REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC
****

HEAVENLY URBAN CHEF, INC., Petitioner,	**CTA EB No. 1586** (CTA Case No. 8556)
	Present:
- versus -	**DEL ROSARIO,** P.J., **CASTAÑEDA, JR., UY, FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN,** and **MANAHAN,** JJ.
COMMISSIONER OF INTERNAL REVENUE, Respondent.	***Promulgated:*** APR 15 2019 11:06 a.m.

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AMENDED DECISION

UY, J.:

For resolution is petitioner's "**MOTION FOR RECONSIDERATION [Re: Decision dated 27 July 2018]**" filed on September 12, 2018,[1] praying for the reconsideration of the Court *En Banc's* Decision dated July 27, 2018, the dispositive portion of the assailed Decision reads:

> "**WHEREFORE**, in light of the foregoing considerations, the *Petition for Review* is **PARTIALLY GRANTED**. The Decision dated August 9, 2016 and the Resolution dated January 5, 2017, both rendered by the Court in Division in CTA Case No. 8556, are **AFFIRMED** with **MODIFICATION**.

[1] EB Docket – Vol. 3, pp. 1027 to 1056.

Accordingly, petitioner is **ORDERED TO PAY** respondent the amount of ₱28,724,811.72, representing basic deficiency income tax, VAT, and IAET, inclusive of the fifty percent (50%) surcharge imposed under Section 248 of the NIRC of 1997, as amended, computed as follows:

Tax Type	Basic	Surcharge	Total
Income Tax	₱ 5,638,563.46	₱ 2,819,281.73	₱ 8,457,845.19
Value-added Tax	13,182,288.12	6,591,144.06	19,773,432.18
Improperly Accumulated Earnings Tax	329,022.90	164,511.45	493,534.35
Total	**₱ 19,149,874.48**	**₱ 9,574,937.24**	**₱ 28,724,811.72**

In addition, petitioner is **ORDERED TO PAY** following deficiency and delinquency interest, computed in accordance with the provisions of Section 249 of the NIRC of 1997, in its original text and as amended by RA No. 10963 (TRAIN law), *viz.:*

1) Deficiency interest at the rate of twenty percent (20%) *per annum* on the basic deficiency income tax, VAT, and IAET, computed from the dates indicated below until full payment thereof **until December 31, 2017**:

	Basic Tax	**Commencement dates**
Income Tax	₱ 5,638,563.46	April 15, 2010
VAT	₱13,182,288.12	January 25, 2010
IAET	₱ 329,022.90	January 15, 2011

2) Delinquency interest at the rate of 20% *per annum* on the total amount of ₱28,724,811.72 and on the 20% deficiency interest which have accrued as afore-stated in (a), computed from October 24, 2012 **until December 31, 2017**;

3) **Delinquency interest at the rate of 12% on the total unpaid amount [basic taxes, surcharges, and interests computed on (a) and (b) above] from January 1, 2018 until the same is fully paid.**

SO ORDERED."

On December 10, 2018, respondent filed his "**COMMENT/OPPOSITION (To Petitioner's Motion for Reconsideration)**";[2] and on December 21, 2018, petitioner filed its "**REPLY (Re: Motion for Reconsideration dated 12 September 2018)**".[3]

Petitioner's arguments:

In its *Motion for Reconsideration*, petitioner argues that this Court gravely erred in not finding that the *Preliminary Assessment Notice* (PAN), *Final Assessment Notice* (FAN) and *Final Decision on Disputed Assessment* (FDDA), and their respective *Details of Discrepancies*, are invalid for failing to comply with the mandatory requirements of the Tax Code. Allegedly, petitioner was not informed of the legal and factual bases of the assessment.

Petitioner likewise argues that this Court gravely erred in finding petitioner liable for deficiency income tax in the amount of ₱8,457,845.19, for deficiency value-added tax (VAT) in the amount of ₱19,773,432.18, and for improperly accumulated earnings tax (IAET) in the amount of ₱493,534.35.

As regards its deficiency income tax, petitioner reiterates that its expenses were sufficiently substantiated; that there were no unreported sales; that the estimate of its sales at Convergys Makati was arbitrary and capricious; and that the withholding taxes on petitioner's income were duly substantiated.

As to its deficiency VAT, petitioner stresses that it has no sales for which VAT was not properly paid, as the subject sales were subject to zero rate for having been entered into with PEZA-registered entities; and that it has no unsubstantiated input taxes.

For the deficiency IAET, petitioner asserts that the retention of the earnings was for a specified purpose supported by the necessary board resolution.

In its *Reply*, petitioner submits that respondent's *Comment/ Opposition* is a mere scrap of paper and deserves no consideration as it was filed beyond the reglementary period.

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[2] EB Docket – Vol. 5, pp. 2223 to 2228.
[3] EB Docket – Vol. 5, pp. 2236 to 2253.

Respondent's counter-arguments:

In its *Comment/Opposition*, respondent claims that petitioner's *Motion for Reconsideration* was filed beyond the reglementary period of fifteen days from receipt of the assailed Decision dated July 27, 2018.

As regards the *Entry of Appearance* of Leynes Lozada-Marquez Law Offices, and the consequent filing of the subject *Motion for Reconsideration,* the same were allegedly not duly authorized by petitioner's Board of Directors. Hence, said *Motion* is considered a mere scrap of paper and deemed as not filed.

Moreover, respondent claims that a careful examination of the instant *Motion* would reveal that the arguments raised therein are mere repetition and reiteration of the arguments already passed and ruled upon by this Court; and that it raises no new evidence nor any cogent reasons to disturb the assailed decision.

Allegedly, the findings and conclusions of the CTA are accorded the highest respect and will not be lightly set aside or overturn.

Finally, respondent emphasizes that the assessed deficiency taxes is *prima facie* correct and were made in good faith and that petitioner has the duty of proving otherwise; and that in the absence of proof of any irregularities in the performance of official duties, an assessment will not be disturbed.

THE COURT *EN BANC*'S RULING

Petitioner's Motion for Reconsideration was filed on time.

Records reveal that a copy of assailed Decision dated July 27, 2018 was received by petitioner's counsel on August 29, 2018, as shown in Registry Return Receipt No. 18-516 EB.[4]

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[4] EB Docket – Vol. 1, p.144-A (Attached to the back page thereof).

Under Section 1 of Rule 15 of the Revised Rules of the Court of Tax Appeals (RRCTA), petitioner has fifteen (15) days from notice of the decision or until September 13, 2018 to file its *Motion for Reconsideration*.

Considering that the instant *Motion for Reconsideration* was filed, through registered mail, on September 12, 2018, the same was thus filed on time.

The Entry of Appearance of Leynes Lozada-Marquez Law Offices and consequent filing of the Motion for Reconsideration were authorized by petitioner.

We find no merit in respondent's allegations that the *Entry of Appearance* of Leynes-Lozada-Marquez Law Offices, and the consequent filing of the instant *Motion for Reconsideration*, were not authorized by petitioner.

Under Section 21 of Rule 138 of the Rules of Court, an attorney is presumed to be properly authorized to represent any cause in which he appears, and no written power of attorney is required to authorize him to appear in court for his client, to wit:

> "**SEC. 21**. *Authority of attorney to appear.* **An attorney is presumed to be properly authorized to represent any cause in which he appears, and no written power of attorney is required to authorize him to appear in court for his client,** but the presiding judge may, on motion of either party and on reasonable grounds therefor being shown, require any attorney who assumes the right to appear in a case to produce or prove the authority under which he appears, and to disclose, whenever pertinent to any issue, the name of the person who employed him, and may thereupon make such order as justice requires. An attorney wilfully appearing in court for a person without being employed, unless by leave of the court, may be punished for contempt as an officer of the court who has misbehaved in his official transactions." *(Emphasis supplied)*

Based on the foregoing, there is a presumption that a counsel is duly authorized to represent its client in Court. In fact, the absence of a formal notice of entry of appearance will not invalidate the acts performed by the counsel in his client's name.[5]

In this case, the filing of the subject *Entry of Appearance* by Leynes-Lozada-Marquez Law Offices gave rise to the presumption that they are authorized to represent petitioner in this case and to file the instant *Motion for Reconsideration.*

Moreover, the submission of a copy of the Secretary's Certificate dated September 10, 2018,[6] which was executed by petitioner's Corporate Secretary, Clara T. Tad-Y, attesting that petitioner's Board of Directors' passed a resolution authorizing Leynes Lozada-Marquez Law Office in filing appropriate legal proceedings in connection with the appeal of the Decision dated 27 July 2018, is sufficient proof of authority to represent petitioner in this case. Thus, the filing of the instant *Motion for Reconsideration* was duly authorized by petitioner.

The instant Motion for Reconsideration lacks merit.

A careful perusal of the *Motion for Reconsideration* shows that except for the argument that petitioner was not informed of the factual and legal bases of the assessment, the arguments raised in the said *Motion* are a mere reiteration of matters which have already been considered, weighed and resolved in the assailed Decision. Finding no compelling reason to reconsider, modify or reverse Our Decision, We shall no longer belabor in this Resolution, to repeat the disquisitions made therein.

As for petitioner's claim that the PAN, FAN, and FDDA and their respective *Details of Discrepancies* failed to inform petitioner of the factual and legal bases of the assessment, the same deserves scant consideration.

Indeed, Section 228 of the National Internal Revenue Code

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[5] *Land Bank of the Philippines vs Pamintuan Development Co.,* G.R. No. 167886, October 25, 2005, *citing Cebu Stevedoring Co., Inc. v. Ramolete*, G.R. No. L-56627, August 17, 1981.

[6] Annex "D" of Petitioner's *Reply*, EB Docket – Vol. 5, pp. 2259 to 2260.

(NIRC) of 1997 provides as follows:

> "SEC. 228. *Protesting of Assessment.* — When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: xxx
>
> xxx xxx xxx
>
> **The taxpayers shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.**
>
> xxx xxx xxx." (*Emphasis supplied).*

While the foregoing provision requires that the taxpayers should be informed of the legal and factual bases of the assessment, the assessment notices, however, need not be a full narration of the facts and laws on which the assessment is based.

In this case, a perusal of the PAN,[7] FAN,[8] and FDDA,[9] as well as the respective attached *Details of Discrepancy*, shows that the said documents contained the facts and laws upon which the deficiency tax assessments were based. To the mind of this Court, the foregoing notices substantially complied with the prescribed requisite of informing petitioner with the factual and legal bases on which the deficiency tax assessments were based, pursuant to Section 228 of the NIRC of 1997.

We therefore find that petitioner was properly apprised of the factual and legal bases of the subject deficiency tax assessments.

Modification of the computation of delinquency interests to conform with the provisions of by Republic Act (RA) No. 10963, as implemented by Revenue Regulations (RR) No. 21-2018.

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[7] Exhibits "R-18", "R-18-A", "R-18-B", "R-18-C" and "R-18-D", BIR Records, pp. 316 to 321.
[8] Exhibits "R-28", "R-28-A", "R-28-B" and "R-28-C", BIR Records, pp.838 to 845.
[9] Exhibits "R-27", "R-27-A", "R-27-B" and "R-27-C", BIR Records, pp.852 to 856.

After the assailed Decision was promulgated on July 27, 2018, the Secretary of Finance issued RR No. 21-2018 on September 14, 2018, implementing Section 249 of the NIRC of 1997, as amended by RA No. 10963.

Section 6 of RR No. 21-2018 provides as follows:

"**SECTION 6. TRANSITORY PROVISION.** - In cases where the tax liability/ies or deficiency tax/es became due before the effectivity of the TRAIN Law on January 1, 2018, and where the full payment thereof will only be accomplished after the said effectivity date, the interest rates shall be applied as follows:

Period	*Applicable Interest Type and Rate*
For the period up to December 31, 2017	Deficiency and/or delinquency interest at 20%
For the period January 1, 2018 until full payment of the tax liability	Deficiency and/or delinquency interest at 12%

The double imposition of both deficiency and delinquency interest under Section 249 prior to its amendment will still apply in so far as the period between the date prescribed for payment until December 31, 2017.

Illustration 2: A Company has been assessed deficiency income tax of ₱1,000,000.00, exclusive of interest and surcharge, for taxable year 2015. The tax liability has remained unpaid despite the lapse of June 30, 2017, the deadline for payment stated in the notice and demand issued by the Commissioner. Payment was made by the taxpayer only on February 10, 2018. The civil penalties for late payment shall be computed as follows:

Basic Tax Due - Income Tax			₱1,000,000.00
Add:	25% Surcharge for late payment	₱250,000.00	
	20% Deficiency Interest from April 16, 2016 to June 30, 2017 (441 days)	241,643.84	491,643.84
Total Amount Due, June 30, 2017			**₱1,491,643.84**
Add:	20% Deficiency Interest from July 1, 2017 to December 31 , 2017 (184 days; based on basic tax of P1,000.000.00)	₱100,821.92	

20% Delinquency interest from July 1, 2017 December 31 , 2017 (184 days; based on total amount due of P1,491,643. 84 as of June 30, 2017)	150,390.39	
12% Delinquency Interest from January 1, 2018 to February 10. 2018 (41 days; based on total amount due of P1,491,643.84 as of June 30, 2017)	20,106.54	271,318.85
Total Amount Due, February 10, 2018		**₱1,762,962.69"**

The foregoing provision clarifies and illustrates the computation of delinquency and deficiency interest in case where the tax liability became due before the effectivity of the TRAIN Law on January 1, 2018, and where the full payment thereof will only be accomplished after the said effectivity date.

In the assailed Decision dated July 27, 2018, while the deficiency and delinquency interest were imposed pursuant to Republic Act (RA No. 10963 (TRAIN Law), the Court, however notes the following differences in light of Section 6 of RR No. 21-2018, to wit:

1. Under RR No. 21-2018, the computation of the 20% deficiency interest is divided into two (2) separate computations: (1) the deficiency interest computed from the date following the last day prescribed for the payment of the tax until the due date indicated in the notice and demand; and (2) deficiency interest from the day following the due date indicated in the notice and demand until December 31, 2017.

   On the other hand, in the assailed Decision, there is only one simplified imposition of the deficiency interest computed from the date following the last day prescribed for the payment of the tax until December 31, 2017;

2. Under RR No. 21-2018, the delinquency interest is based on the *unpaid amount as of the due date indicated in the notice and demand.*

   However, in the assailed Decision, the delinquency interest was based on the *unpaid amount as of December 31, 2017.*

In view thereof and to be consistent with the illustration under RR No. 21-2018, this Court resolves to modify the imposition of deficiency and delinquency interests as follows:

a. For the *deficiency interest*, this Amended Decision now has separate computation for deficiency interest for the following period:
   (1) from the date following the last day prescribed for the payment of the tax until the due date indicated in the notice and demand; and

   (2) from the day following the due date indicated in the notice and demand until December 31, 2017.

b. For the *delinquency interest*, the same is now based on unpaid amount as of October 24, 2012.

WHEREFORE, in light of the foregoing considerations, the instant *Motion for Reconsideration* is hereby **DENIED** for lack of merit.

However, in view of Section 249 of the NIRC of 1997, as amended by RA No. 10963, and as implemented by RR No. 21-2018, the dispositive portion of the Decision dated July 27, 2018 is hereby **MODIFIED** to read as follows:

> "**WHEREFORE**, in light of the foregoing considerations, the *Petition for Review* is **PARTIALLY GRANTED.** The Decision dated August 9, 2016 and the Resolution dated January 5, 2017, both rendered by the Court in Division in CTA Case No. 8556, are **AFFIRMED** with **MODIFICATION**.
>
> Accordingly, petitioner is **ORDERED TO PAY** respondent the amount of **₱99,222,483.55**, representing deficiency income tax, VAT and IAET, inclusive of the fifty percent (50%) surcharge, and twenty percent (20%) deficiency interest and delinquency interest imposed under Sections 248(A) and 249(B) and (C), of the NIRC of 1997, as amended, respectively, computed until December 31, 2017, as follows:

	Income Tax	VAT	IAET	TOTAL
Basic Tax Due	₱5,638,563.46	₱13,182,288.12	₱ 329,022.90	₱19,149,874.48
Add: 50% Surcharge	2,819,281.73	6,591,144.06	164,511.45	9,574,937.24
Add: 20% Deficiency Interest from:				

April 16, 2010 to October 24, 2012 *[₱5,638,563.46 x 20% x 923 days /365]*	2,851,722.78			2,851,722.78
January 26, 2010 to October 24, 2012 *[₱13,182,288.12x x 20% x 1,003 days /365]*		7,244,841.02		7,244,841.02
January 16, 2011 to October 24, 2012 *[₱329,022.90x 20% x 648 days /365]*			116,825.67	116,825.67
Total Amount Due, October 24, 2012[10]	**₱11,309,567.97**	**₱27,018,273.20**	**₱610,360.02**	**₱38,938,201.19**
Add: 20% Deficiency Interest from October 25, 2012 to December 31, 2017				
[₱5,638,563.46 x 20% x 1,894 days /365]	5,851,747.50			5,851,747.50
[₱13,182,288.12 x 20% x 1,894 days /365]		13,680,686.96		13,680,686.96
[₱329,022.90 x 20% x 1,894 days /365]			341,462.67	341,462.67
Add: 20% Delinquency Interest from October 25, 2012 to December 31, 2017				
[₱11,309,567.97 x 20% x 1,894 days /365]	11,737,162.59			11,737,162.59
[₱27,018,273.20 x 20% x 1,894 days /365]		28,039,785.99		28,039,785.99
[₱610,360.02 x 20% x 1,894 days /365]			633,436.65	633,436.65
Total Amount Due, December 31, 2017	**₱28,898,478.06**	**₱68,738,746.15**	**₱1,585,259.34**	**₱99,222,483.55**

In addition, petitioner is **ORDERED TO PAY** delinquency interest at the rate of twelve percent (12%), on the total unpaid amount as of October 24, 2012 in the amount of **₱38,938,201.19**, as determined above, computed from January 1, 2018 until full payment thereof, pursuant to Section 249(C) of the NIRC of 1997, as amended by RA No. 10963, and as implemented by RR No. 21-2018.

SO ORDERED."

SO ORDERED.

ERLINDA P. UY
Associate Justice

[10] Exhibit "R-27", BIR Records, pp. 852 to 856.

WE CONCUR:

(With Concurring and Dissenting Opinion)
ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Amended Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ROMAN G. DEL ROSARIO
Presiding Justice

REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

EN BANC

HEAVENLY URBAN CHEF, INC., *Petitioner,*	**CTA EB NO. 1586** (CTA CASE NO. 8556)
	Present:
-versus-	**DEL ROSARIO,** *P.J.,* **CASTANEDA, JR., UY, FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN,** and **MANAHAN,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: APR 15 2019 11:06 a.m.

X---X

CONCURRING & DISSENTING OPINION

DEL ROSARIO, P.J.:

I concur with the conclusion of the *ponencia* in denying the Motion for Reconsideration. I also concur with the *ponencia* that there are two separate computations of deficiency interest in line with Revenue Regulations No. 21-2018: (1) the **deficiency interest** computed from the date following the last day prescribed for the payment of the tax until the due date indicated in **the notice and demand**; and (2) **deficiency interest** from the day following the due date indicated in the notice and demand until December 31, 2017.

With due respect, I could not, however, subscribe as to the manner by which the *ponencia* computed petitioner's tax liabilities. The due date October 24, 2012 from whence the *ponencia* computed respondent's deficiency and delinquency interest is found in the Final Decision on Disputed Assessment[1]. To my mind, **there was already a notice and demand to pay on April 23, 2012 pursuant to Assessment Notices dated March 22, 2012.**

[1] Exhibit "R-27", BIR Records, pp. 852 to 856.

I submit that the deficiency interest imposable on petitioner's deficiency income tax, value-added tax (VAT), and improperly accumulated earnings tax (IAET) liabilities should be computed from April 16, 2012, January 26, 2010, and January 16, 2011, respectively, **until April 23, 2012**, or the **due date appearing on the Assessment Notices attached to the FAN** with Nos. IT-LA28216-09-12-0361, VT-LA28216-09-12-0361, and IT-LA28216-09-12-0361 (IAET), and from April 24, 2012 up to December 31, 2017 pursuant to Section 249 (A) and (B) of the National Internal Revenue Code of 1997, as amended by Section 75 of Republic Act No. 10963,[2] and Sections 3[3] and 6[4] of Revenue Regulations (RR) No. 21-2018. The delinquency interest

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[2] SEC. 75. Section 249 of the NIRC, as amended, is hereby further amended to read as follows:

> "SEC. 249. *Interest*. –
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> "(A) *In General*. – There shall be assessed and collected on any unpaid amount of tax, interest at the rate of double the legal interest rate for loans or forbearance of any money in the absence of an express stipulation as set by the Bangko Sentral ng Pilipinas from **the date prescribed for payment until the amount is fully paid**: *Provided*, That in no case shall the deficiency and the delinquency interest prescribed under Subsections (B) and (C) hereof, be imposed simultaneously
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> "(B) *Deficiency Interest*. – Any deficiency in the tax due, as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected **from the date prescribed for its payment until full payment thereof, or upon issuance of a notice and demand by the Commissioner of Internal Revenue, whichever comes earlier.**"

[3] "**SECTION 3. DEFICIENCY INTEREST**. - Interest imposed on any deficiency tax due, which **interest shall be assessed and collected from the date prescribed for its payment** until: (a) full payment thereof, or (2) upon issuance of a notice and demand by the Commissioner or his authorized representative, whichever comes first."

[4] **SECTION 6. TRANSITORY PROVISION**. - In cases where the tax liability/ies or deficiency tax/es became due before the effectivity of the TRAIN Law on January 1, 2018, and where the full payment thereof will only be accomplished after the said effectivity date, the interest rates shall be applied as follows:

Period	Applicable Interest Type and Rate
For the period up to December 31, 2017	Deficiency and/or delinquency interest at 20%
For the period January 1, 2018 until full payment of the tax liability	Deficiency and/or delinquency interest at 12%

The double imposition of both deficiency and delinquency interest under Section 249 prior to its amendment will still apply in so far as the period between the date prescribed for payment until December 31, 2017.

Illustration 2: A Company has been assessed deficiency income tax of ₱1,000,000.00, exclusive of interest and surcharge, for taxable year 2015. The tax liability has remained unpaid despite the lapse of June 30, 2017, the deadline for payment stated in the notice and demand issued by the Commissioner. Payment was made by the taxpayer only on February 10, 2018. The civil penalties for late payment shall be computed as follows:

Basic Tax Due		₱1,000,000.00
Add: 25% Surcharge for late payment	₱250,000.00	
20% Deficiency Interest from April 16, 2016 to June 30, 2017 (441 days)	241,643.84	491,643.84
Total Amount Due, June 30 2017		**₱1,491,643.84**
Add:		
20% Deficiency Interest from July 1, 2017 to December 31, 2017 (184 days; based on basic tax of ₱1,000,000.00)	₱100,821.92	
20% Delinquency Interest from July 1, 2017 to December 31, 2017 (184 days; based on total amount due of ₱1,491,643.84 as of June 30, 2017	150,390.39	
12% Delinquency Interest from January 1, 2018 to February 10, 2018 (41 days; based on total amount due of ₱1,491,643.84 as of June 30, 2017	20,106.54	271,318.85
Total Amount Due, February 10, 2018		**₱1,762,962.69**

imposable in this case, on the other hand, should be **computed from April 24, 2012, the day following the due date indicated in the notice and demand** consistent with Section 6 of RR No. 21-2018.

All told, I **VOTE** to:

(i) **DENY** the Motion for Reconsideration filed on September 12, 2018; and,

(ii) **AFFIRM** with **MODIFICATION** the Decision dated July 27, 2018, and **ORDER** petitioner Heavenly Urban Chef, Inc. to **PAY** the **Bureau of Internal Revenue** the following amount:

		Income Tax	VAT	IAET	Total
Basic Deficiency Tax	₱	5,638,563.46	13,182,288.12	329,022.90	19,149,874.48
Add: 50% Surcharge		2,819,281.73	6,591,144.06	164,511.45	9,574,937.24
Deficiency Interest from April 16, 2010 to April 23, 2012[5] (₱5,638,563.46 x 20% x 739/365 days)		2,283,232.00			2,283,232.00
Deficiency Interest from January 26, 2010 to April 23, 2012[6] (₱13,182,288.12 x 20% x 819/365 days)			5,915,777.52		5,915,777.52
Deficiency Interest from January 16, 2011 to April 23, 2012[7] (₱329,022.90 x 20% x 464/365 days)				83,652.95	83,652.95
Total Amount Due, April 23, 2012	**₱**	**10,741,077.19**	**25,689,209.70**	**577,187.30**	**37,007,474.18**
Deficiency Interest					
From April 24, 2012 to December 31, 2017					
(₱5,638,563.46 x 20% for 2,078/365 days)	₱	6,420,238.28			6,420,238.28
(₱13,182,288.12 x 20% for 2,078/365 days)			15,009,750.53		15,009,750.53
(₱329,022.90 x 20% for 2,078/365 days)				374,635.39	374,635.39
Delinquency Interest					
From April 24, 2012 to December 31, 2017					
(₱10,741,077.19 x 20% x 2,078/365 days)	₱	12,230,114.19			12,230,114.19
(₱25,689,209.70 x 20% x 2,078/365 days)			29,250,508.36		29,250,508.36
(₱577,187.30 x 20% x 2,078/365 days)				657,202.85	657,202.85
Total Amount Due, December 31, 2017	**₱**	**29,391,429.66**	**69,949,468.58**	**1,609,025.53**	**100,949,923.78**

In addition, petitioner is ordered to pay the delinquency interest at the rate of twelve percent (12%) on the total unpaid amount as of April 23, 2012 in the total amount of ₱37,007,474.18 as determined above, computed from January 1, 2018 until full payment thereof

[5] Due date appearing on Assessment Notices attached to the FAN with No. IT-LA28216-09-12-0361, found in p. 845, BIR Records.
[6] Due date appearing on Assessment Notices attached to the FAN with No. VT-LA28216-09-12-0361, found in p. 844, BIR Records.
[7] Due date appearing on Assessment Notices attached to the FAN with No. IT-LA28216-09-12-0361 (IAET) found in p. 843, BIR Records.

pursuant to Section 249 (C) of the NIRC of 1997, as amended by R.A. No. 10963 and as implemented by RR No. 21-2018.

ROMAN G. DEL ROSARIO
Presiding Justice