CTA Form No. 8

24-000647-0014

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA AC NO. 349

NATIONAL GRID CORPORATION OF THE PHILIPPINES,
Petitioner,

- versus -

CITY GOVERNMENT OF TACLOBAN, as represented by MAYOR ALFRED S. ROMUALDEZ, in his official capacity as City Mayor and MS. JENNIFER S. GUY, in her official capacity as Acting City Treasurer of Tacloban,
Respondents.

NOTICE OF DECISION

To:

ATTY. LUIS MANUEL U. BUGAYONG
ATTY. ULPIANO M. CAMPOS, JR.
ATTY. JULES BOY R. VALDEZ
(Counsel for the Petitioner)
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San Juan City

ATTY. EARL CAESAR ROSARIO
ATTY. JEROME D. VILLEZA
(Counsel for the Respondent)
Office of the City Legal Officer
Kanhuraw Hill, Tacloban City 6500

MS. JENNIFER S. GUY
City Treasurer of Tacloban City
Office of the City Treasurer
City Hall Compound, Tacloban City
Leyte

CITY GOVERNMENT OF TACLOBAN
Represented by Mayor Alfred S. Romualdes
Office of the City Mayor
City Hall Compound,Tacloban City
Leyte

HON. LEONITO S. SABANDAL
Presiding Judge
Thru: Branch Clerk of Court
8th Judicial Region
Regional Trial Court
Branch 9
Magsaysay Boulevard, Tacloban City

GREETINGS:

You are hereby notified by these presents that on **January 7, 2026,** a Decision was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **January 7, 2026.**

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

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

NATIONAL GRID CORPORATION OF THE PHILIPPINES,
Petitioner,

- versus -

CITY GOVERNMENT OF TACLOBAN, as represented by **MAYOR ALFRED S. ROMUALDEZ**, in his official capacity as City Mayor, and **MS. JENNIFER S. GUY**, in her official capacity as Acting City Treasurer of Tacloban,
Respondents.

CTA AC NO. 349

Members:

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

Promulgated:

JAN 07 2026; 1:10PM

x- -x

DECISION

CUI-DAVID, J.:

Before the Court is an appeal *via* a *Petition for Review*,[1] seeking the reversal and setting aside of the *Decision*[2] dated June 27, 2024 (**assailed Decision**), which denied petitioner's *Petition* for the cancellation of the assessment for Contractor's/City Tax for calendar years 2009 to 2022[3] in the total amount of ₱34,598,981.94; and the *Order*[4] dated September 5, 2024 (**assailed Order**), which denied petitioner's *Motion for Reconsideration.* Both were rendered by the Regional Trial Court, Branch 9, Tacloban City (**RTC/court *a quo***) in Civil Case No. R-TAC-23-00887-CV, entitled "*National Grid Corporation of the Philippines v. City Government of Tacloban, as represented by Mayor Alfred S. Romualdez, in his official*

[1] Division Docket, pp. 7–28.
[2] *Id.* at 34–45.
[3] *Id.* at 27, *Petition for Review*, Prayer; RTC Docket, pp. 33, 399-402, Exhibits "A" and "B". The Prayer in the present *Petition for Review* states "nullifying and cancelling the tax assessments… for calendar year 2009 to 2023" but the subject assessment refers to "tax assessment for years 2009 to 2022."
[4] Division Docket, pp. 46–47.

represented by Mayor Alfred S. Romualdez, in his official capacity as City Mayor, and Ms. Jennifer S. Guy, in her official capacity as Acting City Treasurer of Tacloban City."

THE PARTIES

Petitioner, National Grid Corporation of the Philippines (**petitioner/NGCP**), is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office at NGCP Building, Quezon Avenue corner Santiago Avenue, Diliman, Quezon City. It may be served with notices and court processes through the Office of its General Counsel at Bonaventure Plaza Bldg., Ortigas Ave., Greenhills, San Juan City.[5]

Respondents, are the City of Tacloban, Hon. Alfred S. Romualdez, and Ms. Jennifer S. Guy, being the Local Government Unit, the City Mayor, and the City Treasurer of Tacloban City, respectively. They may be served with notices and court processes at the Office of the City Mayor and the Office of the City Treasurer, both located at City Hall Compound, Tacloban City, Leyte.[6]

THE FACTS AND PROCEEDINGS

Pursuant to Republic Act (**RA**) No. 9511,[7] which took effect on December 20, 2008, petitioner was granted a franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through the high-voltage backbone system of interconnected transmission lines, substations and related facilities, systems operations, and other activities that are necessary to support the safe and reliable operation of a transmission system and to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair and refurbish the present nationwide transmission system of the Republic of the Philippines.

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[5] *Id.* at 9, *Petition for Review*, par. 2.
[6] *Id.*, *Petition for Review*, par. 3.
[7] AN ACT GRANTING THE NATIONAL GRID CORPORATION OF THE PHILIPPINES A FRANCHISE TO ENGAGE IN THE BUSINESS OF CONVEYING OR TRANSMITTING ELECTRICITY THROUGH HIGH VOLTAGE BACK-BONE SYSTEM OF INTERCONNECTED TRANSMISSION LINES, SUBSTATIONS AND RELATED FACILITIES, AND FOR OTHER PURPOSES.

On March 22, 2023, petitioner received a letter[8] from respondent Acting City Treasurer, dated March 8, 2023, assessing and demanding payment of Contractor's/City Tax for the period 2009 to 2022, in the total amount of ₱34,598,981.94.

On May 18, 2023, petitioner filed a *Written Protest*[9] pursuant to Section 195 of the Local Government Code of 1991, protesting the assessed Contractor's/City Tax. In the said protest, petitioner asserted that it is exempt from Contractor's/City Tax based on Section 9 of RA No. 9511.

Due to alleged inaction on its protest, petitioner was constrained to file a *Petition*[10] before the court *a quo* on August 16, 2023. In its *Petition*, petitioner prayed that the RTC:

(1) Uphold its exemption from payment of local taxes such as Contractor's/City Tax, based on RA No. 9511; and

(2) Declare null and void the assessment issued by the respondents on March 8, 2023.

Respondents, in their *Answer*[11] filed on September 22, 2023, asked the court *a quo* to deny the *Petition* and hold petitioner liable for Contractor's/City Tax as assessed. According to respondents, a decision rendered by the court is already enforceable from the moment it is made, and even the filing of an appeal of any form shall not stay the execution unless otherwise ordered by the court rendering the decision. Allegedly, following the favorable judgment rendered by the Court of Tax Appeals (**CTA**) *En Banc* in CTA EB No. 2133 (***NGCP v. Cordaño***),[12] respondent Acting City Treasurer sent a letter to petitioner asking the latter to settle its contractor's tax deficiency of ₱34,598,981.94.

Trial ensued, during which both parties presented evidence in support of their respective claims.

On June 27, 2024, the court *a quo* rendered the assailed *Decision*, upholding the Contractor's/City Tax assessment. The dispositive portion of the assailed *Decision* reads:

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[8] RTC Docket, p. 33, Exhibit A.
[9] RTC Docket, pp. 399-402, Exhibit B.
[10] *Id.* at 2–13.
[11] *Id. at* 274–281.
[12] *National Grid Corporation of the Philippines v. The City of Tacloban and Zosima Cordaño, in her capacity as City Treasurer of Tacloban*, CTA *EB* Case No. 2133, March 31, 2022.

> **WHEREFORE**, based on the foregoing discussion, this appeal/petition is **DENIED**.
>
> **SO ORDERED**.

In denying petitioner's *Petition*, the court *a quo* ratiocinated that it was bound to uphold the ruling of the CTA *En Banc* under the principles of the hierarchy of courts and *stare decisis*. According to the court *a quo*, the controversy between the parties was not new. Petitioner had previously raised the same issue, *albeit* for a different taxable period, before the RTC - Branch 8 of Tacloban City, the CTA in Division, and the CTA *En Banc*. In each of these fora, the taxing authority of the City Government of Tacloban was consistently sustained.

Unable to agree, petitioner filed a *Motion for Reconsideration*[13] on August 5, 2024, but the motion suffered the same fate in the equally assailed *Order* dated September 5, 2025, the decretal portion of which reads:

> **WHEREFORE**, in view of the foregoing discussion, the Motion for Reconsideration is **DENIED**.
>
> **SO ORDERED**.

Still aggrieved, petitioner elevated the case to the Court of Tax Appeals **(CTA)** *via* the instant *Petition for Review* filed *via* accredited courier and electronic mail on October 24, 2024.

On November 25, 2024, the Court issued a Resolution[14] directing:

(1) Respondents to submit their comment on petitioner's *Petition for Review*, within ten (10) days from notice; and

(2) The Branch Clerk of Court of the court *a quo* to elevate the entire *rollo* of Civil Case No. R-TAC-23-00887-CV, also within ten (10) days from notice.

On December 19, 2024, respondents filed *via* registered mail their *Comment (to Petition for Review)*,[15] which the Court noted in a Resolution[16] dated January 8, 2025. In the same

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[13] RTC Docket. pp. 1252–1265.
[14] Division Docket. p. 460.
[15] *Id.* at 465–467.
[16] *Id.* at 469.

Resolution, the Court granted the Letter-Request electronically filed by Atty. Edsyl N. Ojeda-Galosmo, Branch Clerk of Court of Regional Trial Court, Branch 9, Tacloban City, for an additional non-extendible period of twenty (20) days to elevate the entire *rollo* of Civil Case No. R-TAC-23-00887-CV to the Court.

On February 17, 2025, the instant case was deemed submitted for decision upon receipt of the *Transmittal Letter* dated January 16, 2025, posted by Atty. Ojeda-Galosmo, submitting the entire *rollo* of Civil Case No. R-TAC-23-00887-CV.[17]

Hence, this Decision.

ASSIGNMENT OF ERRORS

Petitioner assigns the following errors allegedly committed by the court *a quo*, to wit:

I. THE RTC BRANCH 9 ERRED IN ITS DECISION AND ORDER WHEN IT DENIED NGCP's APPEAL/PETITION AND MOTION FOR RECONSIDERATION BASED ON THE PRINCIPLE OF *STARE DECISIS* AND *HIERARCHY OF COURTS* AND IN FAILING TO CONSIDER THE EVIDENCE PRESENTED BY NGCP THAT IT HAS ALREADY PAID THE 3% FRANCHISE TAX TO THE NATIONAL GOVERNMENT AND THAT IT IS EXEMPTED FROM PAYMENT OF CONTRACTOR'S/CITY TAX.

II. THE HONORABLE SUPREME COURT, ON 5 SEPTEMBER 2024, RENDERED A RESOLUTION REVERSING AND SETTING ASIDE THE CTA DECISION IN THE NGCP vs. CORDAÑO CASE, WHICH WAS USED BY RTC BRANCH 9 AS BASIS IN DENYING NGCP's APPEAL/PETITION AND MOTION FOR RECONSIDERATION.[18]

In support of these assignments, petitioner argues that the principles of *stare decisis* and hierarchy of courts do not apply to the present case. According to petitioner, the instant case and *NGCP v. Cordaño* are different cases and not similarly situated because new facts and evidence are present here that were absent in the earlier case. Specifically, the prior case involved a

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[17] *Id.* at 475, Resolution.
[18] *Id. at* 14.

contractor's tax assessment for taxable year 2009 only, whereas the present assessment covers taxable years 2009 to 2022.

Moreover, in the instant case, petitioner presented documentary and testimonial evidence proving that it has consistently paid the 3% franchise tax from 2009 to 2022 under Section 9 of RA No. 9511. In contrast, in *NGCP v. Cordaño*, the issue of franchise tax payment was never raised before the trial court; thus, petitioner did not present supporting documents at that stage. When such evidence was later submitted before the CTA, it was disregarded because it had not been previously offered at trial.

Finally, petitioner asserts that the Supreme Court, in *NGCP v. Cordaño*,[19] (G.R. No. 265730), has already reversed and set aside the CTA *En Banc* decision in *NGCP v. Cordaño*. Consequently, the RTC's reliance on *stare decisis* and hierarchy of courts to deny petitioner's claims is no longer tenable and must likewise be reversed. Petitioner adds that, given the evidence of its payment of the 3% franchise tax pursuant to its franchise, it should be declared exempt from the assessed Contractor's/City Tax.

By way of *Comment (to Petition for Review)*, respondents acknowledge the Supreme Court's ruling in G.R. No. 265730, entitled "*National Grid Corporation of the Philippines v. The City of Tacloban and Zosima A. Cordaño, in her capacity as City Treasurer of Tacloban*,"[20] which categorically resolved the following issues relevant to this case:

- Issue 1 resolved by the Supreme Court, e.g., "NGCP is not liable for taxes so long as they have proof that they have paid the 3% franchise tax with the BIR."

