REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA EB NO. 2796** (CTA Case No. 10145)
- versus -	Present: **DEL ROSARIO,** *P.J.*, **RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES,** *JJ.*
MISAMIS ORIENTAL II RURAL ELECTRIC SERVICE COOPERATIVE, INC. (MORESCO-II), Respondent.	Promulgated: OCT 03 2025 1:25 pm

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RESOLUTION

RINGPIS-LIBAN, *J.*:

This resolves Petitioner's "Motion for Reconsideration (Re: Decision dated 28 February 2025)"[1] ("Motion for Reconsideration") filed on March 18, 2025, with Respondent's "Comment"[2] filed on May 28, 2025.

Petitioner's Motion for Reconsideration prays for the reversal and setting aside of the Court *En Banc*'s Decision[3] dated February 28, 2025; and the rendition of another decision ordering Respondent to pay the total assessed deficiency

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1 Rollo, pp. 100-119.
2 *Id.*, pp. 126-127.
3 *Id.*, pp. 64-76.

taxes against it in the amount of Php21,354,622.81 for taxable year 2015, plus additional interest.

The dispositive portion of the Decision promulgated by this Court on February 28, 2025 reads:

> "**WHEREFORE**, premises considered, the Petition for Review filed with the Court *En Banc* on September 22, 2023 is **DENIED** for lack of merit. Accordingly, the Decision dated February 28, 2023 and Resolution dated August 11, 2023 in CTA Case No. 10145 are **AFFIRMED**.
>
> **SO ORDERED.**"[4]

In his Motion for Reconsideration, Petitioner contends that for failure by Respondent to justify its claim for tax exemption pursuant to a clear and express grant of a law, it is liable for the assessed deficiency income taxes including the fines and penalties. Petitioner maintains that the supposed permanent income tax exemption of electric cooperatives under Section 39(a)(1) of Presidential Decree ("P.D.") No. 269, as amended, which has been effectively withdrawn by subsequent legislation, was not entirely restored by Fiscal Incentives Review Board ("FIRB") Resolution No. 24-87.

On the other hand, Respondent, in its Comment, asserts that Petitioner's motion raises no new matter that would warrant a reversal of the Assailed Decision.

Additionally, Respondent points out that Executive Order ("E.O.") No. 93 did not permanently withdraw the tax exemption of National Electrification Administration (NEA)-registered electric cooperatives. Assuming it had initially such an effect, the withdrawal was superseded by Republic Act ("R.A.") No. 6938 or the Cooperative Code of the Philippines, and later by R.A. No. 10531 of the NEA Reform Act of 2013. Both laws explicitly acknowledged and preserved the legal status and fiscal privileges of electric cooperatives registered under PD No. 269, thereby affirming their continuing tax-exempt status.

Finally, Respondent avers that FIRB Resolution No. 24-87, being merely administrative in character cannot repeal or modify the tax exemption expressly granted by statute.

We resolve to deny Petitioner's "Motion for Reconsideration (Re: Decision dated 28 February 2025)" for lack of merit.

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[4] *Id.,* Decision dated February 28, 2025, p. 75.

The arguments raised by Petitioner in its motion are mere recapitulation of the arguments raised in its Petition for Review filed with this Court. In addition, these issues have been amply considered, weighed and resolved in the Decision promulgated on February 28, 2025. Thus, We shall not belabor, in this Resolution, to repeat the disquisitions made therein.

In sum, the Court *En Banc* finds no cogent reason to overturn the assailed Decision dated February 28, 2025 which affirmed the Decision dated February 28, 2023 and Resolution dated August 11, 2023 of the Special Second Division.

WHEREFORE, premises considered, Petitioner's "Motion for Reconsideration (Re: Decision dated 28 February 2025)" is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

(I reiterate my Separate Opinion)
ROMAN G. DEL ROSARIO
Presiding Justice

(With due respect, I join Presiding Justice Roman G. Del Rosario's Separate Opinion)
CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice