REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

MUNICIPALITY OF LABRADOR, PANGASINAN,
Petitioner,

- versus-

NATIONAL GRID CORPORATION OF THE PHILIPPINES, BANCO DE ORO, METROPOLITAN TRUST AND BANKING CORPORATION, AND LAND BANK OF THE PHILIPPINES,
Respondents.

CTA AC CASE NO. 123

Members:

Castañeda, Jr., *Chairperson*
Casanova, and
Cotangco-Manalastas, *JJ.*

Promulgated:

OCT 07 2015

2:00 p.m.

x- x

RESOLUTION

COTANGCO-MANALASTAS, *J.:*

For resolution is respondent National Grid Corporation of the Philippines' (NGCP) *Motion for Reconsideration of the Decision dated 24 June 2015*, filed on July 10, 2015. Petitioner filed its *Comment (To the Motion for Reconsideration)*, on August 5, 2015.

The questioned Decision, dated June 24, 2015, disposed of the case, as follows:

> "WHEREFORE, premises considered, the instant Petition for Review is hereby GRANTED. Accordingly, the Order dated August 11, 2014 is hereby REVERSED AND SET ASIDE."[1]

Respondent NGCP, in its motion for reconsideration, raises the following grounds:

[1] Docket, p. 432.

I. This Honorable Court has no jurisdiction over real property tax cases decided by the Regional Trial Court

II. NGCP is exempt from payment of real property tax on properties used in connection with its legislative franchise

III. The clause "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" must be read in relation to the whole language of Section 9 of R.A. No. 9511, contrary to the interpretation of this Honorable Court

IV. The machineries and equipment subject of the instant petition are actually, directly and exclusively used in the transmission of electric power, hence, exempt from real property tax under Section 234(C) of the Local Government Code

V. NGCP's exemption from payment of real property tax is based on the "in lieu of all taxes" clause of Section 9 of R.A. No. 9511 and not on National Power Corporation's exemption

In its Comment, petitioner Municipality of Labrador reiterates its position and invokes the ruling of the Supreme Court in *National Power Corporation vs. Municipal Government of Navotas*[2] regarding the jurisdiction of the Court of Tax Appeals over local tax cases, which includes real property taxes. Petitioner then argues that respondent's grounds are mere repetitions of the issues which have already been discussed and passed upon in the assailed Decision.

Upon review of the parties' arguments, this Court finds no reason to reverse or modify the findings and conclusions made in the assailed Decision.

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[2] G.R. No. 192300, November 24, 2014.

With respect to this Court's jurisdiction, it is clear under Section 7(a) of RA 9282 that this Court has jurisdiction over decisions, orders or resolutions of the Regional Trial Courts in local tax cases originally decided or resolved by them in the exercise of their original or appellate jurisdiction. The Supreme Court also expressly stated that local tax cases include real property taxes.[3]

This Court also notes that respondent NGCP's complaint before the Regional Trial Court of Quezon City primarily prays that the petitioner Municipality of Labrador, Pangasinan, acting through the Municipal Treasurer and the Municipal Assessor or any official acting on its behalf, be temporarily and subsequently permanently restrained and enjoined from collecting, levying and taking any action in connection with the Second Notice of Assessment, Notice of Delinquency and Warrant of Distraint/Garnishment.[4]

Based on the foregoing reliefs sought before the RTC of Quezon City, respondent NGCP's appeal is essentially a principal action for injunction, with a prayer for temporary injunction, where respondent NGCP sought to control the acts of the respondent Municipality of Labrador acting through its Municipal Treasurer and Municipal Assessor.

However, it is settled that the jurisdiction of Regional Trial Courts to issue injunctive writs is limited to acts committed or about to be committed within their judicial region.[5] The same is specifically stated Batas Pambansa Blg. 129 (BP 129) known as the *Judiciary Reorganization Act of 1980*, particularly Section 21(1) thereof, which provides:

> "Sec. 21. Original Jurisdiction in other cases. – Regional Trial Courts shall exercise original jurisdiction:
>
> (1) In the issuance of writs of certiorari, prohibition, mandamus, quo warranto, habeas corpus and **injunctioin which may be enforced in any part of their respective regions**;"

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[3] *Id.*
[4] Docket, p. 45.
[5] *Bangus Fry Fisherfolk vs. Lansanas*, G.R. No. 131442, July 10, 2003.

From the foregoing, it may already be concluded that the RTC of Quezon City had no jurisdiction to issue the Order, dated August 11, 2014, which permanently enjoined the seizure and confiscation of money or bank deposit of respondent NGCP, in relation to the Warrant of Distraint/Garnishment issued by the Municipality of Labrador, Pangasinan, which is outside the territorial jurisdiction of the RTC of Quezon City.

As to the issue of respondent NGCP's exemption from real property tax, this Court finds no reason to reverse its findings that respondent NGCP is liable to pay taxes on its real estate, buildings and personal property.

WHEREFORE, premises considered, the instant Motion for Reconsideration is hereby **DENIED**.

SO ORDERED.

AMELIA R. COTANGCO-MANALASTAS
Associate Justice

WE CONCUR:

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

CAESAR A. CASANOVA
Associate Justice