REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

En Banc

MELCO RESORTS LEISURE (PHP) CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB No. 2958
(CTA Case Nos. 10236, 10271, 10294 & 10359)

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

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- versus -

MELCO RESORTS LEISURE (PHP) CORPORATION,
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(CTA Case Nos. 10236, 10271, 10294 & 10359)

Present:

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

Promulgated:

MAY 2 2 2026 2:38 p.m.

x- -x

R E S O L U T I O N

RINGPIS-LIBAN, *J.*:

For resolution are the "Motion for Partial Reconsideration [of Decision dated December 4, 2025]"[1] of petitioner Melco Resorts Leisure (PHP) Corporation (MRLC) timely filed on December 22, 2025, in CTA EB No. 2958,

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[1] Rollo (CTA EB No. 2958), pp. 201-216.

and the "Motion for Reconsideration (Re: Decision promulgated 4 December 2025)"[2] of respondent Commissioner of Internal Revenue (CIR) timely filed on December 16, 2025, in CTA EB No. 2959, both asking the Court *En Banc* to reconsider its Decision dated December 4, 2025,[3] on the following grounds:

In CTA EB No. 2958, MRLC raises the following grounds:

1. The passing-on of VAT to a VAT-exempt PAGCOR licensee, such as petitioner, is *per se* erroneous and illegal;

2. Petitioner's claim properly falls under Sections 204(C) and 229 of the NIRC, which govern the refund or credit of taxes erroneously or illegally collected;

3. Petitioner has legal standing to claim a tax refund despite not being the statutory taxpayer;

4. Under the principle of *solutio indebiti*, the Government must restore to petitioner the sums representing erroneous payments of taxes;

5. The Statement of Settlement of Duties and Taxes (SSDT), even without the Single Administrative Document (SAD), is sufficient proof of the payment of VAT on importation; hence, petitioner is entitled to the full refund of input VAT on importation of goods; and

6. The input taxes paid on purchases of services rendered by non-residents in the amount of ₱799,680.22 should also be refunded to petitioner.

In CTA EB No. 2959, the CIR raises the following single ground:

> Whether or not the Honorable Court erred in ruling that respondent is entitled to refund of VAT paid on its importation of goods (other than capital goods) amounting to ₱3,720,321.72.

The dispositive portion of the Decision sought to be reconsidered reads:

> "**ACCORDINGLY,** the instant Petitions for Review filed by Melco Resorts Leisure (PHP) Corporation and the

[2] *Id.*, pp. 189-198.
[3] *Id.*, pp. 162-188.

Commissioner of Internal Revenue are **DENIED** for lack of merit.

SO ORDERED."[4]

In a Resolution dated January 20, 2026,[5] the Court *En Banc* ordered MRLC to file its Comment on the CIR's Motion for Reconsideration, and the CIR to file its Comment on MRLC's Motion for Partial Reconsideration. MRLC filed its Comment/Opposition[6] on February 2, 2026, while the CIR filed its Opposition[7] on January 26, 2026.

THE COURT'S RULING

The Court denies both motions.

The CIR's motion in CTA EB No. 2959 is a mere reiteration of arguments already considered and rejected.

The CIR contends that the Court erred in granting MRLC a refund of ₱3,720,321.72 representing input VAT on its importation of goods other than capital goods. The CIR insists that MRLC, being a mere licensee of the Philippine Amusement and Gaming Corporation (PAGCOR), does not benefit from the tax exemptions under Section 13(2) of Presidential Decree (P.D.) No. 1869,[8] as amended by Republic Act (R.A.) No. 9487.[9]

The Court is not persuaded.

A motion for reconsideration is not a vehicle for re-litigating positions already considered and resolved. It must, at a minimum, point to a palpable error of law, a grave abuse of discretion, or an intervening change in controlling doctrine. The CIR does none of these. Its motion is a verbatim repetition of the arguments it advanced in its Petition for Review in CTA EB No. 2959 — arguments that were exhaustively addressed in the Decision. The CIR has failed

[4] *Id.*, p. 187.
[5] *Id.*, p. 238.
[6] *Id.*, unpaginated.
[7] *Id.*, pp. 242-253.
[8] Consolidating and Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399 and 1632, Relative to the Franchise and Powers of the Philippine Amusement and Gaming Corporation (PAGCOR), July 11, 1983.
[9] An Act Further Amending Presidential Decree No. 1869, Otherwise Known as PAGCOR Charter, June 20, 2007.

to identify any specific finding or conclusion in the Decision that is erroneous; it merely reiterates its disagreement with the result.

In any case, the Court's ruling that PAGCOR's tax exemption extends to its licensees such as MRLC is not only supported by the text of Section 13(2)(b) of P.D. No. 1869 but is firmly settled in jurisprudence. In *Commissioner of Internal Revenue v. Acesite (Philippines) Hotel Corporation,*[10] the Supreme Court confirmed that PAGCOR's blanket exemption from taxes, whether direct or indirect, extends to entities with contractual relationships in connection with casino operations. This doctrine was reiterated in *Bloomberry Resorts and Hotels, Inc. v. Bureau of Internal Revenue,*[11] which explicitly held that PAGCOR's contractees and licensees are likewise exempt from the payment of taxes upon payment of the five percent (5%) franchise tax. The CIR's contention that the exemption covers only those providing "necessary services" to PAGCOR was squarely addressed in the Decision and correctly rejected: the plain text of Section 13(2)(b) speaks broadly of entities with whom PAGCOR "has any contractual relationship in connection with the operations of the casino(s)" — language that unambiguously covers MRLC as a licensee.

Moreover, the Supreme Court itself confirmed MRLC's VAT-exempt status in *Melco Resorts Leisure (PHP) Corporation v. Commissioner of Internal Revenue,*[12] a case involving the same parties. The movant's insistence notwithstanding, the rule is settled.

The CIR's motion in CTA EB No. 2959 is accordingly denied.

MRLC's grounds on the refundability of passed-on VAT on domestic purchases and on VAT withheld for non-resident suppliers are reiterations of arguments already exhaustively resolved.

MRLC's first four grounds collectively seek reconsideration of the Court's ruling that it is not entitled to a refund of the passed-on VAT on its domestic purchases of capital goods, goods other than capital goods, and services. MRLC argues that such passing-on is *per se* erroneous and illegal; that its claim falls under Sections 204(C) and 229 of the National Internal Revenue Code (NIRC) of 1997, as amended; that it has standing as a non-statutory taxpayer; and that the principle of *solutio indebiti* compels the Government to restore such taxes.

These are the same arguments MRLC raised in its Petition for Review. They were the centerpiece of the Decision's analysis, and they were resolved against MRLC.

[10] G.R. No. 147295, February 16, 2007.
[11] G.R. No. 212530, August 10, 2016.
[12] G.R. No. 271261, April 2, 2025.

A second reading of the assailed Decision reveals no palpable error in this ruling. The Court correctly applied the Supreme Court's categorical holding in *Melco Resorts Leisure (PHP) Corporation v. Commissioner of Internal Revenue*[13] (G.R. No. 271261, April 2, 2025), where the Supreme Court itself, passing upon the same parties and the same issue, ruled that MRLC was not entitled to a refund of passed-on VAT under either Section 112 or Sections 204(C) and 229 of the NIRC of 1997. The Supreme Court's reasoning is instructive: because MRLC is a VAT-exempt entity, the input VAT passed on to it by its suppliers is properly treated as part of the cost of goods or services, not as an erroneous or illegal tax. Under Sections 4.109-1 and 4.110-4 of Revenue Regulations No. 16-05, for VAT-exempt entities, input VAT on purchases is added to the cost of sales. It is the *suppliers* — not MRLC — who paid the VAT to the government and who are the proper parties to seek a refund under Section 229.

MRLC's reliance on *Philippine Airlines, Inc. v. Commissioner of Internal Revenue*[14] and *Commissioner of Internal Revenue v. Philippine Associated Smelting and Refining*[15] was considered in the Decision and does not alter the analysis. The *PAL v. CIR* doctrine — that a party bearing the economic burden of an indirect tax under a franchise granting exemption from both direct and indirect taxes has standing to claim a refund — was addressed by the Supreme Court in G.R. No. 271261 itself. The Supreme Court declined to apply it in favor of MRLC. This Court is bound by that ruling.

MRLC's invocation of Justice Reyes-Fajardo's dissenting opinion in the assailed Decision as authority for a contrary result is unavailing. A dissenting opinion expresses the personal view of the dissenting justice; it does not constitute controlling or even persuasive authority binding on this Court. The majority's ruling stands.

MRLC's grounds 1 through 4 in CTA EB No. 2958 are accordingly denied.

The SSDT, without the SAD, remains insufficient substantiation for input VAT on importation.

MRLC asks the Court to reverse the disallowance of ₱2,502,467.00 representing VAT on importation for which no Single Administrative Document (SAD) was presented. MRLC maintains that the Statement of Settlement of Duties and Taxes (SSDT) alone is sufficient proof of payment of VAT on importation, as the SSDT is generated only after the SAD is filed and bears the SAD's entry number.

[13] G.R. No. 271261, April 2, 2025.
[14] G.R. No. 198759, July 1, 2013.
[15] G.R. No. 186223, October 1, 2014.

The Court finds no reason to disturb this ruling.

The SSDT and the SAD are two distinct documents serving different evidentiary functions. The SAD contains the specific details of the importation required by law — the goods, their classification, their declared value, and the applicable duties and taxes. The SSDT confirms that customs duties and taxes were paid but does not, standing alone, allow the Court to verify the details of the specific importation to which the payment pertains. This Court, in *Philex Mining Corporation v. Commissioner of Internal Revenue,*[16] considered the SSDT and SAD collectively — and not the SSDT alone — as sufficient substantiation for input VAT on importations. MRLC presents no basis to depart from this ruling. That the SSDT bears the entry number of the SAD does not cure the absence of the SAD itself from the record; the Court cannot verify the importation details from the entry number alone.

MRLC's ground 5 in CTA EB No. 2958 is accordingly denied.

MRLC's exemption from VAT does not excuse it from its obligation as withholding agent for payments to non-resident suppliers.

Finally, MRLC seeks the refund of ₱799,680.22 representing input taxes withheld and remitted on purchases of services rendered by non-residents, arguing that its VAT exemption as a PAGCOR licensee should cover these amounts as well.

The Court is not persuaded.

As the Decision correctly held, withholding tax is not a tax in the traditional sense but a mode of collecting tax in advance. In *LG Electronics Philippines, Inc. v. Commissioner of Internal Revenue,*[17] the Supreme Court clarified that in the withholding tax system, the payor acts merely as an agent of the government — the real taxpayer is the payee. MRLC's exemption from VAT pertains to its own tax liability; it does not and cannot excuse it from its statutory duty, as a withholding agent, to remit the VAT of its non-resident suppliers to the government.

This conclusion finds further support in *Commissioner of Internal Revenue v. Secretary of Justice,*[18] where the Supreme Court upheld the assessment of final

[16] CTA EB No. 2497 (CTA Case No. 10037), September 29, 2022.
[17] G.R. No. 165451, December 3, 2014.
[18] G.R. No. 165451, December 3, 2014.

withholding tax on fringe benefits against PAGCOR itself — confirming that even PAGCOR's own tax exemption under its Charter does not cover its liability as a withholding agent. The same principle applies with equal force to MRLC. There is, in fine, no erroneous payment that can be refunded under Sections 204(C) and 229 of the NIRC of 1997, as amended.

MRLC's ground 6 in CTA EB No. 2958 is accordingly denied.

There being no ground meritorious in either motion, the Court finds no cogent reason to disturb the Decision dated December 4, 2025.

WHEREFORE, premises considered, the "Motion for Partial Reconsideration [of Decision dated December 4, 2025]" filed by petitioner Melco Resorts Leisure (PHP) Corporation in CTA EB No. 2958, and the "Motion for Reconsideration (Re: Decision promulgated 4 December 2025)" filed by respondent Commissioner of Internal Revenue in CTA EB No. 2959, are hereby **DENIED** for lack of merit. The Decision dated December 4, 2025 is **AFFIRMED** in its entirety.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA A. MODESTO-SAN PEDRO
Associate Justice

Marian Ivy F. Reyes-Fajardo
I reiterate my position in the Assailed Decision.
MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice