REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

THIRD DIVISION

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT (PSALM) CORPORATION, *Petitioner,*	**CTA CASE NO. 8475**
	Members:
-versus-	**Bautista**, Chairperson, **Fabon-Victorino**, and **Ringpis-Liban** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: FEB 25 2015 2:52 p.m.

x - x

RESOLUTION

For resolution is petitioner's "Manifestation/Motion" with attached "Motion for Partial Reconsideration" filed on December 19, 2014 seeking to set aside in part the Decision promulgated December 2, 2014 and issue a new judgment ordering the cancellation and withdrawal of the assessment for deficiency VAT of P9,566,062,571.44, and ordering the cancellation and withdrawal of the Final Assessment Notice (FAN)[1] dated June 9, 2011.

On the other hand, respondent failed to file her Comment despite notice hereof[2].

The dispositive portion of the assailed Decision reads as follows:

> "**WHEREFORE**, premises considered, the instant Petition for Review is hereby **PARTIALLY GRANTED**. Accordingly, the assessments issued by respondent against petitioner covering taxable year 2008 for deficiency value-added

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1 VT-08-00072

2 Records Verification Report of the Third Division, Court of Tax Appeals, stating that *respondent failed to file her **COMMENT** on petitioner's "Motion for Partial Reconsideration"* filed on December 19, 2014 regarding Resolution dated January 7, 2015.

tax are **UPHELD** but in the **MODIFIED AMOUNT** of **NINE BILLION FIVE HUNDRED SIXTY SIX MILLION SIXTY TWO THOUSAND FIVE HUNDRED SEVENTY ONE and 44/100 PESOS (P9,566,062,571.44)**, inclusive of twenty percent (20%) interest imposed upon Section 249(A) of the Tax Code, as amended.

xxx xxx xxx."

In assailing the decision, petitioner alleges that the enactment of Republic Act (R.A.) No. 9337 which made the Electric Power System subject to Value-Added Tax (VAT) is not applicable to PSALM's privatization activities. Petitioner maintains that PSALMS privatization activities are not made in the ordinary course of business but made in compliance with the mandate of R.A. No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA).

In addition, petitioner also maintains that PSALM's privatization activities are not incidental to its selling of electricity and the collections of income and receivables are not subject to VAT.

After careful consideration of the grounds raised in the instant motion, the Court finds that the issues and arguments raised therein had already been amply discussed, passed upon and considered by this Court in the Decision sought to be considered. The arguments stated therein constitute neither compelling nor cogent reason to modify, much less set aside our Decision dated December 2, 2014.

WHEREFORE, premises considered, respondent Commissioner of Internal Revenue's "Motion for Partial Reconsideration" is hereby **DENIED** for lack of merit.

SO ORDERED.

LOVELL R. BAUTISTA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice