REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

ZOOM CELERO COURIER, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 10660

Members:

REYES-FAJARDO, *Chairperson,* and
ANGELES, *JJ.*

Promulgated:

MAR 19 2026
2:04 p.m.

x- x

DECISION

REYES-FAJARDO, *J.*:

This Petition for Review[1] dated October 19, 2021, filed by Zoom Celero Courier, Inc. seeks to: (a) nullify the 2017 deficiency Income Tax (IT), Value-Added Tax (VAT), and Compromise Penalty (CP) assessments found against it; and (b) enjoin the Bureau of Internal Revenue from collecting said tax assessments.

FACTS

Petitioner Zoom Celero Courier, Inc. is a duly registered domestic corporation with the Securities and Exchange Commission.[2] It is registered with the Bureau of Internal Revenue (BIR) under Taxpayer Identification Number 009-239-098-000, with office address

[1] Docket, pp. 9-31.
[2] Exhibits "P-5" to "P-6-1." *Id.* at pp. 47-61.

at Rm. 301E 3rd Flr. Texkonstruct Bldg., 168 Luna Mencias St., Addition Hills, San Juan City.[3]

Respondent is the Commissioner of the BIR who is duly appointed and empowered to perform the duties of his office, including, among others, the duty to act on the assessments, with office address at the BIR, National Office Building, Diliman, Quezon City.[4]

On April 25, 2019, petitioner received the Letter of Authority No. eLA201600016666/LOA-042-2019-00000107 dated April 17, 2019,[5] including the Checklist of Requirements,[6] signed by Romulo L. Aguila, Jr., Regional Director (RD Aguila, Jr.), authorizing Revenue Officer Ron Ace Valenzuela (RO Valenzuela) and Group Supervisor Onofre de Guzman of Revenue District No. 042 - San Juan, to examine petitioner's books of accounts and other accounting records for all internal revenue taxes for the period from January 1, 2017 to December 31, 2017.

In an undated Notice for Informal Conference,[7] the BIR requested petitioner to appear for an informal conference and bring its documentary evidence.

On January 8, 2021, RD Aguila Jr. issued a Preliminary Assessment Notice, with attached Details of Discrepancies (PAN),[8] containing the proposed 2017 deficiency IT, VAT assessments, and CP totaling ₱9,401,974.41, inclusive of interests and compromise penalty, with the following breakdown:

Item	Amount
IT	₱7,972,456.82
VAT	1,404,517.59
CP	25,000.00
Total	₱9,401,974.41

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3 Exhibit "P-7." *Id.* at p. 62.
4 Par. 1, Summary of Facts Admitted, Pre-Trial Order dated September 30, 2022. *Id.* at p. 416.
5 Exhibits "P-25" and "R-2." *Id.* at p. 313.
6 Exhibits "P-25-1" and "R-2-a." *Id.* at pp. 314-315.
7 Exhibit "R-8." *Id.* at p. 322.
8 Exhibit "R-10." *Id.* at pp. 327-335.

On February 2, 2021, RD Aguila Jr. issued Formal Letter of Demand and Assessment Notices (FLD/FAN),[9] assessing petitioner of deficiency IT and VAT for TY 2017, in the total amount of ₱9,624,918.10, inclusive of interests and compromise penalty, computed as follows:

Item	Amount
IT	₱8,098,607.45
VAT	1,426,310.65
CP	100,000.00
Total	₱9,624,918.10

On July 30, 2021, a Warrant of Distraint and/or Levy No. RR7B-WDL-2021-70-30-093 was issued by the BIR against petitioner.[10]

On September 20, 2021, petitioner received the BIR's collection letter dated July 29, 2021,[11] giving it the last opportunity to make the necessary settlement of its tax liabilities within five (5) days from receipt of notice.

On October 20, 2021,[12] petitioner filed its Petition for Review, docketed as CTA Case No. 10660, which was met by respondent's Answer[13] posted on February 7, 2022.

On August 11, 2022, a pre-trial conference was set and held.[14] There, the schedules for the parties: (1) presentation of respective witness; and (2) marking of their respective exhibits were set. Additionally, they were required to submit their Joint Stipulation of Facts and Issues on or until August 26, 2022.[15]

Under Resolution[16] dated September 13, 2022, with the parties' failure to file their JSFI within the prescribed period, their right to file JSFI was deemed waived. Accordingly, pre-trial is terminated.

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9 Exhibits "P-32" to "P-34," BIR Records (Exhibit "R-1"), pp. 347-357; and Exhibits "R-12" to "R-12-c," Docket, pp. 338-345.
10 Exhibit "R-15." *Id.* at p. 355.
11 Exhibit "P-3," *Id.* at p. 36.
12 *Supra* note 1.
13 Docket, pp. 255-259.
14 Order dated August 11, 2022. *Id.* at pp. 298-300.
15 *Ibid.*
16 Docket, p. 381.

On September 15, 2022, the parties submitted their Joint Stipulation of Facts and Issues (JSFI).[17]

By Resolution dated September 30, 2022, the JSFI the parties submitted, was deemed moot.[18]

On September 30, 2022, a Pre-Trial Order was issued.

Trial followed.

Petitioner presented its accountant and bookkeeper Amparo Irene D. Maraño[19] as witness.

On December 5, 2022, petitioner filed its Formal Offer of Exhibits,[20] *sans* respondent's comment thereon.[21]

Through Resolution[22] dated February 21, 2023, the evidence offered by petitioner were admitted, except for the following:

1. Exhibits "P-4" and "P-4-1," offered as the "Judicial Affidavit of Amparo Irene D. Maraño" and "Signature of Ms. Irene D. Marano," respectively, considering that petitioner moved, and the Court granted, its plea to withdraw the same and to admit the Amended Judicial Affidavit of Amparo Irene D. Maraño;

2. Exhibits "P-11," "P-14," "P-15," "P-20," "P-20-1," "P-20-2," "P-20-3," "P-20-4," "P-20-5," "P-20-6," "P-20-7," "P-20-8," "P-21-4," "P-23-4," and "P-24-2," for failure of petitioner's witness to identify said documents;

3. Exhibits "P-12," "P-12-1," "P-12-2," "P-12-3," "P-13," "P-13-1," and "P-13-2," for failure to submit the duly marked exhibits;

4. Exhibits "P-16," "P-16-1," "P-16-2," "P-16-3," "P-16-4," "P-16-5," "P-16-6," "P-16-7," "P-16-8," "P-16-9," "P-16-10," "P-16-11," "P-17," "P-17-1," "P-17-2," "P-17-3," "P-17-4," "P-17-5," "P-17-6,"

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17 Docket, pp. 382-403.

18 Docket, p. 425.

19 Exhibit "P-35." Docket, pp. 484-497; and Order dated November 23, 2022, Docket, pp. 557-557-A.

20 *Id.* at pp. 558-574.

21 Records Verification dated January 5, 2023 issued by the Court of Tax Appeals - Judicial Records Division (CTA-JRD). *Id.* at p. 575.

22 *Id.* at pp. 581-583.

"P-17-7," "P-17-8," "P-18," "P-18-1," "P-18-2," "P-19," "P-19-1," "P-21-5," "P-21-6," "P-21-7," "P-21-8," "P-21-9," "P-21-10," "P-21-11," "P-22-1," "P-22-2," "P-22-3," "P-22-4," "P-22-5," "P-23," "P-23-1," "P-23-2," "P-23-3," "P-23-5," "P-23-6," "P-23-7," "P-23-8," "P-23-9," "P-23-10," "P-24," and "P-24-1," for failure to submit the duly marked exhibits and failure of petitioner's witness to identify such documents; and

5. Exhibits "P-21," "P-21-1," "P-21-2," "P-21-3," "P-22," and "P-22-6," for not being found in the records and failure of petitioner's witness to identify said documents.

Respondent presented [23] Revenue Officers: (1) Ron Ace Valenzuela;[24] and (2) Eddie Mar I. Dela Torre,[25] as witnesses.

On March 29, 2023, Respondent's Formal Offer of Evidence[26] was filed, to which petitioner filed its Comments/Objections (To the Respondent's Formal Offer of Evidence Dated 28 March 2023) *via* accredited courier on April 11, 2023.[27]

In the Resolution dated June 9, 2023,[28] the evidence offered by respondent were admitted.

On March 20, 2025, CTA Case No. 10660 was submitted for decision,[29] considering: (1) The Memorandum for the Petitioner filed on July 17, 2023; [30] and (2) respondent's failure [31] to file its Memorandum.

ISSUES

a. Was jurisdiction obtained over CTA Case No. 10660?

b. Is petitioner liable for the 2017 assessed deficiency IT and VAT found by RD Aguila Jr.?

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23 See Order dated March 14, 2023. Docket, unpaginated.
24 Exhibit "R-16." *Id.* at pp. 306-312.
25 Exhibit "R-17." *Id.* at pp. 350-353.
26 *Id.* at pp. 593-597.
27 *Id.* at pp. 600-605.
28 *Id.* at pp. 626-627.
29 Minute Resolution dated March 20, 2025. *Id.* at p. 653.
30 *Id.* at pp. 628-649.
31 Records Verification dated February 24, 2025 issued by the CTA-JRD. *Id.* at p. 652.

ARGUMENTS

Petitioner argues that there was no proper service of the PAN and the FLD/FAN on it. Specifically, it never received the mailed PAN and FLD/FAN, resulting in violation of its right to due process. For this reason, the 2017 assessed deficiency internal revenue taxes found by the BIR against it is void.

Respondent counters that there was proper service of PAN and FLD/FAN *via* registered mail on January 11, 2021 and February 2, 2021, respectively. *Sans* the filing of a valid administrative protest on the FLD/FAN, the taxes found therein are conclusive and demandable. By the same reason, the CTA's only power is to dismiss petitioner's action. Above and beyond, the BIR acquired the right to proceed with the collection through the issuance of the WDL.

RULING

The Petition has merit.

Foremost. Was jurisdiction obtained over CTA Case No. 10660?

Yes.

Section 7(a)(1) of RA No. 1125,[32] as amended by RA No. 9282, reads:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> a. **Exclusive appellate jurisdiction to review by appeal**, as herein provided:
>
> 1. **Decisions of the Commissioner of Internal Revenue in cases involving** disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or **other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;**
>
> ...[33]

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32 An Act Creating the Court of Tax Appeals.

Section 3(a)(1), Rule 4 of the Revised Rules of the Court of Tax Appeals[34] elucidated that the CTA in Division has jurisdiction over respondent's or his authorized representative's decision or action involving other matters arising from the NIRC, as amended, *inter alia*. One of the matters set forth in Section 2 of the same Code is the BIR's authority to collect all national internal revenue taxes, fees, and charges.[35] This embraces the issuance of the rules, regulations, and measures in pursuit of collection of taxes,[36] such as BIR collection letters. *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*[37] confirmed:

> In any case, even if [the Supreme Court] were to disregard the Collection Letter as a final decision of the Commissioner on Avon's protest, **the Collection Letter constitutes an act of the Commissioner on 'other matters' arising under the National Internal Revenue Code, which, pursuant to *Philippine Journalists, Inc. v. CIR*, may be the subject of an appropriate appeal before the Court of Tax Appeals**.[38]

Additionally, Section 11 of RA No. 1125, as amended by RA No. 9282, commands that appeal thereon must be taken by the aggrieved party, within thirty (30) days from receipt of said decision or action:

> SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. - Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue, ... **may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling** or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein.
>
> Appeal shall be made by filing a petition for review under a procedure analogous to that provided for under Rule 42 of the 1997 Rules of Civil Procedure with the CTA within thirty (30) days from the receipt of the decision or ruling or in the case of inaction as

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33 Boldfacing ours.

34 A.M. No. 05-11-07-CTA.

35 **SEC. 2.** *Powers and Duties of the Bureau of Internal Revenue.* - The Bureau of Internal Revenue shall be under the supervision and control of the Department of Finance and its powers and duties shall comprehend the assessment **and collection of all national internal revenue taxes, fees, and charges**, and the enforcement of all forfeitures, penalties, and fines connected therewith, including the execution of judgments in all cases decided in its favor by the Court of Tax Appeals and the ordinary courts.... (Boldfacing supplied)

36 See *Commissioner of Internal Revenue v. Bank of the Philippines Islands,* G.R. No. 227049, September 16, 2020.

37 G.R. Nos. 201398-99 and 201418-19, October 3, 2018.

38 Boldfacing ours.

herein provided, from the expiration of the period fixed by law to act thereon. A Division of the CTA shall hear the appeal: ....

...[39]

On September 20, 2021, petitioner received the BIR collection letter dated July 29, 2021,[40] giving it the last opportunity settle its 2017 tax liabilities. Counting thirty (30) days from September 20, 2021, petitioner had until October 20, 2021 to seek redress. Therefore, the timely filing[41] of the Petition for Review on October 20, 2021 vested Us with jurisdiction over CTA Case No. 10660.

To be sure, an action to assail a WDL falls within "other matters" arising from the NIRC, as amended,[42] over which We have jurisdiction. Likewise true is that there was a WDL[43] "SERVED CONSTRUCTIVELY BECAUSE THE TAXPAYER OR HIS AUTHORIZED REPRESENTATIVE ... WAS NOT IN THE PREMISES."[44] Yet, RO Dela Torre failed to provide specifics as to *how* he constructively served the same.

Particularly, RO Dela Torre simply said that "[a] Warrant of Distraint and/or Levy was issued [on] July 30, 2021[,] and was constructively served to [p]etitioner."[45] This circumstance alone does not establish proper service of said WDL to petitioner. Revenue Regulations (RR) No. 3-69[46] enjoins much more than bare invocation of constructive service to be considered as proper service. Thus:

SECTION 5. *Service and execution.* — (a) The internal revenue officer designated to serve the warrant of distraint and/or levy shall serve the same personally upon the delinquent taxpayer himself. **In a case, however, where the taxpayer refuses to receive the warrant or is absent from his given address, the warrant shall be served upon someone of suitable age and discretion in the premises or upon the person in possession or occupant of the property of the delinquent taxpayer who shall acknowledge and sign all copies of the warrant. In case actual service of the warrant**

39 Boldfacing ours.
40 *Supra* note 11.
41 *Supra* note 12.
42 See *Commissioner of Internal Revenue v. Pacific Hub Corporation,* G.R. No. 252944, November 27, 2024.
43 *Supra* note 10.
44 Exhibit "R-15." Docket, p. 355.
45 Answer to Question No. 10, Exhibit "R-17." *Id.* at pp. 351-352.
46 SUBJECT: Summary Remedies for Collection of Taxes.

> **upon the delinquent taxpayer or upon either of the two other persons mentioned above cannot be made, a copy thereof shall be left in the premises or in the taxpayer's place of business or in the place of the person in possession or occupant of the property of the taxpayer which fact shall be attested to in said copy and in all the other copies of the warrant by the distraining or levying officer and at least two credible witnesses, and the warrant is deemed properly served. A copy of the warrant thus served shall be furnished the delinquent taxpayer with a notation thereon that a copy of the same was left with the person who is in possession or occupant of his property.**[47]

Therefore, as between the BIR collection letter dated July 29, 2021 *received* by petitioner on September 20, 2021, and the WDL with *uncertain* and *incomplete* details regarding the purported constructive service to petitioner, the period to appeal should be reckoned from petitioner's receipt of the BIR collection letter on September 20, 2021.

Respondent contends that since petitioner failed to file an administrative protest to RD Aguila Jr.'s FLD/FAN, the CTA should dismiss the case, due to lack of authority to entertain the same.

This is confounding.

True, the filing of a valid administrative protest before the BIR is a condition *sine qua non* for the CTA in Division to acquire jurisdiction over **respondent's or his duly authorized representative's decision or inaction on disputed assessments.**[48] Yet, petitioner's recourse before Us was ***not*** because of respondent's decision or inaction over disputed assessments. Rather, petitioner's appeal to Us was occasioned by other matters arising from the NIRC, as amended, *i.e.*, BIR collection letter dated July 29, 2021. For this reason, the prior valid filing of an administrative protest on the FLD/FAN before the BIR is not required for Us to exercise jurisdiction over CTA Case No. 10660.

Next. Can petitioner be called to account for the 2017 deficiency internal revenue taxes and penalty embodied in RD Aguila Jr.'s FLD/FAN?

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47 Boldfacing ours.

48 See *Commissioner of Internal Revenue v. Court of Tax Appeals - Division and Citysuper, Incorporated*, G.R. No. 239464, May 10, 2021.

No. Bear in mind:

First. There is dearth of proof evidencing proper service of the PAN and FLD/FAN to petitioner, transgressive of its right to due process.

Section 228 of the NIRC, as amended,[49] as implemented by Section 3[50] of RR No. 12-99,[51] as amended by RR No. 18-2013 govern the due process requirement on assessment. In particular, the

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49 SEC. 228. Protesting of Assessment. - When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he **shall first notify the taxpayer of his findings**: Provided, however, That a pre-assessment notice shall not be required in the following cases: …

…

The taxpayers shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.

Within a period to be prescribed by implementing rules and regulations, the taxpayer shall be required to respond to said notice. If the taxpayer fails to respond, the Commissioner or his duly authorized representative shall issue an assessment based on his findings. …

… (Boldfacing ours)

50 SECTION 3. **Due Process Requirement in the Issuance of a Deficiency Tax Assessment. —**

3.1 Mode of procedures in the issuance of a deficiency tax assessment:

…

3.1.2 Preliminary Assessment Notice (PAN). — If after review and evaluation by the Assessment Division or by the Commissioner or his duly authorized representative, as the case may be, it is determined that there exists sufficient basis to assess the taxpayer for any deficiency tax or taxes, the said Office shall issue to the taxpayer, at least by registered mail, a Preliminary Assessment Notice (PAN) for the proposed assessment, showing in detail, the facts and the law, rules and regulations, or jurisprudence on which the proposed assessment is based (see illustration in ANNEX A hereof). If the taxpayer fails to respond within fifteen (15) days from date of receipt of the PAN, he shall be considered in default, in which case, a formal letter of demand and assessment notice shall be caused to be issued by the said Office, calling for payment of the taxpayer's deficiency tax liability, inclusive of the applicable penalties.

…

3.1.4 Formal Letter of Demand and Assessment Notice. — The formal letter of demand and assessment notice shall be issued by the Commissioner or his duly authorized representative. The letter of demand calling for payment of the taxpayer's deficiency tax or taxes shall state the facts, the law, rules and regulations, or jurisprudence on which the assessment is based, otherwise, the formal letter of demand and assessment notice shall be void (see illustration in ANNEX B hereof). The same shall be sent to the taxpayer only by registered mail or by personal delivery. If sent by personal delivery, the taxpayer or his duly authorized representative shall acknowledge receipt thereof in the duplicate copy of the letter of demand, showing the following: (a) his name; (b) signature; (c) designation and authority to act for and in behalf of the taxpayer, if acknowledged received by a person other than the taxpayer himself; and (d) date of receipt thereof.

51 SUBJECT: Implementing the Provisions of the National Internal Revenue Code of 1997 Governing the Rules on Assessment of National Internal Revenue Taxes, Civil Penalties and Interest and the Extra-Judicial Settlement of a Taxpayer's Criminal Violation of the Code Through Payment of a Suggested Compromise Penalty.

taxpayer must be afforded the opportunity to contest: *first,* the PAN, within fifteen (15) days from receipt thereof by way of a reply or response thereto;[52] and *second,* the FLD/FAN, within thirty (30) days also from receipt thereof through a valid administrative protest.[53] In reverse, the invalid service of these notices would be transgressive of the taxpayer's right to due process on assessment.

RO Valenzuela said that **[b]ased on records**, it was served to [p]etitioner thru registered mail **by my Group Supervisor Alberto M. Cruz [GS Cruz]** on January 08, 2021. In line with the service of the PAN, a Report on Service by Mail/Courier was prepared."[54] In support thereof, RO Valenzuela identified the following documents:

Exhibits	Description
R-10	Preliminary Assessment Notice with Details of Discrepancies dated January 08, 2021
R-11	Report on Service by Mail of the PAN
R-11-a	Registry Receipt No. RE 439 622 245 ZZ

What we can pluck therefrom is that it was GS Cruz who served the PAN to petitioner *via* registered mail. GS Cruz, too, prepared the Report on Service by Mail of the PAN.[55] RO Valenzuela's testimony on the service of PAN was, as well, based on record. It means that RO Valenzuela **lacks** personal knowledge on the details regarding the service of PAN. For this reason, RO Valenzuela's testimony on circumstances surrounding said service, along with Report on Service by Mail of the PAN[56] and Registry Receipt No. RE 439 622 245 ZZ[57] are hearsay evidence. *Dela Llana v. Biong (Biong)*[58] acknowledged:

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52 See *Commissioner of Internal Revenue v. Yumex Philippines Corporation,* G.R. No. 222476, May 5, 2021, whereby the Supreme Court ruled that the service of the PAN, as well as the taxpayer's opportunity to file a reply/response thereto within fifteen (15) days from receipt thereof is mandatory.

53 In *Commissioner of Internal Revenue v. T Shuttle Services, Inc.,* G.R. No. 240729, August 24, 2020, the Supreme Court held that "A final assessment is a notice 'to the effect that the amount therein stated is due as tax and a demand for payment thereof.' This demand for payment signals the time 'when penalties and interests begin to accrue against the taxpayer and enabling the latter to determine his remedies[.]' Thus, it must be 'sent to and received by the taxpayer, and must demand payment of the taxes described therein within a specific period.'"

54 Answer to Question No. 28, Exhibit "R-16." Docket, p. 310. Boldfacing ours.

55 *Infra* note 56.

56 Exhibit "R-11" *Id.* at p. 336.

57 Exhibit "R-11-a." *Id.* at p. 337.

58 G.R. No. 182356, December 4, 2013.

> However, even if we consider the medical certificate in the disposition of this case, the medical certificate has no probative value for being hearsay. **It is a basic rule that evidence, whether oral or documentary, is hearsay if its probative value is not based on the personal knowledge of the witness but on the knowledge of another person who is not on the witness stand....**[59]

Being hearsay, respondent's evidence, though admitted, has no credence for it has no probative value.[60] Evidence, to establish a fact in issue, must not only be admissible—it must be able to convince.[61] In view thereof, respondent's evidence failed to persuade Us that there was valid service by registered mail of the PAN, let alone, receipt thereof by petitioner, offensive of the latter's right to due process on assessment.

Not only that. RO Valenzuela likewise testified that based again on record, the FLD/FAN was served through registered mail.[62] Sifting through the Report on Service by Mail of the FLD/FAN reveals that it was GS Cruz who served said FLD/FAN *via* registered mail.[63] These remarks mean that RO Valenzuela is *not* equipped with personal knowledge as to the incidents surrounding the service of FLD/FAN *via* registered mail to petitioner. *A fortiori,* and following *Biong,* respondent's evidence pertaining to said service is hearsay; thus, bereft of probative value. On this account, respondent's collective evidence again failed to sway Us that there was valid service by registered mail of the FLD/FAN, let alone, receipt thereof by petitioner, offensive of the latter's right to due process on assessment.

Second. The 2017 deficiency internal revenue tax assessments are *not* demandable against petitioner.

Section 6(A) of the NIRC, as amended, commands that the tax or deficiency tax so assessed shall be paid upon notice and demand from respondent or his duly authorized representative.[64] In this

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59 Boldfacing ours.
60 *Republic v. Galeno,* G.R. No. 215009, January 23, 2017.
61 *People v. Ansano,* G.R. No. 232455, December 2, 2020.
62 Answer to Question No. 32, Exhibit "R-16." Docket, p. 310.
63 Exhibit "R-13-a." *Id.* at p. 347.
64 SEC. 6. *Power of the Commissioner to Make and Prescribe Additional Requirements for Tax Administration and Enforcement.* –

regard, an assessment is described as a written notice and demand made by the BIR on the taxpayer for the settlement of a due tax liability that is there definitely set and fixed.[65] Before an internal revenue tax liability under a formal assessment may even be considered demandable, it should first contain due date for its payment. Jurisprudence illustrated the adverse consequence of the BIR's failure to state said due date therein.

Specifically, in *Commissioner of Internal Revenue v. Fitness by Design, Inc. (FDI)*[66] and *Republic of the Philippines, represented by the Bureau of Internal Revenue v. First Gas Power Corporation (FGPC),*[67] the Supreme Court struck down the respective internal revenue tax assessments, because of lack of due dates for their corresponding payment in their FAN, *inter alia.*

Here, RD Aguila Jr.'s FLD[68] dated February 2, 2021 alluded the payment of the 2017 deficiency internal revenue tax assessments on the enclosed assessment notices. Yet, glossing over the corresponding FAN for IT,[69] VAT,[70] and CP,[71] all for TY 2017, shows that they do not have corresponding due dates for their payment. Taking cue from *FDI* and *FGPC,* the lack thereof resulted in the nullity of the 2017 formal assessment issued by RD Aguila Jr. against petitioner.

Third. Since the 2017 deficiency internal revenue tax assessments found by the BIR against petitioner are void, the collection thereof on the latter should be enjoined.

(A) Examination of Return and Determination of Tax Due. After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative may authorize the examination of any taxpayer and the assessment of the correct amount of tax, notwithstanding any law requiring the prior authorization of any government agency or instrumentality: *Provided, however,* That failure to file a return shall not prevent the Commissioner from authorizing the examination of any taxpayer.

The tax or any deficiency tax so assessed shall be paid upon notice and demand from the Commissioner or from his duly authorized representative.

... (Boldfacing ours)

65 *Commissioner of Internal Revenue v. Megabucks Merchandising Corp.,* CTA EB No. 1974, February 12, 2020, citing *Adamson v. Court of Appeals,* G.R. No. 120935, May 21, 2009.

66 G.R. No. 215957, November 9, 2016.

67 G.R. No. 214933, February 15, 2022.

68 Exhibit "R-12." Docket, pp. 338-342.

69 Exhibit "R-12-a." *Id.* at p. 343.

70 Exhibit "R-12-b." *Id.* at p. 344.

71 Exhibit "R-12-c." *Id.* at p. 345.

Section 13 of RA No. 9282 states that if the CTA renders a decision, order, ruling *favorable to the national government,* it shall order the BIR to proceed with the collection of the pertinent internal revenue taxes.[72] Conversely, if the CTA renders a decision, order, ruling *unfavorable to the national government,* then it shall order the BIR to halt the collection of the pertinent internal revenue taxes.

Recent jurisprudence, too, sanctioned the CTA's inclusion in its judgment, a command to stop the BIR's collection of taxes, if the formal assessment from which it was based is void. To be exact, *Commissioner of Internal Revenue v. Robinson's Convenience Stores, Inc. (RCSI)*[73] decreed that "... the CTA may also suspend tax collection and waive the bond requirement *as part of its* ***main decision*** *on the merits, as a necessary consequence of cancelling an assessment.* The order of suspension forms part of the CTA's complete adjudication of the disputed assessment, not merely an interlocutory matter therein."

A ruling unfavorable to the national government was handed down here. Particularly, the 2017 assessed internal revenue taxes issued by the BIR against petitioner was declared illegal, because of no sufficient proof of service of PAN and FLD/FAN, along with the lack of due dates in the FAN. Congruous with Section 13 of RA No. 9282, in relation to *RCSI,* the collection of taxes resulting from a void formal assessment must be suspended.

ACCORDINGLY, We **RESOLVE** to:

a. **GRANT** the Petition for Review dated October 19, 2021, filed by Zoom Celero Courier, Inc.;

b. **NULLIFY** the deficiency Income Tax, Value-Added Tax assessments, and Compromise Penalty, all for Taxable Year 2017, found by the Bureau of Internal Revenue against Zoom Celero Courier, Inc.;

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72 **Section 13.** Distraint of Personal Property and/or Levy on Real Property. - Upon the issuance of any ruling, order or decision by the CTA favorable to the national government, the CTA shall issue an order authorizing the Bureau of Internal Revenue, through the Commissioner to seize and distraint any goods, chattels, or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interests in and rights to personal property and/or levy the real property of such persons in sufficient quantity to satisfy the tax or charge together with any increment thereto incident to delinquency. This remedy shall not be exclusive and shall not preclude the Court from availing of other means under the Rules of Court.

73 G.R. No. 259968, August 27, 2025. Emphases in the original.

c. **INVALIDATE** the Collection Letter dated July 29, 2021 and Warrant of Distraint and/or Levy No. RR7B-WDL-2021-70-30-093 dated July 30, 2021, for being products of a void assessment; and

d. **FORBID** the Commissioner of Internal Revenue, his agents, or other persons acting on his behalf, from collecting on Zoom Celero Courier, Inc., the assessed deficiency Income Tax, Value-Added Tax assessments, and Compromise Penalty, all for Taxable Year 2017.

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

I CONCUR:

HENRY S. ANGELES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Special Third Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice