REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

KODEC PRECISION, INC., Petitioner,	CTA EB No. 1762 (CTA Case No. 9677)
-versus-	Present:
COMMISSIONER OF INTERNAL REVENUE, represented by REVENUE DISTRICT OFFICER ERLINDA V. VICTORINO OF THE BUREAU OF INTERNAL REVENUE, REVENUE DISTRICT NO. 21-B, SOUTH PAMPANGA, CITY OF SAN FERNANDO, PAMPANGA, Respondent.	DEL ROSARIO, *PJ*; CASTAÑEDA, JR., UY, FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN, and MANAHAN, *JJ*.
	Promulgated: JUL 1 1 2019 3:25 p.m.

x- x

RESOLUTION

Fabon-Victorino, J.:

In the Decision[1] dated April 8, 2019, the Court *En Banc* affirmed the Court in Division's dismissal of petitioner's judicial claim for VAT refund for its failure to strictly observe the 120+30 days mandatory and jurisdictional periods set forth in Section 112(C) of the National Internal Revenue Code (NIRC) as amended and as stressed by the Supreme Court *En Banc* in *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue*[2] (*PTG* case).

---

[1] *Rollo,* pp. 189-198.
[2] G.R. No. 207112, December 8, 2015.

Aggrieved by the dismissal of its case, petitioner filed the instant *Motion for Reconsideration* dated May 9, 201[9], insisting that its judicial claim for VAT refund was seasonably instituted. Petitioner explained that pursuant to Section 112 of the NIRC, as amended, respondent had 120 days from its submission of complete supporting documents on May 9, 2017 or until September 6, 2017, to act on its administrative claim for refund. Petitioner as the taxpayer, on the other hand, had 30 days from receipt of respondent's adverse decision on August 2, 2017, or until September 4, 2017 to seek redress with the Court in Division. Hence it timely lodged its Petition for Review with the Court in Division on September 2, 2017.

Petitioner also claims that since it incurred input taxes which are attributable to its zero-rated sales of computer and automotive parts to a PEZA-registered enterprise such as its client NIDEC, it is rightfully entitled to an input value-added tax (VAT) refund in the sum of ₱2,054,084.06.

The instant Motion lacks of merit.

Under the principle of stare decisis, courts are enjoined to adhere to judicial precedents. The courts in a country are require to follow the rule established in a decision rendered by the Supreme Court. That final decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land.[3] The doctrine of *stare decisis* is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.[4]

Significantly, in the *PTG* case,[5] the Supreme Court *En Banc,* in interpreting RMC No. 54-2014, categorically declared that for administrative claims filed on or after June 11, 2014 such as the case at bench, submission of complete supporting documents is allowed only upon the filing of a taxpayer's administrative claim for VAT refund. Conversely,

---

[3] *Castillo vs. Sandiganbayan,* 427 Phil. 785 (2002)
[4] *Lazatin vs. Hon. Desierto,* G.R. No. 147097, June 5, 2009.
[5] See Note 2.

submission of supporting documents *after* the filing of a taxpayer's administrative claim is legally proscribed.

Applying the above principles, it is not legally feasible to count the prescribed 120-day period from petitioner's submission of complete supporting documents on May 9, 2017 or long *after* the institution of its administrative claim on November 29, 2016, as it is clearly repugnant to RMC No. 54-2014, as well as the ruling in *PTG* case. Thus, from November 29, 2016, respondent had 120 days or until March 29, 2017 to rule on its administrative claim for refund. Since there was inaction on the part of respondent during the said 120 days, petitioner had thirty (30) days or until April 28, 2017, to seek judicial intervention with the Court in Division. Undoubtedly, the Petition for Review instituted by petitioner with the Court in Division on September 4, 2017 or 129 days beyond the 30-day prescriptive period, deprived the Court in Division of legal competence to determine the case.

WHEREFORE, petitioner's *Motion for Reconsideration* dated May 9, 201[9] is **DENIED**, for lack of merit.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We Concur:

ROMAN G. DEL ROSARIO
Presiding Justice

(On Leave)
JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

(On Leave)
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice