficiency taxes for taxable year (**TY**) 2025 has not yet prescribed. Respondent argues that: (1) the assessment for TY 2015 has not become final considering that petitioner filed its protest in accordance with Section 228 of the National Internal Revenue Code (**NIRC**) of 1997, as amended, which effectively tolled the running of the statute of limitations in conducting the assessment and beginning the collection proceedings pursuant to Section 223 of the NIRC of 1997, as amended; (2) petitioner's act of filing a Motion for Reconsideration with respondent tolled the running of the statute of limitations and only began to run again after respondent promulgated its decision on January 17, 2025; and (3) the issue of prescription should be threshed out in a full-blown trial and he should be afforded the opportunity to present his case.

On the other hand, petitioner, in its *Comment/Opposition*, maintains that the Court correctly ruled that respondent's right to collect the assessed taxes has prescribed. It stresses that none of the circumstances enumerated under Section 223 of the NIRC of 1997, as amended, are present in this case since it filed a request for reconsideration, not a request for reinvestigation, as clearly stated in its *Legal Petition Notice* dated November 15, 2018[2] (Protest). This was confirmed by the BIR in its Letter dated November 26, 2018,[3] which gave due course to petitioner's request for reconsideration. Likewise, petitioner avers that it filed a *Motion for Reconsideration* dated May 25, 2019[4] following the issuance of the Final Decision on Disputed Assessment. It further raises that respondent had multiple opportunities to contest its defense of prescription but failed to do so.

The instant *Motion for Reconsideration* must fail.

With respect to respondent's contention that the issue of prescription should be resolved only after a full-blown trial, the Court finds it unavailing. At this stage of the proceedings, and given the pleadings filed by both parties as well as the evidence formally offered and admitted in connection with petitioner's *Motion to Suspend Collection of Taxes*, the issue of prescription may already be properly adjudicated without the need for a full-blown trial.

Section 1, Rule 9 of the Rules of Court, as amended, expressly and mandatorily directs courts to dismiss *motu proprio* claims that are barred by the statute of limitations when such bar appears from the pleadings or the evidence on record, to wit:

> **Section 1.** *Defenses and objections not pleaded.* — Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. However, **when it appears from the pleadings or the evidence on record that** the court has no jurisdiction over the subject matter, that there is another action pending between the same parties for the same cause, or that the **action is barred** by a prior judgment or **by statute of limitations, the court shall dismiss the claim**. (Emphasis supplied)

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2 *Id.* at 383–394, Exhibit "P-33".
3 *Id.* at 399, Exhibit "P-42".
4 *Id.* at 400–416, Exhibit "P-43".

Consistent with this rule, the Supreme Court in *China Banking Corp. v. Commissioner of Internal Revenue*[5] ***(China Banking)*** and *Bank of the Philippine Islands v. Commissioner of Internal Revenue*[6] ***(BPI)***, ruled that when the pleadings and evidence on record clearly establish that a claim is barred by prescription, the court is duty-bound to dismiss the case outright, even if prescription is not raised as a defense, *viz.*:

> **If the pleadings or the evidence on record show that the claim is barred by prescription, the court is mandated to dismiss the claim even if prescription is not raised as a defense.** In Heirs of Valientes v. Ramas, we ruled that the CA may *motu proprio* dismiss the case on the ground of prescription despite failure to raise this ground on appeal. The court is imbued with sufficient discretion to review matters, not otherwise assigned as errors on appeal, if it finds that their consideration is necessary in arriving at a complete and just resolution of the case. More so, when the provisions on prescription were enacted to benefit and protect taxpayers from investigation after a reasonable period of time. (Emphasis supplied, citations omitted)

Contrary to respondent's assertion that he was denied the opportunity to present his case, the records show that respondent was afforded due process and given ample opportunity to address the issue of prescription, but failed to do so. Petitioner invoked prescription in its *Petition for Review* and reiterated the same in its *Motion to Suspend Collection of Taxes.* However, respondent failed to file a comment on petitioner's *Motion to Suspend Collection of Taxes*[7] nor on the *Formal Offer of Evidence*[8] submitted in support thereof. While respondent's *Answer* denied paragraphs 42 to 61 of the present *Petition for Review*, he did not specifically refute petitioner's allegation of prescription.

In sum, both the rules and jurisprudence affirm that the Court is clothed with the authority to resolve the issue of prescription at any stage of the proceedings once it becomes apparent or determinable. Given that petitioner explicitly raised prescription, it was incumbent upon the Court to examine whether respondent's right to collect the alleged deficiency taxes had already prescribed.

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[5] G.R. No. 172509, February 4, 2015 [Per C.J. Sereno, First Division].

[6] G.R. No. 181836, July 9, 2014 [Per J. Carpio, Second Division].

[7] Docket, p. 218, Records Verification dated July 30, 2025.

[8] *Id.* at 544, Records Verification dated September 10, 2025.

As to respondent's claim that the assessment did not attain finality because petitioner filed a protest and a Motion for Reconsideration that allegedly tolled the prescriptive period, such a claim has no leg to stand on. More so, this issue has already been exhaustively discussed and resolved in the assailed *Resolution.*

Section 223 of the NIRC of 1997, as amended, unequivocally provides:

> **Section 223.** *Suspension of Running of Statute of Limitations.* - **The running of the Statute of Limitations provided in Sections 203 and 222 on the making of assessment and the beginning of distraint or levy a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and for sixty (60) days thereafter; when the taxpayer requests for a reinvestigation which is granted by the Commissioner**; when the taxpayer cannot be located in the address given by him in the return filed upon which a tax is being assessed or collected: Provided, that, if the taxpayer informs the Commissioner of any change in address, the running of the Statute of Limitations will not be suspended; when the warrant of distraint or levy is duly served upon the taxpayer, his authorized representative, or a member of his household with sufficient discretion, and no property could be located; and when the taxpayer is out of the Philippines. (Emphasis supplied)

In *Commissioner of Internal Revenue v. Philippine Global Communication, Inc.* [9] the Supreme Court underscored the significance of the distinction between a request for reconsideration and a request for reinvestigation, holding that a request for reconsideration, unlike a request for reinvestigation, does not suspend the running of the statute of limitations on the collection of an assessed tax. In *BPI,* the Supreme Court explained that:

> x x x Undoubtedly, a reinvestigation, which entails the reception and evaluation of additional evidence, will take more time than a reconsideration of a tax assessment, which will be limited to the evidence already at hand; this justifies why the former can suspend the running of the statute of limitations on collection of the assessed tax, while the latter cannot.

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[9] G.R. No. 167146, October 31, 2006 [Per J. Chico-Nazario, First Division].

Further, in *China Banking,* the Supreme Court clarified that a request for reinvestigation alone does not suspend the running of the statute of limitations. Two requisites must concur: there must be a request for reinvestigation, and the CIR must have granted it.[10]

Thus, as firmly established in jurisprudence and as clearly provided under Section 223, only a request for reinvestigation that has been granted by the CIR suspends the running of the statute of limitations; a mere request for reconsideration does not.

In this case, petitioner correctly pointed out that it filed only a request for reconsideration and not a request for reinvestigation. Respondent likewise failed to present proof that a request for reinvestigation was filed by petitioner and granted by the CIR. Consequently, the running of the prescriptive period was not effectively suspended.

Considering the foregoing, the Court finds no compelling reason to depart from its findings and conclusions in the assailed *Resolution.*

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

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

[10] *Supra* note 5.