REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 10634

PETRON CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

NOTICE OF RESOLUTION

To:

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

ATTY. AYESHA HANIA B. GUILING-MATANOG
ATTY. CLARISSA J. VIRTUDES-BABARAN
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen.Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

DU-BALADAD AND ASSOCIATES
20th Floor, Chatham House Building
Rufino corner Valero Streets
Salcedo Village, Makati City

GREETINGS:

You are hereby notified by these presents that on **April 30, 2025,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **May 5, 2025.**

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

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

PETRON CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10634

Members:

DEL ROSARIO, *P.J., Chairperson,*
BACORRO-VILLENA, *and*
CUI-DAVID, *JJ.*

Promulgated:

APR 30 2025; 4:30PM

x- x

RESOLUTION

DEL ROSARIO, P.J.:

For this Court's resolution are the following:

1. petitioner's **Motion for Reconsideration (Re: Decision dated October 28, 2024)** filed personally on November 14, 2024 and via email on November 15, 2024, with respondent's **Opposition (Re: Motion for Reconsideration of the Decision dated 28 October 2024)** filed personally and via email on January 3, 2025; and,

2. respondent's **Motion for Partial Reconsideration (Re: Decision promulgated 28 October 2024)** filed personally on November 14, 2024 and via email on November 15, 2024, with petitioner's **Comment (on Respondent's Motion for Partial Reconsideration dated October 31, 2024)** filed personally and via email on January 3, 2025.

Both parties move for reconsideration and setting aside of the Decision dated October 28, 2024[1] (assailed Decision), wherein the Court partially granted petitioner's Petition for Review, the dispositive portion of which reads:

> "**WHEREFORE,** premises considered, the present Petition for Review is **PARTIALLY GRANTED**. Accordingly, respondent is ordered to **REFUND** in favor of petitioner the amount of **₱2,774,564.15**, representing petitioner's erroneously paid excise taxes for its imported lubricating oils and its additives for the period August 1, 2019 to December 31, 2019, which formed part of the finished goods that were subsequently sold to tax-exempt entities.
>
> **SO ORDERED.**"

In the assailed Decision, the Court held that petitioner has sufficiently proven its entitlement to a refund in the amount of ₱2,774,564.16 representing the erroneously paid excise taxes on 308,284.91 liters of imported lubricating oils and its additives for the period August 1, 2019 to December 31, 2019, which formed part of the finished goods subsequently sold to tax-exempt entities.

<u>Petitioner's Motion for Reconsideration:</u>

In its Motion for Reconsideration, petitioner raises the following arguments:

1. The Court erred in ruling that it had no jurisdiction to entertain petitioner's claim for tax refund of excise tax payments in relation to imported lubricating oils and its additives made outside the period August 1, 2019 to December 31, 2019; and,

2. The Court erred in ruling that petitioner is entitled only to a tax refund amounting to ₱2,774,564.15.

Respondent, in his Opposition, prays for the denial of petitioner's motion. He quotes the findings of the Court that the total excise tax payments amounting to ₱2,774,564.15 is part of the substantiated importations of lubricating oils and its additives with excise tax payment in the amount of ₱121,836,781.63 for the period August 1, 2019 to December 31, 2019. He further argues that the claimant has the burden of proof to establish the factual basis of his claim for tax credit or refund; and, claims for refund are construed strictly against the claimant for the same partake the nature of exemption from taxation.

[1] CTA Docket, Volume II, pp. 633-669.

Respondent's Motion for Partial Reconsideration

In his Motion for Partial Reconsideration, respondent raises the following arguments:

1. The Court erred in ruling that petitioner is entitled to a refund of alleged erroneous paid excise taxes for its imported lubricating oils and its additives for the period August 1, 2019 to December 31, 2019 in the amount of ₱2,774,564.15;

2. Petitioner is liable to pay the excise tax as soon as it imports the lubricating oils and its additives;

3. Petitioner, as importer, may pass on the burden of paying taxes to its buyer, but if it sold fuel to an exempt entity, it is precluded from passing on the burden to said exempt entity;

4. Petitioner cannot invoke the exemption granted to an exempt entity under Section 135 of the National Internal Revenue Code (NIRC) of 1997, as amended, as a ground to claim for refund of excise tax paid;

5. If petitioner will be granted a refund on excise tax on fuel sold to an exempt entity under Section 135 (c) of the NIRC of 1997, as amended, it is in effect granted a refund for excise tax based solely on the exemption enjoyed by the exempt entities;

6. Tax refunds are in the nature of tax exemptions which are construed *strictissimi juris* against the taxpayer and liberally in favor of the government; and,

7. Petitioner has the burden of proving that the right to such tax refund indubitably exists and well-founded doubt is fatal to the claim.

Petitioner, in its Comment, disagrees with respondent's assertions and raises the following arguments:

1. Respondent's arguments in his Motion for Partial Reconsideration is a mere rehash of the arguments raised in his Answer and Memorandum which were thoroughly discussed and passed upon by the Court in the assailed Decision;

2. Petitioner is entitled to refund of excise taxes allegedly paid for the period August 1, 2019 to December 31, 2019, on its sale and delivery of lubricating oils to tax-exempt entities in the amount of ₱9,553,568.40;

3. Claims for refund of excise taxes paid is authorized only by Section 130(D) of the NIRC of 1997, as amended;

4. The purchases of imported lubricating oils and its additives were secured from importations covering the period August 1, 2019 to December 31, 2019 and the corresponding excise taxes were paid by petitioner;

5. The volume and amount of imported lubricating oils transferred from the Bureau of Customs to petitioner's New Lube Oil Blending Plant and/or Pandacan Depot were accurate and properly supported; and,

6. The sales and deliveries of imported lubricating oils to petitioner's tax-exempt customers were accurate and adequately supported.

THE COURT'S RULING

After careful evaluation of the parties' arguments, the Court finds that both petitioner's Motion for Reconsideration and respondent's Motion for Partial Reconsideration are bereft of merit.

Petitioner's Motion for Reconsideration

Petitioner contends that it is entitled to the refund of the excise tax payments in relation to imported lubricating oils and its additives made outside the period August 1, 2019 to December 31, 2019 amounting to ₱3,731,146.42.

Contrary to petitioner's argument, it is well-settled that courts cannot grant a relief not prayed for in the pleadings or in excess of what is being sought by a party to a case.[2] It is improper to enter an order which exceeds the scope of relief sought by the pleadings, absent

[2] *Chinatrust (Phils.) Commercial Bank vs. Philip Turner*, G.R. No. 191458, July 3, 2017; *Cherith A. Bucal vs. Manny P. Bucal*, G.R. No. 206957, June 17, 2015.

07

notice which affords the opposing party an opportunity to be heard with respect to the proposed relief.[3]

In the present case, petitioner in its Petition for Review prayed for the refund of excise taxes paid during the period August 1, 2019 to December 31, 2019 for its imported lubricating oils and its additives, which were subsequently sold and delivered to tax-exempt entities, *viz.*:

> "**WHEREFORE,** premises considered, it is most respectfully prayed that after due hearing, judgment be rendered by this Honorable Court ordering Respondent **to refund in favor of herein Petitioner in the amount of Nine Million Five Hundred Fifty Three Thousand Five Hundred Sixty Eight and 40/100 Pesos (₱9,553,568.40), representing excise taxes paid during the period August 1, 2019 to December 31, 2019 for Petitioner's imported lubricating oils and its additives, which were subsequently sold and delivered to tax-exempt entities**.
>
> Other reliefs just and equitable under the circumstances are likewise prayed for." *(Boldfacing and underlining supplied)*

Clearly, petitioner specifically and categorically prayed only for the refund of excise taxes paid during the period August 1, 2019 to December 31, 2019. The determination of the Court must necessarily be limited to petitioner's entitlement to its claim for refund of the excise taxes paid during the aforestated period.

Moreover, the Court cannot disregard the possibility that petitioner filed other claims for tax refund of excise tax payments in relation to its imported lubricating oils and its additives made outside the period August 1, 2019 to December 31, 2019. Hence, it is prudent for the Court to confine its determination of petitioner's entitlement to refund of excise tax payments for the period specified in its prayer.

Actions for tax refund are in the nature of a claim for exemption and the law is not only construed in *strictissimi juris* against the taxpayer, but also the pieces of evidence presented entitling a taxpayer to an exemption is *strictissimi* scrutinized and must be duly proven.[4] The burden of proof to establish entitlement to refund is on the claimant taxpayer.[5] Undoubtedly, petitioner's failure to specifically seek for the

---

[3] *Development Bank of the Philippines vs. Romeo Teston,* G.R. No. 174966, February 14, 2008.
[4] *Atlas Consolidated Mining and Development Corporation vs. Commissioner of Internal Revenue*, G. R. No. 159490, February 18, 2008.
[5] *Winebrenner & Iñigo Insurance Brokers, Inc. vs. Commissioner of internal Revenue,* G.R. No. 206526, January 28, 2015.

OW

refund of the out-of-period excise tax payments precludes the Court from granting such relief.

Respondent's Motion for Partial Reconsideration

The Court finds that the arguments interposed by respondent are a mere rehash (almost word-for-word reiteration) of his previous arguments in his Answer[6] and Memorandum,[7] which were sufficiently considered and addressed by the Court in the assailed Decision. There is no need to discuss the same arguments again in resolving the present Motion for Partial Reconsideration.

The pronouncement in *Social Justice Society (SJS) Officers, et al. vs. Lim,*[8] *which cited Ortigas and Co. Ltd. Partnership vs. Judge Velasco,*[9] *is instructive:*

> "**The grounds relied on being mere reiterations of the issues already passed upon by the Court, there is no need to 'cut and paste' pertinent portions of the Decision or re-write the *ponencia* in accordance with the outline of the instant motion**.
>
> As succinctly put by then Chief Justice Andres R. Narvasa in *Ortigas and Co. Ltd. Partnership v. Judge Velasco* on the effect and disposition of a motion for reconsideration:
>
>> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; xxx. **It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or**

---

[6] CTA Docket, Vol. I, pp. 126-134.
[7] CTA Docket, Vol. II, pp. 497-504.
[8] G.R. Nos. 187836 & 187916, March 10, 2015.
[9] G.R. Nos. 109645 & 112564, March 4, 1996.

> **final order; or the arguments in the motion are too unsubstantial to require consideration, etc.**" *(Boldfacing supplied)*

All told, the Court finds no cogent reason to warrant a modification or reversal of the assailed Decision.

WHEREFORE, premises considered, petitioner's **Motion for Reconsideration (Re: Decision dated October 28, 2024)** and respondent's **Motion for Partial Reconsideration (Re: Decision promulgated 28 October 2024)** are hereby **DENIED** for lack of merit.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

WE CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

LANEE S. CUI-DAVID
Associate Justice