REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PHILIPPINE MINING SERVICE CORPORATION, Petitioner,	**CTA CASE NO. 10880**
	Members:
- versus -	**MANAHAN,** *Chairperson,* **REYES-FAJARDO,** and **ANGELES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: OCT 01 2025 1:56 p.m.

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RESOLUTION

MANAHAN, J.:

Submitted before this Court is respondent's **Motion for Partial Reconsideration (Re: Decision promulgated on 21 May 2025)** filed on June 2, 2025, with petitioner's **Comment/Opposition (to Respondent's Motion for Partial Reconsideration dated 30 May 2025)** filed on June 18, 2025.

On May 21, 2025, the Court promulgated a Decision, partially granting petitioner's claim for refund, in a reduced amount, for its unutilized and excess input value-added tax (VAT) attributable to its zero-rated sales covering the period January 1, 2020 to June 30, 2020, the dispositive portion of which reads as follows:

> "**ACCORDINGLY**, the present *Petition for Review* is **PARTIALLY GRANTED.** Respondent is **ORDERED** to refund petitioner the additional amount of **₱7,361,177.44**, representing petitioner's unutilized and/or unapplied and excess input VAT attributable to zero-rated sales for the period covering the 1st and 2nd quarters of taxable year 2020, or from January 1, 2020 to June 30, 2020.
>
> **SO ORDERED.**"

In his Motion, respondent asserts that the Court erred in finding petitioner partially entitled to the refund sought. He argues that petitioner failed to comply with Section 112 of the National Internal Revenue Code (NIRC) of 1997, as amended, in relation to Revenue Memorandum Circular No. 47-2019,[1] as indicated in the *Memorandum Report* (Exhibit "R-2") of the revenue officer that was assigned to audit and verify petitioner's administrative claim for refund. Respondent reiterates that for a claim for refund of input VAT to prosper, the taxpayer-claimant must prove that there must be (a) effectively zero-rated sales; (b) that input taxes were incurred or paid; (c) that the input taxes are attributable to effectively zero-rated sales; (d) that the input taxes were not applied against any output VAT liability; and (e) the claim for refund/tax credit must be filed within the two year prescriptive period. In this case, respondent avers that petitioner fell short in overcoming the burden proof needed to refute his findings in the administrative level.

Respondent further argues that petitioner also failed to comply with the invoicing and substantiation requirements, particularly, with Section 113(B)(2)(c) and (d) of the NIRC of 1997, as amended, in relation to Section 4.113-1 of Revenue Regulations No. 16-2005,[2] which requires that the words "zero-rated sale" be indicated or prominently written/printed on the invoice or receipt. Respondent insists that petitioner must prove that it has submitted valid and acceptable supporting documents to substantiate its claim for refund since, without which, the Bureau of Internal Revenue (BIR) has reason to deny the claim which was appropriately done in the present case.

Lastly, respondent submits that taxes paid and collected by the BIR are presumed to have been made in accordance with law, rules and regulations and the burden to prove otherwise is upon petitioner.

On the other hand, in its Comment, petitioner points out that the arguments raised by respondent have already been raised in his *Answer*[3] filed on September 12, 2022 and have already been passed and ruled upon in the Court's Decision dated May 21, 2025. As such, petitioner asserts that having failed to indicate any reversible error on the merits of the award of refund in favor of petitioner, the present Motion must therefore be denied for lack of merit.

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[1] SUBJECT: Revised Guidelines and Mandatory Requirements for the Processing and Grant of Value-Added Tax (VAT) Refund Claims within the 90-day Period Pursuant to Section 112 of the Tax Code of 1997, as amended, dated April 16, 2019.

[2] SUBJECT: Consolidated Value-Added Tax Regulations of 2005, dated September 1, 2005.

[3] Docket – Vol. 1, pp. 106 to 117.

In any case, petitioner recalls that out of its total claim for refund of ₱31,676,798.32 filed in the administrative level, the subject of the present *Petition for Review* is only the amount of ₱12,894,197.87 which represents the denied input tax attributable to sales *allegedly* not valid for VAT zero-rating. Petitioner questions respondent's denial thereof considering that the said amount of ₱12,894,197.87 pertains to input VAT attributable to zero-rated sales amounting to ₱176,353,594.67 which were disallowed due to different grounds *other than* non-compliance with the invoicing requirements under Section 113 of the NIRC of 1997, as amended. Petitioner continues that the issues on the indirect and direct zero-rated sales in the amount of ₱176,353,594.67 originally disallowed by respondent for not qualifying for zero-rating, were considered erroneous by the Court and the amount was reduced only to ₱75,667,087.29.

Lastly, petitioner submits that it has duly substantiated its claim for refund of unutilized input VAT attributable to zero-rated sales in the first (1^{st}) and second (2^{nd}) quarters of taxable year 2020, and the Court has thoroughly passed upon the merits of which against the arguments proffered by respondent, thus, finding that petitioner is entitled to refund the amount of ₱7,361,177.44.

After due consideration, the Court finds respondent's Motion for Partial Reconsideration bereft of merit.

As correctly pointed out by petitioner, the arguments raised by respondent in the instant Motion are mere rehash of the findings in the *Memorandum Report* of his revenue officers, which have already been addressed and resolved in the assailed Decision. By merely reiterating the findings in the said Report, respondent failed to specify which conclusions are contrary to law or erroneous findings made in the assailed Decision that would warrant the Court to reconsider the same.

Nonetheless, the Court reiterates that in petitioner's administrative claim for input VAT refund for the 1^{st} and 2^{nd} quarters of 2020 in the amount of ₱31,676,798.32, only the extent of ₱17,772,357.63 was granted by the BIR per *VAT Refund Notice* dated April 30, 2022 (Exhibit "P-4"), computed as follows:

VAT Refund Claim	₱31,676,798.32
Deductions from Claim	₱13,904,440.69
Net Approved VAT Refund	**₱17,772,357.63**

Out of the total disallowances of ₱13,904,440.69, only the amount of ₱12,894,197.86 was assailed by petitioner in the present *Petition*. As such, what was left for the Court to resolve was whether the said disallowance was correct. In addressing the arguments raised by respondent, the Court found that the disallowance by the BIR of petitioner's zero-rated sales should be adjusted to the amount of ₱75,667,087.29. With the reduction of the amount of disallowed zero-rated sales from ₱176,353,594.67 to ₱75,667,087.29, the valid input tax allocated thereto and the net refundable amount are likewise adjusted accordingly, as follows:[4]

	Zero-rated	**VATable**	**Exempt**	**Sales Not Qualified for VAT Zero-rate**	**Total**
Gross sales per VAT Returns	₱ 523,375,681.81	₱ 161,407,543.10	₱812,500.00		₱ 685,595,724.91
Adjustments:					
Undeclared Sales		12.36			12.36
Indirect zero-rated sales with insufficient documentation	(67,425,861.15)			67,425,861.15	-
Direct zero-rated sales with insufficient documentation	(728,897.89)			728,897.89	-
VATable sales declared as exempt		812,500.00	(812,500.00)		-
Zero-rated sales with no proof of delivery of goods during the period of claim	(7,512,328.25)			7,512,328.25	-
Adjusted sales	**₱447,708,594.52**	**₱162,220,055.46**	-	**₱75,667,087.29**	**₱685,595,737.27**
Ratio	65.30%	23.66%	0.00%	11.04%	100%
Available input VAT allocated based in sales ratio	**₱32,737,890.28**	**₱11,862,051.44**	-	**₱5,533,020.43**	**₱ 50,132,962.15**
Deduct:					-
Output tax per QVR		₱ (19,368,905.17)			₱ (19,368,905.17)
Output tax on VATable sales adjustment		(1.48)			(1.48)
Output tax on VATable sales declared as exempt		(97,500.00)			(97,500.00)
Input tax allocated to disallowed zero-rated sales				(5,533,020.43)	(5,533,020.43)
Input VAT Balance	**₱32,737,890.28**	**₱ (7,604,355.21)**	-	-	**₱25,133,535.07**
Taxable sales offset	(7,604,355.21)	7,604,355.21			-
NET REFUNDABLE AMOUNT	**₱25,133,535.07**	**₱ -**	**₱ -**	**₱ -**	**₱25,133,535.07**

Based on the foregoing, petitioner is entitled to a total input VAT refund amounting to ₱25,133,535.07. However, since respondent has already granted the amount of ₱17,772,357.63 per *VAT Refund Notice* dated April 30, 2022, and that the valid input tax allocated to the adjusted disallowed zero-rated sales amounts to

[4] Pages 24 to 28, *Decision*.

₱5,533,020.43, instead of the amount of ₱12,894,197.87 as found by respondent, only the remaining balance of ₱7,361,177.44 should be granted as petitioner's unutilized and excess input VAT attributable to its zero-rated sales covering the 1st and 2nd quarters of taxable year 2020.

Apropos, while the Court considers and weighs respondent's findings and conclusions, the evidence nonetheless have shown that petitioner was able to sufficiently prove that it was entitled under substantive law to the grant of the said amount. Petitioner was able to satisfy all the documentary and evidentiary requirements for it to be entitled to the claimed refund.

Perforce, Section 8 of Republic Act No. 1125, as amended, declares this Court as a *"court of record"*. Being such, it is required to conduct a formal litigation (trial *de novo*) where the parties must present their evidence accordingly if they desire the Court to take such evidence into consideration.[5] Further, the appealing party must establish that it is entitled to the refund being sought under substantive law. Correspondingly, the Court is authorized to conduct trial *de novo*, and consistent with this principle, parties who come to court are required to prove every aspect of their case if they want the Court to take such evidence into consideration.[6]

Also worth mentioning, is that the power of the Court to exercise its appellate jurisdiction does not preclude it from considering evidence that was not presented in the administrative claim in the BIR.[7] The question of whether the evidence submitted by a party is sufficient to warrant the granting of its prayer lies within the sound discretion and judgment of the Court. As cases filed before this Court are litigated *de novo*, the Court, is not governed strictly by technical rules of evidence, thus, is not precluded from considering evidence not presented at the administrative level for the paramount consideration remains the ascertainment of truth.[8]

Moreover, it suffices that the Court to deal generally and summarily with the motion for reconsideration and merely state a legal ground for its denial, for it will be a useless formality invariably

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[5] *Commissioner of Internal Revenue v. Manila Mining Corporation*, G.R. No. 153204, August 31, 2005.

[6] *Philippine Airlines, Inc. (PAL) v. Commissioner of Internal Revenue*, G.R. Nos. 206079-80, January 17, 2018; *Commissioner of Internal Revenue v. Philippine National Bank*, G.R. No. 180290, September 29, 2014.

[7] *Philippine Airlines, Inc. v. Commissioner of Internal Revenue* and *Commissioner of Internal Revenue v. Philippine Airlines, Inc.*, G.R. Nos. 206079-80 and 206309, January 17, 2018.

[8] *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc. (formerly Nissan Motor Philippines, Inc.)*, G.R. No. 231581, April 10, 2019.

involving merely a reiteration of the reasons already set forth in the judgment for rejecting the arguments advanced by the movant, as held in the case of *Social Justice Society (SJS) Officers, et al. v. Alfredo S. Lim, et seq.*:[9]

> "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, 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." *(Emphases added)*

Given that respondent's arguments have already been threshed out and judiciously resolved by the Court in the assailed *Decision*, the Court reiterates its ruling that petitioner was able to sufficiently establish its entitlement to *additional* refund albeit in the amount of ₱7,361,177.44 representing petitioner's unutilized and/or unapplied and excess input VAT attributable to zero-rated sales for the period covering the 1st and 2nd quarters of taxable year 2020.

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by respondent in its Motion for Partial Reconsideration, the Court finds no compelling reason to justify the reversal or any modification of its findings in the Decision promulgated on May 21, 2025.

WHEREFORE, premises considered, the respondent's Motion for Partial Reconsideration (Re: Decision promulgated on 21 May 2025) is **DENIED** for lack of merit.

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[9] G.R. No. 187836, March 10, 2015 (Resolution on Motion for Reconsideration), citing *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al., et seq.*, G.R. No. 109645, March 4, 1996 (324 Phil. 483).

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

We Concur:

MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice