REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, *Petitioner,*	**CTA *EB* NO. 2724** (CTA Case No. 9866)
	Present:
- versus -	**DEL ROSARIO,** *P.J.,* **RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES,** *JJ.*
STEEL CORPORATION OF THE PHILIPPINES, *Respondent.*	Promulgated: APR 14 2025 2:02pm

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RESOLUTION

CUI-DAVID, J.:

Before the Court *En Banc* is a *Motion for Reconsideration (Re: Decision promulgated on 30 September 2024)*[1] filed by petitioner *via* personal service on October 17, 2024, and *via* e-mail on October 18, 2024, assailing the *Decision*[2] promulgated on September 30, 2024 (assailed *Decision*), the dispositive portion of which reads:

> **WHEREFORE**, premises considered, the *Petition for Review* filed by the Commissioner of Internal Revenue is **DENIED** for lack of merit. The assailed Decision dated May 17, 2022, and the Resolution dated December 16, 2022, are **AFFIRMED**.
>
> **SO ORDERED.**

[1] *En Banc (EB)* Docket, pp. 123–129.
[2] *Id.* at 101–117.

The assailed *Decision* sustained the ruling of the Court in Division, which ordered the cancellation and setting aside of the deficiency income tax and value-added tax assessments issued against respondent for taxable year 2012.

In moving for the reconsideration of the assailed *Decision*, petitioner raises the following sole ground:

> THE HONORABLE COURT ERRED IN FINDING THAT PETITIONER'S DEFICIENCY TAX ASSESSMENTS ARE INVALID

In its *Comment (To the Petitioner's Motion for Reconsideration)*[3] filed both personally and electronically on November 27, 2024, respondent avers that petitioner's challenge to the assailed *Decision* heavily relies on the rulings of the Supreme Court in *Perez v. Court of Tax Appeals*[4] *("Perez")* and *Marcos II v. Court of Appeals.*[5] Petitioner contends that assessments based on estimates are presumed correct. It further contends that in *Perez*, "*reflected sources of funds accounted for in the taxpayer's return lead to the inference that part of its income has not been reported.*"

However, respondent counters that petitioner fails to disclose material distinctions between *Perez* and the present case. Specifically, in *Perez*, the Collector of Internal Revenue applied the "net worth" method to determine income tax deficiencies. Respondent explains that under the "net worth" method, the taxpayer must establish that any increases in the taxpayer's net worth are attributable to taxable income. In *Perez*, the taxpayer failed to prove that the increases in bank balances, asset acquisitions, and investments in various enterprises from 1946 to 1950 were derived from taxable income. Hence, these unsubstantiated increases in his net worth exposed him to additional income tax liabilities.

Respondent also notes that while the *Perez* case focused on increases in net worth, petitioner in the present case relies on alleged undeclared importations, which jurisprudence had long confirmed as an unreasonable basis for an assessment. Hence, at the pain of being repetitive, respondent asserts that importation, by itself, does not necessarily equate to undeclared sales that would result in VATable sales or taxable

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[3] *Id.* at 134–140.
[4] G.R. No. L-10507, May 30, 1958.
[5] G.R. No. 120880, June 5, 1997 [Per J. Torres, Jr., Second Division].

income. Thus, importation alone is an unreasonable basis for the deficiency tax assessments.

After a thorough examination of petitioner's *Motion for Reconsideration* and respondent's *Comment*, the Court *En Banc* finds that all arguments raised in the instant *motion* have already been determined and passed upon, first by the Court in Division and subsequently on appeal by the Court *En Banc*. Indeed, petitioner's *Motion for Reconsideration* is a replica of his *Petition for Review* filed with the Court *En Banc*. Revisiting these arguments would only result in a waste of time and resources of the Court.

The ruling in *Social Justice Society (SJS) Officers et al. v. Lim* [6] provides instructive guidance 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; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. 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 final order; or the arguments in the motion are too unsubstantial to require consideration, etc.

WHEREFORE, premises considered, the *Motion for Reconsideration (Re: Decision promulgated on 30 September 2024)* filed by petitioner Commissioner of Internal Revenue is **DENIED** for lack of merit.

6 *Social Justice Society (SJS) Officers, et al. v. Lim*, G.R. Nos. 187836 & 187916, March 10, 2015.

x---x

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:

(I reiterate my Concurring Opinion on the assailed Decision of the Court in Division)
ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice