REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES, *Plaintiff,*	**CTA Criminal Case No. O-215** For: Vio. Of Sec 108 (A) of NIRC of 1997, as amended
- versus -	Members:
MARTIN Q. CANDIDO, New Time Saver Construction Room 201 Eugenio Bldg., #63 Paso De Blas, Valenzuela City, (AT LARGE) *Accused.*	**MANAHAN**, *Chairperson,* **REYES-FAJARDO**, *and* **ANGELES**, *JJ.* Promulgated: AUG 06 2024 2:44 p.m.

x -x

RESOLUTION

On July 11, 2011, an Information was filed against accused Martin Q. Candido, charging him for violation of Section 108 (A) of the National Internal Revenue Code of 1997, as amended. The accusatory portion of which states:

> That on or about November 25, 2005, in Valenzuela City and within the jurisdiction of this Honorable Court, the above-named accused, in his capacity as Vice President of New Time Saver Corporation, did then and there willfully, unlawfully and feloniously fail and refuse to pay tax liabilities the amount of P1,493,244.25 as deficiency business tax (VAT) for the year 2002 despite receipt of assessment notice and demand to pay said deficiency taxes from the commissioner of the Bureau of Internal Revenue.
>
> Contrary To Law.

This case merits dismissal.

Section 7(b)(1) of Republic Act (RA) No. 1125, as amended by RA No. 9282, reads:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> ...
>
> b. Jurisdiction over cases involving criminal offenses as herein provided:
>
> **1. Exclusive original jurisdiction over all criminal offenses arising from violations of the** National Internal Revenue Code or **Tariff and Customs Code** and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, **exclusive of charges and penalties**, claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. ...[1]

Relatedly, Section 3(b)(1), Rule 4[2] of the Revised Rules of the Court of Tax Appeals (RRCTA)[3] clarified that the CTA in Division possesses exclusive original jurisdiction over tax criminal offenses, provided the following conditions concur: *first,* the offense charged pertains to, among others, violation of the NIRC; and *second,* the principal amount of taxes and fees claimed, *exclusive of charges and penalties* is at least ₱1,000,000.00. In turn, the jurisdiction of a court over a criminal case is determined by the allegations in the complaint or information. Once it is so shown, the court may validly take cognizance of the case.[4]

Indeed, the Information charged accused for violation of Section 108 (A) of the NIRC. Stated therein is that the amount of the alleged deficiency business tax due for the taxable year 2002 was ₱1,493,244,.25. Yet, these averments hardly suffice to bestow the

---

1 Boldfacing supplied.

2 SECTION 3. *Cases Within the Jurisdiction of the Court in Divisions.* – The Court in Divisions shall exercise:

...

(b) Exclusive jurisdiction over cases involving criminal offenses, to wit: | | |

(1) Original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs, where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is one million pesos or more; ... Boldfacing supplied.

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

4 *Cabral v. Bracamonte,* G.R. No. 233174, January 23, 2019.

Court with jurisdiction over CTA Crim. Case No. 215. The Information *failed* to expressly state that the amount of ₱1,493,244,.25, pertaining to the principal amount of taxes and fees, is *exclusive* of charges and penalties as mandated by Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282, in relation to Section 3(b)(1), Rule 4 of the RRCTA.

In sum, the allegations in the prosecution's Information failed to demonstrate the Court's jurisdiction over this case. For this reason, dismissal of CTA Criminal Case No. O-215 is in order.

WHEREFORE, CTA Criminal Case No. O-215 is withdrawn from the archives and accordingly **DISMISSED** for lack of jurisdiction.

SO ORDERED.

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

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

HENRY S. ANGELES
Associate Justice