CTA Form No. 8 (For DCC)

22-000168-0085

**REPUBLIC OF THE PHILIPPINES**
**COURT OF TAX APPEALS**
**QUEZON CITY**

## SPECIAL FIRST DIVISION

**CTA CASE NO. 10839**

**KALAYAAN ENGINEERING COMPANY INC.,**
Petitioner,

- versus -

## NOTICE OF RESOLUTION

**COMMISSIONER OF INTERNAL REVENUE,**
Respondent.

**To:**

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

**ATTY. ALBERT C. ARPON**
**ATTY. CARL FITRI A. HUSSIN**
**ATTY. JONELLE ELLINE A. MAGALONG**
Bureau of Internal Revenue - Revenue Region 8A
36th Floor, Legal Division, Export Bank Plaza Building
313 Sen. Gil Puyat Avenue corner Chino Roces Avenue
Makati City

**HECHANOVA BUGAY VILCHEZ & ANDAYA-RACADIO**
Ground Floor, Salustiana D. Ty Tower
104 Paseo de Roxas Avenue
1229 Makati City

***GREETINGS:***

You are hereby notified by these presents that on **March 18, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **March 23, 2026.**

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

**REPUBLIC OF THE PHILIPPINES**
**COURT OF TAX APPEALS**
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**SPECIAL FIRST DIVISION**

**KALAYAAN ENGINEERING COMPANY INC.,**
*Petitioner,*

- versus -

**COMMISSIONER OF INTERNAL REVENUE,**
*Respondent.*

**CTA CASE NO. 10839**

*Members:*

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

Promulgated:

MAR 1 8 2026, 3:40PM

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# RESOLUTION

***CUI-DAVID, J.:***

At bar is petitioner's *Partial Motion for Reconsideration*[1] filed on November 27, 2025, with respondent's *Comment/Opposition (To Petitioner's Motion for Partial Reconsideration)*[2] which was belatedly filed on January 12, 2026, assailing the Court's *Decision* dated October 29, 2025.[3] The dispositive portion of the assailed *Decision* reads:

> **WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **PARTIALLY GRANTED**.
>
> Accordingly, the compromise penalty in the amount of ₱20,000.00, imposed for the alleged failure of petitioner to file Documentary Stamp Tax, and the deficiency assessment for Withholding Tax on Compensation for taxable year 2016, are **CANCELLED** and **SET ASIDE**.

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[1] Docket, Vol. III, unpaged.
[2] *Id.*
[3] *Id.* at 996-1036.

However, the deficiency assessments for Income Tax, Value-Added Tax, Expanded Withholding Tax, and Documentary Stamp Tax for TY 2016 are **UPHELD WITH MODIFICATIONS**. Accordingly, petitioner is hereby **ORDERED TO PAY** respondent the total amount of **₱16,860,345.72**, representing deficiency taxes, inclusive of surcharge and interest, broken down as follows:

| Tax Type | Basic Deficiency | Surcharge | Interest | Total |
|---|---|---|---|---|
| Income Tax | ₱9,799,335.29 | ₱2,449,833.82 | ₱3,472,991.82 | ₱15,722,160.93 |
| VAT | 80,372.30 | 20,093.08 | 32,096.07 | 132,561.45 |
| EWT | 369,764.77 | 92,441.19 | 148,675.83 | 610,881.79 |
| DST | 237,752.95 | 59,438.24 | 97,550.36 | 394,741.55 |
| **Total** | ₱10,487,225.31 | ₱2,621,806.33 | ₱3,751,314.08 | ₱16,860,345.72 |

In addition, petitioner is **ORDERED TO PAY** respondent delinquency interest at the rate of 12% *per annum* on the total amount due of **₱16,860,345.72** reckoned from October 11, 2019 until full payment, equivalent to **₱5,543.13** per day, pursuant to Section 249(C) of the NIRC of 1997, as amended by TRAIN Law and implemented by RR No. 21-2018.

Finally, pursuant to Section 13 of RA No. 9282, and considering that this Decision is partly favorable to the national government, the BIR, through respondent, is hereby authorized to enforce collection through distraint and levy upon petitioner's goods, chattels, effects, personal property (including stocks, securities, debts, credits, bank accounts, and other interests), and/ or real property, in sufficient quantity to satisfy the tax liability and any increments due to delinquency.

**SO ORDERED.**

In the *Motion*, petitioner argues that it is not liable for deficiency income tax (IT), expanded withholding tax (EWT), and documentary stamp tax (DST). In essence, petitioner alleges that:

1. The amount of ₱29,040,527.07, which it received during the taxable year, does not constitute unreported revenues or undeclared income for income tax purposes, as it represents sales already reported in previous years;

2. Acknowledgment receipts are not mere vouchers and are sufficient to substantiate its expenses;

3. The submitted BIR Form 2307 for the first quarter of 2017 pertains to income earned or received in taxable year 2016;

4. Excess tax credits carried over to succeeding taxable years should not be disallowed as they are beyond the scope of the current year's Letter of Authority (LOA);

5. The unutilized creditable withholding tax (CWT) may be applied to settle deficiency income tax liabilities in the current year;

6. The alleged unwithheld taxes on rental payments in the amount of ₱631,755.60 had already been withheld and remitted in prior periods;

7. The alleged unwithheld taxes on payments for professional fees in the amount of ₱366,002.40 were paid to professional partnerships, which are not subject to income tax;

8. The alleged unwithheld taxes on payments for the purchase of goods in the amount of ₱30,157,675.16 had already been paid and remitted in the preceding period, as the goods were sourced from inventory;

9. The ₱630,000.00 rent to its affiliate is not a loan but a financial disclosure requirement, and is therefore not subject to DST;

10. The DST on amounts due to financial institutions had already been withheld by the pertinent bank; and,

11. The advance to its affiliate, Chillex International Phils. Inc., is not subject to DST since it is not substantiated.

Thus, petitioner prays for the cancellation of the subject deficiency assessments.

In the *Comment/Opposition*, respondent contends that the instant *Motion* is merely a reiteration and amplification of the same arguments raised in petitioner's *Petition for Review*, all of which were thoroughly evaluated and categorically resolved by the Court. Respondent asserts the settled rule that a motion for reconsideration is not a vehicle to relitigate matters already adjudged nor to revive arguments previously rejected.

Petitioner's *Partial Motion for Reconsideration* is bereft of merit.

Perusal of the *Partial Motion for Reconsideration* reveals that indeed the arguments raised therein have already been exhaustively considered, weighed, and resolved in the assailed *Decision.*

It is well-settled that a motion for reconsideration containing a mere reiteration or rehash of grounds and arguments that have already been considered, weighed, passed upon, and resolved by the court before the decision is rendered does not need a new judicial determination. There is no necessity to rule again on these grounds, as doing so would be a useless formality of ritual involving a reiteration of the reasons rejecting the movant's arguments already set forth in the judgment.[4]

As the grounds relied upon by petitioner merely restate arguments already found unmeritorious by the Court, there is neither reason nor justification to set aside or modify the assailed *Decision* dated October 29, 2025.

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

**SO ORDERED.**

**LANEE S. CUI-DAVID**
Associate Justice

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[4] *People v. Agacer*, G.R. No. 177751, January 7, 2013 [Per J. Del Castillo, Special First Division], *citing People v. Larrañaga*, 502 Phil. 231, 240 [*Per Curiam, En Banc*]; *Mendoza-Ong v. Hon. Sandiganbayan*, G.R. Nos. 146368-69, October 18, 2004 [Per J. Quisumbing, Special Second Division]; *Ortigas and Company Limited Partnership v. Judge Velasco*, G.R. No. 109645, March 4, 1996 [Per C.J. Narvasa, Third Division].

*I CONCUR:*

**JEAN MARIE A. BACORRO-VILLENA**
Associate Justice