- Issue 2 resolved by the Supreme Court, e.g., "The CTA *En Banc* erred in not admitting the evidence brought in by NGCP to show proof that they have paid the taxes to BIR in lieu of any and all taxes."[21]

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[19] G.R. No. 265730 dated June 5, 2024 (Resolution).
[20] *Id.*
[21] *Id.* at 465-466.

For respondents, given the Supreme Court's unequivocal ruling on these matters, their position is fundamentally untenable.

THE COURT'S RULING

Before resolving the merits of the case, the Court must first determine whether it has jurisdiction to take cognizance of the instant *Petition.*

The CTA has jurisdiction over the present Petition for Review.

Section 7(a)(3) of RA No. 1125,[22] as amended by RA No. 9282,[23] provides:

> SEC. 7. *Jurisdiction.* - The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> ... ...
>
> (3) **Decisions, orders or resolutions of the Regional Trial Courts <u>in local tax cases originally decided or resolved by them in exercise of their original or appellate jurisdiction</u>.** (*Boldfacing and underscoring supplied*)

This grant of jurisdiction is implemented by Section 3(a)(3), Rule 4 of the Revised Rules of the Court of Tax Appeals (**RRCTA**), to wit:

> Section 3. *Cases within the jurisdiction of the Court in Division.* — The Court in Division shall exercise:
>
> (a) Exclusive original or appellate jurisdiction to review by appeal the following:
>
> ... ...

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[22] AN ACT CREATING THE COURT OF TAX APPEALS.

[23] AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OR REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

> (3) **Decisions, resolutions or orders of the Regional Trial Courts in local tax cases decided or resolved by them in the exercise of their original jurisdiction**. (*Boldfacing supplied*)

With regard to the filing of an appeal with the Court, Section 3(a), Rule 8 of the RRCTA provides in part:

> SEC. 3. *Who may appeal; period to file petition.* —
>
> ... ...
>
> (c) **A party adversely affected** by a decision or ruling of the Central Board of Assessment Appeals and the **Regional Trial Court** **<u>in the exercise of their appellate jurisdiction</u>** may appeal to the Court by filing before it a petition for review **within thirty days from receipt of a copy of the questioned decision or ruling**. (*Emphasis and underscoring supplied*)

Records show that petitioner received the assailed *Order* dated September 5, 2024, which denied its *Motion for Reconsideration,* on September 24, 2024. Thus, petitioner had thirty (30) days from September 24, 2024, or until October 24, 2024, within which to file its *Petition for Review.*

Considering that the present *Petition for Review* was filed *via* accredited courier and *electronic mail* on October 24, 2024, the Court finds that it was timely filed. Accordingly, the Court validly acquired jurisdiction over the instant Petition.

Now, on the merits of the case.

RA No. 9511 grants petitioner an exemption from local taxes on its gross receipts arising from its franchise.

Section 9 of RA No. 9511 reads:

> SEC. 9. *Tax Provisions.* - In consideration of the franchise and rights hereby granted, the Grantee [NGCP], its successors or assigns, shall pay a **franchise tax equivalent to three percent (3%) of all gross receipts derived by the Grantee [NGCP] from its operation under this franchise. Said tax** shall be **in lieu of** income tax and any and all **taxes,**

> duties, fees and charges **of any kind**, nature or description **levied**, established or collected by **any authority whatsoever, local or national**, on its franchise, rights, privileges, **receipts**, revenues and profits, and on properties **used in connection with its franchise**, from which taxes, duties and charges, the Grantee is hereby expressly exempted: *Provided*, That the Grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other corporations are now or hereby may be required by law to pay: *Provided, further*, That payment by Grantee of the concession fees due to PSALM under the concession agreement shall not be subject to income tax and value-added tax (VAT). (*Emphasis supplied*)

The issue of the scope of petitioner's tax exemption is not novel.

In *National Grid Corporation of the Philippines v. Oliva*[24] ***(Oliva)***, the Supreme Court already defined the extent of the tax exemption granted to petitioner under its legislative franchise –
–

> Back in 2003, this *ponente* discussed the "in lieu of all taxes" clause in a separate opinion in *PLDT v. City of Davao*. The Court struck down PLDT's argument that the "in lieu of all taxes" clause in Smart's franchise exempts PLDT from the payment of the local franchise tax imposed by the City of Davao. At first glance, it may seem that the "in lieu of all taxes" clause in Smart's franchise is similarly worded to that of NGCP. Smart's tax provisions in Section 9 of Republic Act No. 7294 read as follows:
>
>> *Tax provisions.* — The grantee, its successors or assigns shall be liable to pay, the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations which are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee, its successors or assigns and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *Provided*, That the grantee, its successors or assigns shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant

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[24] G.R. Nos. 213157 & 213558, August 10, 2016 [Per J. Carpio, Second Division].

> to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.
>
> The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.
>
> . . . .
>
> Smart's franchise states that the 3 percent "**franchise tax**" shall be "in lieu of all taxes." Clearly, it is the **franchise tax** that shall be in lieu of all taxes referred to in Section 9, and not the VAT or any other tax. Following the rule on strict interpretation of tax exemptions, the "in lieu of all taxes" clause cannot apply when what is paid is a tax other than the franchise tax. Since the franchise tax on telecommunications companies has been abolished, the "in lieu of all taxes" clause has now become *functus officio*, rendered inoperative for lack of a franchise tax. ...
>
> . . . .
>
> Nothing is mentioned in Section 9 about local taxes. The clear intent is for the "in lieu of all taxes" clause to apply only to taxes under the National Internal Revenue Code and not to local taxes. Even with respect to national internal revenue taxes, the "in lieu of all taxes" clause does not apply to income tax.
>
> <u>If Congress intended the "in lieu of all taxes" clause in Smart's franchise to also apply to local taxes</u>, Congress would have expressly mentioned the exemption from municipal and provincial taxes. Congress could have used the language in Section 9 (b) of Clavecilla's old franchise, as follows:
>
>> ...[I]n lieu of any and all taxes of any kind, nature or description levied, established or collected by any authority whatsoever, **municipal, provincial** or national,

> from which the grantee is hereby expressly exempted. ...
>
> However, Congress did not expressly exempt Smart from local taxes. Congress used the "in lieu of all taxes" clause only in reference to national internal revenue taxes. The only interpretation, under the rule on strict construction of tax exemptions, is that the "in lieu of all taxes" clause in Smart's franchise refers only to national and not to local taxes.
>
> . . . .
>
> We take note of the pronouncements made in the separate opinion, and apply them to the present set of facts.
>
> *First.* Tax exemptions must be clear and unequivocal, and must be directly stated in a specific legal provision.
>
> In the present case, Section 9 of RA 9511 provided for NGCP's tax liabilities and exemptions.
>
> *Second.* **The "in lieu of all taxes" clause is strictly limited to the kind of taxes, taxing authority, and object of taxes specified in the law.**
>
> Section 9 of RA 9511 states that NGCP's payment of franchise tax is in lieu of payment of "income tax and any and all taxes, duties, fees and charges of any kind, nature or description levied, established or collected by any authority whatsoever, **local or national**, on its franchise, rights, privileges, receipts, revenues and profits, and on properties used in connection with its franchise. "Thus, in contrast to Smart's franchise as quoted above, **Section 9 of RA 9511 clearly stated that the NGCP's "in lieu of all taxes" clause includes taxes imposed by the local government on properties used in connection with NGCP's franchise.** (Emphasis supplied)

The Supreme Court, in *Oliva*, further declared that NGCP's payment of the 3% franchise tax based on its gross receipts from the exercise of its franchise is sufficient to invoke the tax exemption under Section 9 of RA No. 9511, which provides:

> Section 9 of RA 9511 provides that NGCP shall pay "a franchise tax equivalent to three percent (3%) of all gross receipts derived by the Grantee from its operation under this franchise." This franchise tax is "**in lieu of** income tax and **any and all taxes**, duties, fees and charges of any kind, nature or description levied, **established or collected by any**

> **authority whatsoever, local or national**, on its franchise, rights, privileges, receipts, revenues and profits, and **on properties used in connection with its franchise, from which taxes**, duties and charges, **the Grantee is hereby expressly exempted**."
>
> It is very clear that NGCP's payment of franchise tax exempts it from payment of real property taxes on properties used in connection with its franchise. However, NGCP's tax-exempt status on real property due to the "in lieu of all taxes" clause is qualified: NGCP shall be liable to pay the same tax as other corporations on real estate, buildings and personal property exclusive of their franchise. The phrase "exclusive of this franchise" means that real estate, buildings, and personal property used in the exercise of the franchise are not subject to the same tax as other corporations. (*Underscoring supplied*)

Just as petitioner's payment of the 3% franchise tax in *Oliva* was the operative act to claim exemption from real property tax under Section 9 of RA No. 9511, the same standard applies in the present case to exempt petitioner from other local taxes. Thus, proof of petitioner's prior payment of the 3% franchise tax based on gross receipts is required to reap the benefits of the national and local tax exemptions under Section 9 of RA No. 9511. Conversely, failure to prove such payment negates entitlement to the exemption.

In the instant case, petitioner claims that it presented before the court *a quo* proof of payment of the 3% franchise tax based on its gross receipts pursuant to RA No. 9511Specifically, during the presentation of its evidence-in-chief before the court *a quo*, it presented:

(a) **BIR Certifications**[25] issued by the Large Taxpayers Service of the Bureau of Internal Revenue (**BIR**); and
(b) **BIR Forms**[26] used in the payment of the 3% franchise tax, to prove that it is religiously and up to date in paying the 3% franchise tax based on its gross receipts earned for the period 2009 to 2023.

Petitioner added that the aforesaid BIR Certifications and BIR Forms were formally offered as evidence before the court *a quo*, *without objection* from respondents.

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[25] RTC Docket, pp. 462-475, Exhibit E and series.
[26] *Id.* at pp. 527-1131, Exhibits P to EE (inclusive of sub-markings).

Hence, petitioner claims that it satisfactorily proved payment of franchise taxes for the relevant period.

The Court agrees.

It is worth noting that petitioner's proof of payment of the 3% franchise tax, *i.e.*, BIR Certifications and BIR Forms, was never challenged nor questioned by respondents. In fact, in their *Comment (to Petition for Review)*, **respondents agree that with the reversal and setting aside by the Supreme Court of the CTA *En Banc* decision in *NGCP v. Cordaño*, their imposition of Contractor's/City Tax against petitioner for the period 2009 to 202[2] is no longer tenable.**

In civil cases, the burden of proof rests upon the plaintiff, who must establish its case by a preponderance of evidence. Preponderance of evidence is the evidence that is of greater weight, or more convincing, than the evidence offered in opposition to it. It is proof that leads the trier of facts to find that the existence of the contested fact is more probable than its non-existence. [27] Once the plaintiff makes out a *prima facie* case in its favor in the course of the trial, however, the duty or the burden of evidence shifts to the defendant to controvert plaintiff's *prima facie* case, otherwise, a verdict must be returned in favor of plaintiff.[28]

Here, respondents never registered any objection to petitioner's presentation/submission of the BIR Certifications and BIR Forms to prove payment of the 3% franchise tax for the period 2009 to 2023. These Certifications issued by the BIR, the agency tasked with the collection of all national internal revenue taxes, enjoy the presumption of regularity in the performance of official duties, and are sufficient to prove the fact of payment of the 3% franchise tax for the period stated in the BIR Certification. As official records, they carry full weight and credence, especially when uncontroverted, as in the present case.

Thus, the BIR Certifications, complemented by the BIR Forms, adequately prove petitioner's payment of the 3% franchise tax for the period stated therein.

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[27] *Far East Bank & Trust Company v. Chante*, G.R. No. 170598, October 9, 2013 [Per J. Bersamin, First Division].
[28] *Spouses Ponce v. Aldanese*, G.R. Np. 216587, August 4, 2021 [Per J. Hernando, Second Division].

WHEREFORE, premises considered, petitioner's *Petition for Review* is **GRANTED**. The assailed *Decision* dated June 27, 2024, and the assailed *Order* dated September 5, 2024, are hereby **REVERSED** and **SET ASIDE**.

Accordingly, the assessment for Contractor's/City Tax issued by respondents against petitioner for calendar years 2009 to 2022 in the aggregate amount of ₱34,598,981.94, is **CANCELLED** and **SET ASIDE**.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the First Division Acting Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice