REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

Third Division

SAN MIGUEL BREWERY, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10000

Members:

UY, *Chairperson*,
RINGPIS-LIBAN, *and*
MODESTO-SAN PEDRO, *JJ*.

Promulgated:

SEP 22 2021
2:11 p.m.

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DECISION

RINGPIS-LIBAN, *J*.:

Before this Court is a Petition for Review filed by petitioner San Miguel Brewery, Inc. (SMBI) against respondent Commissioner of Internal Revenue (CIR), praying that judgment be rendered:

(1) Declaring that the excise tax rate of ₱24.07 per liter imposed by Respondent on the subject Bottle or Can Products and Keg Products during the period January 1 to December 31, 2017, is not valid;

(2) Declaring Petitioner is entitled to a refund of the amount of ₱122,620,732.71, allegedly representing erroneous, excessive, illegal and/or wrongful collection from, and overpayment by, petitioner to the Bureau of Internal Revenue (BIR) of excise taxes on the aforementioned beer products during the same period;

(3) Ordering Respondent to refund the aforesaid amount of ₱122,620,732.71 to Petitioner, or issue to the latter a tax credit certificate for said amount, with legal interest; and

(4) Declaring as null and void Revenue Memorandum Circular (RMC) No. 90-2012, particularly the portions thereof imposing the tax rate of ₱20.57, instead of the tax rates provided for in Section 143 of the National Internal Revenue Code (NIRC), and Revenue Regulations (RR) No. 17-2012, particularly the portion of Section 5 hereof providing that "Starting January 1, 2014, the applicable tax rate shall be increase by four percent (4%) annually".

THE PARTIES

Petitioner SMBI is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at 40 San Miguel Avenue, Mandaluyong City, Metro Manila.[1]

Respondent is the head of the BIR, with office address at the Office of the Commissioner of Internal Revenue, BIR, BIR National Office Building, Agham Road, Diliman, Quezon City, Metro Manila.[2]

THE FACTS

On December 12, 2018, Petitioner filed an administrative claim for refund in the total amount of ₱122,620,732.71, representing alleged overpayment of excise taxes erroneously, illegally, excessively, and/or wrongfully assessed on and collected from Petitioner on the removals of its various products for the period from January 1, 2017 to December 31, 2017.[3]

The instant Petition for Review was filed on December 27, 2018.[4]

Respondent posted his Answer on March 15, 2019,[5] setting forth its special and affirmative defenses.

On March 25, 2019, Respondent transmitted the BIR Records for this case.[6]

[1] Docket, p. 281, Pre-Trial Order dated August 14, 2019, par. I(A)(1).
[2] *Id.*, pp. 281 to 282, par. I(A)(2).
[3] *Id.*, pp. 57 to 66, Exhibit "P-3".
[4] *Id.*, pp. 10 to 41.
[5] *Id.*, pp. 96 to 124.
[6] *Id.*, pp. 128 to 130, Compliance dated March 22, 2019.

The pre-trial conference was set and held on June 25, 2019.[7] Prior thereto, Respondent's Pre-Trial Brief Ad Cautelam was filed on June 14, 2019;[8] while Petitioner's Pre-Trial Brief was submitted on June 19, 2019,[9] attaching therewith a draft Joint Stipulation of Facts, Documents, Issues, and Other Matters.[10]

Upon Petitioner's motion,[11] the Court commissioned Ms. Katherine O. Constantino as an Independent Certified Public Accountant (ICPA).[12] The Report of the said ICPA was submitted on July 25, 2019.[13]

On July 25, 2019, Petitioner filed a Manifestation,[14] stating that the parties had not been able to reach an agreement on the draft Joint Stipulation of Facts, Documents, Issues and Other Matters proposed by Petitioner; and hence, they would no longer file a Joint Stipulation in this case. In the Resolution dated July 31, 2019,[15] the Court noted the said Manifestation.

Thereafter, the Court issued the Pre-Trial Order dated August 14, 2019.[16]

Trial then proceeded.

During trial, Petitioner presented its documentary and testimonial evidence. Petitioner offered the testimonies of the following individuals, namely: (1) Ms. Noemi L. Ronquillo,[17] its Financial Services and Accounting Manager; and (2) Ms. Katherine O. Constantino,[18] the Court duly commissioned ICPA.

Subsequently, on September 25, 2019, Petitioner filed its Formal Offer of Evidence.[19] Respondent submitted his Comment (on Petitioner's Formal Offer of Evidence with Manifestation) on October 9, 2019,[20] stating, *inter alia*, that in view of the confirmation of the office conducting an investigation/audit on Petitioner's claim for refund that there was still no report on the investigation,

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[7] *Id.*, pp. 126 to 127, *Notice of Pre-Trial Conference* dated March 22, 2019; pp. 260, and 266 to 267, Minutes of the hearing held on, and Order dated, June 25, 2019, respectively.
[8] *Id.*, pp. 133 to 136.
[9] *Id.*, pp. 139 to 145.
[10] *Id.*, pp. 146 to 1S2.
[11] *Id.*, pp. 211 to 214, Motion for Commissioning of Independent Certified Public Accountant.
[12] *Id.*, pp. 260, and 266 to 267, Minutes of the hearing held on, and Order dated, June 25, 2019, respectively; p. 261, Oath of Commission dated June 25, 2019.
[13] *Id.*, p. 275, Letter dated July 25, 2019.
[14] *Id.*, pp. 276 to 277.
[15] *Id.*, p. 279.
[16] *Id.*, pp. 281 to 286.
[17] *Id.*, pp. 1S6 to 171, Exhibit "P-4"; pp. 287 to 288, Minutes of the hearing held on, and Order dated, August 15, 2019.
[18] *Id.*, pp. 292 to 307, Exhibit "P-7"; pp. 309 to 311, Minutes of hearing held on, and Order dated, September 17, 2019.
[19] *Id.*, pp. 312 to 327.
[20] *Id.*, pp. 329 to 331.

Respondent would no longer present his witness, but instead requested the Court to allow him to submit his Memorandum to further support his defense.

In the Resolution dated November 7, 2019,[21] the Court admitted Petitioner's exhibits, *except* for Exhibit "P-6-i-25714", for not being found in the records.

Thus, on November 26, 2019, Petitioner filed a Motion for Partial Reconsideration (Re: Resolution dated November 7, 2019);[22] and on December 26, 2019, a Manifestation and Submission/Motion.[23] Respondent did not file his comment on the said Motion for Partial Reconsideration.[24] In the Resolution dated June 8, 2019,[25] the Court then granted the same, and admitted Exhibit "P-6-i-25714" in evidence.

Respondent's Memorandum was posted on August 17, 2020;[26] while the Memorandum for the Petitioner was filed on September 24, 2020.[27]

On October 5, 2020, the instant case was deemed submitted for decision.[28]

THE ISSUES

As the parties did not reach any stipulation of issues, the following issues set forth separately by them shall be addressed by this Court, to wit:

For Petitioner:

1. Whether SMBI is entitled to a refund in the amount of ₱122,620,732.71 as having been erroneously, excessively, illegally and/or wrongfully collected from and overpaid by it as excise taxes on its subject beer products for the period January 1, 2017 to December 31, 2017.

2. Whether the excise tax rate of ₱24.07 per liter imposed by the CIR on SMBI's subject beer products during the period January 1, 2017 to December 31, 2017, is directly contradictory to and inconsistent with, and violative of, the express provisions of

[21] *Id.*, pp. 336 to 337.
[22] *Id.*, pp. 338 to 340.
[23] *Id.*, pp. 344 to 346.
[24] *Id.*, p. 349, Records Verification Report dated January 20, 2020 issued by the Judicial Records Division of this Court.
[25] *Id.*, pp. 353 to 354.
[26] *Id.*, pp. 363 to 392.
[27] *Id.*, pp. 401 to 440.
[28] *Id.*, p. 442, Resolution dated October 5, 2020.

Section 143 of the NIRC, as amended by RA No. 10351 and therefore not valid.

3. Whether RMC 90- 2012, particularly the excise tax rate of ₱20.57 imposed by said RMC on the subject beer products, is valid.

4. Whether RR 17-2012, particularly Section 5 thereof providing that starting January 1, 2014, the applicable tax rate shall be increased by four percent (4%) annually, is valid.

For Respondent:

1. Whether the Court has jurisdiction over the instant petition.

2. Without conceding that the Court has jurisdiction, but in the alternative, if the Court assumes jurisdiction, whether Petitioner is entitled to a claim for refund or issuance of tax credit certificate in the amount of ₱121,620,732.71 representing alleged excise taxes erroneously paid for the period 1 January 2017 to 31 December 2017.[29]

THE ARGUMENTS OF THE PARTIES

Petitioner argues that the excise tax rate of ₱24.07 per liter imposed by Respondent on the subject products is directly contradictory to and inconsistent with, and violative of, the express provisions of the 10th paragraph of Section 143 of the NIRC, as amended by Republic Act (RA) No. 10351, and is therefore invalid; that the said tax rate is not the rate provided for in the law; and that the increase on the excise tax rate from the previous rates of ₱20.57, ₱21.39, ₱22.25, and ₱23.14 per liter to ₱24.07 is without legal basis.

Moreover, Petitioner contends that said excise tax rate of ₱24.07 per liter is invalid on the additional ground that it is based on the previous tax rates of ₱20.57, ₱21.39, ₱22.25, and ₱23.14, which in turn were based on BIR RMC 90-2012 and RR 17-2012, and which Circular and RR are directly contradictory to and inconsistent with, and violative of, the express provisions of the relevant paragraphs of Section 143 of the NIRC, as amended, and were issued without prior notice to Petitioner and hearing, in utter disregard of the due process provision of the Constitution and the process required by mandatory provisions of the Administrative Code of 1987; and Petitioner is entitled to a refund in the amount of ₱122,620,732.71, allegedly representing erroneous, excessive, illegal and/or wrongful collection from, and overpayment by, Petitioner in excise taxes on *"San Mig Light"* for the period from January 1, 2017 up to December 31, 2017.

[29] *Id.*, pp. 282 to 283, Pre-Trial Order dated August 14, 2019, par. I(B).

On the other hand, Respondent counters that the instant petition is not warranted to be given due course for lack of jurisdiction; that assuming, without conceding, that this Court may take cognizance of cases involving the validity or constitutionality of BIR issuances, this Court should dismiss the instant petition due to Petitioner's non-exhaustion of administrative remedies; that Petitioner failed to exhaust the remedy provided for under Section 4 of the NIRC; that Petitioner denied respondent the opportunity to review its claim for refund; that assuming without conceding that the Court has jurisdiction and/or Petitioner has a cause of action, Petitioner is not entitled to a tax refund because there was no erroneous or illegal collection of excise taxes; and that claims for refund are construed strictly against the taxpayer and in favor of the government.

THE RULING OF THE COURT

The instant Petition for Review is partly meritorious.

This Court has jurisdiction over the instant Petition for Review.

Respondent argues that this Court has no jurisdiction to determine the constitutionality and validity of RMC No. 90-2012 and RR No. 17-2012.

The issue of jurisdiction, however, has already been settled by the Supreme Court.

In *Banco De Oro, et al. vs. Republic of the Philippines, et al.* (hereinafter referred to as the "*Banco De Oro* case"),[30] the Supreme Court *En Banc* ruled as follows:

> "**The Court of Tax Appeals has undoubted jurisdiction to pass upon the constitutionality or validity of a tax law or regulation when raised by the taxpayer as a defense in disputing or contesting an assessment or claiming a refund.** It is only in the lawful exercise of its power to pass upon all matters brought before it, as sanctioned by Section 7 of Republic Act No. 1125, as amended.
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> **This Court, however, declares that the Court of Tax Appeals may likewise take cognizance of cases directly challenging the constitutionality or validity of a tax law or regulation or administrative issuance (revenue orders, revenue memorandum circulars, rulings).**

[30] G.R. No. 198756, August 16, 2016.

> Section 7 of Republic Act No. 1125, as amended, is explicit that, except for local taxes, appeals from the decisions of quasi-judicial agencies (Commissioner of Internal Revenue, Commissioner of Customs, Secretary of Finance, Central Board of Assessment Appeals, Secretary of Trade and Industry) on tax-related problems must be brough *exclusively* to the Court of Tax Appeals.
>
> **In other words, within the judicial system, the law intends the Court of Tax Appeals to have exclusive jurisdiction to resolve all tax problems.** Petitions for writs of certiorari against the acts and omissions of the said quasi-judicial agencies should, thus, be filed before the Court of Tax Appeals.
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> Republic Act No. 9282, a special and later law than Batas Pambansa Blg. 129 provides an exception to the original jurisdiction of the Regional Trial Courts over actions questioning the constitutionality or validity of tax laws or regulations. **Except for local tax cases, actions directly challenging the constitutionality or validity of a tax law or regulation or administrative issuance may be filed directly before the Court of Tax Appeals."** *(Emphases and underscoring added)*

Based on the foregoing jurisprudential pronouncements, it is clear that this Court not only has jurisdiction to pass upon the constitutionality or validity of a tax law or regulation when raised by the taxpayer as a defense in disputing or contesting an assessment or claiming a refund, but also, this Court has jurisdiction over cases directly challenging the constitutionality or validity of a tax law, or regulation or administrative issuance such as revenue orders, revenue memorandum circulars, and revenue regulations and rulings. The *Banco De Oro* case intends this Court to have exclusive jurisdiction to resolve all tax problems except in cases questioning the legality or validity of assessment of local taxes where the Regional Trial Court has jurisdiction.[31]

Considering that the instant case questions the validity of administrative issuances, specifically, certain portions of RMC No. 90-2012 and a portion of RR No. 17-2012, both as a direct challenge and in connection with a refund claim, this Court clearly has jurisdiction to entertain the same.

Needless to state, it is the duty of this Court to obey decisions of the Supreme Court and render obeisance to its status as the apex of the hierarchy of courts.[32] As eloquently declared by Justice J.B.L. Reyes, *"There is only one Supreme*

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[31] *Games and Amusement Board, et al. vs. Klub Don Juan De Manila, Inc., et al.*, G.R. No. 252189, November 3, 2020.
[32] Refer to *Manila Electric Company vs. Philippine Consumers Foundation, Inc., et al.*, G.R. No. 101783, January 23, 2002.

Court from whose decisions all other courts should take their bearings." [33] Thus, the *Banco De Oro* case must be followed.

Section 143 of the NIRC of 1997, as last amended by RA 10351, must prevail over the pertinent provisions of RR 17-2012, and RMC 90-2012.

Section 3 of RA 10351[34], which took effect on January 5, 2013,[35] reads, in part, as follows:

> "SEC. 3. Section 143 of the National Internal Revenue Code of 1997, as amended by Republic Act No. 9334, is hereby further amended to read as follows:
>
> > '**SEC. 143. Fermented Liquors. – There shall be levied, assessed and collected an excise tax on beer,** lager beer, ale, porter and other fermented liquors except *tuba, basi, tapuy* and similar fermented liquors **in accordance with the following schedule:**
> >
> > '<u>**Effective on January 1, 2013**</u>'
> >
> > **'(a) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is Fifty pesos and sixty centavos (P50.60) or less, the tax shall be Fifteen pesos (P15.00) per liter; and**
> >
> > **'(b) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is more than Fifty pesos and sixty centavos (P50.60), the tax shall be Twenty pesos (P20.00) per liter.**
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> > xxx xxx xxx

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[33] *Id.*

[34] AN ACT RESTRUCTURING THE EXCISE TAX ON ALCOHOL AND TOBACCO PRODUCTS BY AMENDING SECTIONS 141, 142, 143, 144, 145, 8, 131 AND 288 OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED BY REPUBLIC ACT NO. 9334, AND FOR OTHER PURPOSES.

[35] RA 10351 was published in the Manila Bulletin on December 21, 2012. Thus, counting fifteen (15) days from the said date (pursuant to *Tañada, et al. vs. Tuvera, et al.*, G.R. No. L-63915, December 29, 1986; and Article 2 of the Civil Code of the Philippines, as amended by Executive Order No. 200, series of 1987), the said RA took effect on January 5, 2013.

'<u>Effective on January 1, 2017</u>, the tax on <u>all fermented liquors</u> shall be <u>Twenty-three pesos and fifty centavos (P23.50) per liter</u>.

'<u>The rates of tax imposed under this Section shall be increased by four percent (4%) every year thereafter effective on January 1, 2018, through revenue regulations issued by the Secretary of Finance</u>. However, in case of fermented liquors affected by the 'no downward reclassification' provision prescribed under this Section, the four percent (4%) increase shall apply to their respective applicable tax rates.

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Any downward reclassification of present categories, for tax purposes, of fermented liquors duly registered at the time of the effectivity of this Act which will reduce the tax imposed herein, or the payment thereof, shall be prohibited.

The proper tax classification of fermented liquors, whether registered before or after the effectivity of this Act, shall be determined every two (2) years from the date of effectivity of this Act.

All fermented liquors existing in the market at the time of the effectivity of this Act <u>shall be classified</u> according to the net retail prices and <u>the tax rates provided above based on the latest price survey of the fermented liquors conducted by the Bureau of Internal Revenue</u>.

xxx xxx xxx." *(Emphases and underscoring added)*

Based on the foregoing provision, effective on January 1, 2013, the excise tax shall be ₱15.00 per liter, in case the net retail price per liter of volume capacity of the fermented liquor is ₱50.60 or less; and the excise tax shall be ₱20.00 per liter, in case the net retail price per liter of volume capacity of the fermented liquor is more than ₱50.60. Furthermore, the BIR was tasked to classify all fermented liquors existing in the market at the time of the effectivity of RA 10351 **according to the net retail prices and <u>the tax rates</u> provided therein** based on the latest price survey of the said fermented liquors.

Such being the case, certain portions of Annex "A-1" of RMC 90-2012[36] must be struck down. Particularly, said portions are as follows:

"Annex 'A-1'

LIST OF BRANDS OF LOCALLY MANUFACTURED FERMENTED LIQUORS
As of December 2012

I. List of Brands Based on 2010 BIR Price Survey

BRAND NAME/ Product Description	TYPE OF PACKAGING	CONTENT PER TYPE OF PACKAGING (in milliliter)	NET RETAIL PRICE (Based on 2010 BIR Price Survey) Per Liter	Applicable Excise Tax Rate Per Liter (Effective January 1, 2013)
A. NRP is P50.60 per liter and below				
	xxx	xxx	xxx	
San Miguel Pale Pilsen	bottle	1000	32.73	**15.49**
San Miguel Pale Pilsen (embossed label marking)	bottle	320	45.48	**15.49**
Coors Light Beer	bottle	330	43.18	**20.57**
San Mig Light	bottle	330	47.99	**20.57**
The Original Coors	bottle	330	32.36	**20.57**
The Silver Bullet Coorslight	bottle	330	45.21	**20.57**
B. NRP is more than P50.60				
	xxx	xxx	xxx	
Colt Ice	bottle	330	60.37	**20.57**
Coors Light Beer	can	330	56.03	**20.57**
Red Horse	can	330	56.61	**20.57**
San Mig Cerveza Negra	bottle	320	66.39	**20.57**
San Mig Light	can	330	61.51	**20.57**
San Mig Strong Ice	bottle	330	62.66	**20.57**
San Mig Strong Ice	non-returnable bottle	330	65.10	**20.57**
San Mig Strong Ice	can	330	70.36	**20.57**
San Mig Oktoberfest Beer	bottle	330	74.75	**20.57**
San Mig Pale Pilsen		330	60.05	**20.57**
San Miguel Premium Malt Beer	bottle	330	91.73	**20.57**
San Miguel Premium Malt Beer	can	330	100.30	**20.57**
San Miguel Premium Malt Beer	non-returnable bottle	330	104.73	**20.57**
Super Dry	can	330	69.90	**20.57**

[36] SUBJECT: Revised Tax Rates of Alcohol and Tobacco Products Under Republic Act No. 10351, "An Act Restructuring the Excise Tax on Alcohol and Tobacco Products Amending Sections 141, 142, 143, 144, 145, 8, 131 And 288 of Republic Act No. 8424, Otherwise Known as The National Internal Revenue Code Of 1997, as amended By Republic Act No. 9334, and for Other Purposes".

The Original Coors	can	330	54.00	**20.57**
The Silver Bullet Coorslight	can	330	57.05	**20.57**

II. List of Brands (not included on 2010 BIR Price Survey and introduced in the market before effectivity of R.A. No. 10351) Based on Latest Suggested Net Retail Price Per Sworn Statement Submitted by the Manufacturer or Importer

BRAND NAME/ Product Description	TYPE OF PACKAGING	CONTENT PER TYPE OF PACKAGING (in milliliter)	NET RETAIL PRICE (Based on 2010 BIR Price Survey) Per Liter	Applicable Excise Tax Rate Per Liter (Effective January 1, 2013)
A. NRP is P50.60 per liter and below				
	xxx	xxx	xxx	
Beer Pale Pilsen	bottle	330	45.21	**20.57**
B. NRP is more than P50.60				
	xxx	xxx	xxx	
Carlsberg	bottle	330	60.37	**20.57**
San Mig Zero	can	330	56.03	**20.57**
San Miguel Flavored Beer-Apple	can	330	56.61	**20.57**
San Miguel Flavored Beer-Lemon	bottle	320	66.39	**20.57**
San Miguel Flavored Beer-Strong Lager	can	330	61.51	**20.57**
Stag	bottle	330	62.66	**20.57**
The Original Coors	can	330	70.36	**20.57**

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(Emphases added)

Clearly, the foregoing tax impositions, respectively, are beyond the tax rates under Section 143 of the NIRC of 1997, as last amended by RA 10351.

RMCs are considered administrative rulings (in the sense of more specific and less general interpretations of tax laws) which are issued from time to time by Respondent. It is widely accepted that the interpretation placed upon a statute by executive officers, whose duty to enforce it, is entitled to great respect by the courts. Nevertheless, such interpretation is not conclusive and will be ignored if judicially found to be erroneous. Thus, courts will not countenance administrative issuances that override, instead of remaining consistent and in harmony with, the law they seek to apply and implement.[37]

[37] *Philippine Bank of Communicotions vs. Commissioner of Internal Revenue, et al.*, G.R. No. 112024, January 28, 1999.

For being inconsistent or contrary to Section 143 of the NIRC of 1997, as last amended by RA 10351, the aforequoted portions of Annex "A-1" of RMC No. 90-2012 are invalid.

Moreover, still on the basis of the Section 143 of the NIRC of 1997, as last amended by RA 10351, for the year 2017, the excise tax to be imposed on all fermented liquors shall be at the rate of ₱23.50 per liter thereof. The said rate, *inter alia*, shall be increased by 4%, every year thereafter, **but such increase will take effect <u>only on January 1, 2018</u>**, subject to the "no downward reclassification" rule. In other words, the above-quoted Section 3 of RA 10351, amending Section 143 of the NIRC of 1997, as last amended by RA 9334: (1) fixed the excise tax rate of ₱23.50 per liter imposable on all fermented liquors, which necessarily includes Petitioner's beer products, for calendar year 2017, regardless of the net retail price per liter of volume capacity of the fermented liquor; and (2) laid down the rule that the increase in the said tax rate, by 4%, shall only be made effective on January 1, 2018, subject to the "no downward reclassification" provision.

There is then a discrepancy between the said Section 143 and a certain portion of Section 5 of RR 17-2012[38], which implements RA 10351. Said Section 5 reads as follows:

> "SEC. 5. DOWNWARD RECLASSIFICATION OF FERMENTED LIQUORS. – Any downward reclassification of any fermented liquor product that is duly registered with the BIR at the time of effectivity of the Act which will reduce the tax imposed herein, or the payment thereof, shall be prohibited. **<u>Starting January 1, 2014</u>, the applicable tax rate shall be increase[d] by four percent (4%) annually**: *Provided, however*, it shall not be lower than the rates prescribed under Section 3 of these Regulations." *(Emphasis and underscoring added)*

On the basis of the foregoing provision, the increase of 4% in the excise tax rate shall be made "[s]tarting January 1, 2014". This directly contravenes Section 143 of the NIRC of 1997, as last amended by RA No. 10351, which clearly states that the increase by 4% shall be "effective [only] on January 1, 2018".

Apropos, the law cannot be amended by a mere regulation. In fact, a regulation that operates to create a rule out of harmony with the statute is a mere nullity; it cannot prevail.[39] In addition, in case of conflict, the law must prevail. A regulation adopted pursuant to law is law. Conversely, a regulation or any

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[38] SUBJECT: Prescribing the Implementing Guidelines on the Revised Tax Rates on Alcohol and Tobacco Products Pursuant to the Provisions of Republic Act No. 10351 and to Clarify Certain Provisions of Existing Revenue Regulations.

[39] *Commissioner of Internal Revenue vs. Central Luzon Drug Corporation*, G.R. No. 159647, April 15, 2005.

portion thereof not adopted pursuant to law is no law and has neither the force nor the effect of law.[40]

Correspondingly, that portion of Section 5 of RR 17-2012, which states that "[s]*tarting January 1, 2014, the applicable tax rate shall be increase*[d] *by four percent (4%) annually*" is likewise invalid.

Governing provisions for refund claims.

Sections 204(C) and 229 of the NIRC of 1997 read:

"SEC. 204. *Authority of the Commissioner to Compromise/Abate and Refund or Credit Taxes.* — The Commissioner may —

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(C) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. **No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty**: *Provided, however,* that a return filed showing an overpayment shall be considered as a written claim for credit or refund." *(Emphasis added)*

"SEC. 229. *Recovery of Tax Erroneously or Illegally Collected.* — No suit or proceeding shall be maintained in any court for the recovery of any national **internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected,** until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.

In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment: *Provided, however,* That the Commissioner may, even without a written claim therefor, refund or credit any tax,

[40] *Id.*

> where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid." *(Emphases added)*

The aforequoted provisions are clear: within two (2) years from the date of payment of tax, the claimant must first file an administrative claim with Respondent before filing its judicial claim with the courts of law. Both claims must be filed within a two (2)-year reglementary period. Timeliness of the filing of the claim is mandatory and jurisdictional, and thus the Court cannot take cognizance of a judicial claim for refund filed either prematurely or out of time. It is worthy to stress that as for the judicial claim, tax law even explicitly provides that it be filed within two (2) years from payment of the tax "regardless of any supervening cause that may arise after payment."[41]

Moreover, the foregoing provisions allow the recovery of taxes erroneously or illegally collected. An "erroneous or illegal tax" is defined as one levied without statutory authority, or upon property not subject to taxation, or by some officer having no authority to levy the tax, or one which is some other similar aspect is illegal.[42]

Thus, for the instant claim for refund to prosper, Petitioner must not only establish that it has timely filed its refund claim, it must likewise prove that the subject excise taxes paid are "erroneous or illegal".

Petitioner timely filed its administrative and judicial claims.

For excise tax on domestic products in general, the return is filed and the excise tax is paid by the manufacturer or producer ***before*** removal of the products form the place of production. Hence, **the <u>date of payment of excise tax on domestic products</u> depends on <u>the date of actual removal of the taxable domestic products from the place of production</u>.**[43]

Thus, the reckoning of the 2-year prescriptive period under the aforequoted Sections 204(C) and 229 should be from the date of "actual removal" of the taxable domestic products from the place of production; and ***not*** from the date when the pertinent excise tax return was filed and/or when the corresponding excise tax was paid.

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[41] *Commissioner of Internol Revenue vs. Son Miguel Corporation, etseq.*, G.R. Nos. 180740 and 180910, November 11, 2019.

[42] *Commissioner of Internal Revenue vs. Pilipinas Shell Petroleum Corporotion*, G.R. No. 188497, April 25, 2012, citing the definition provided in BLACK'S LAW DICTIONARY, Fifth Edition, p. 486.

[43] *Commissioner of Internal Revenue vs. Son Miguel Corporotion, etseq.*, supra.

In this case, throughout calendar year 2017, petitioner filed *Excise Tax Returns* and paid excise taxes;[44] and actually removed its beer products from its plants,[45] the earliest of which was made on January 1, 2017.[46] Such being the case, Petitioner had two (2) years from the said date or until January 1, 2019 within which to file its administrative and judicial claims for refund.

Clearly, Petitioner's administrative claim for refund filed on December 12, 2018,[47] and the judicial claim for refund filed before this Court on December 27, 2018,[48] both fell within the two-year prescriptive period.

Correspondingly, Petitioner timely filed its administrative and judicial claims.

Anent Respondent's contention that it was denied the opportunity to review petitioner's claim for refund, the same deserves scant consideration.

As can be noted, from the filing of Petitioner's administrative claim on December 12, 2018 until the filing of the instant Petition for Review on December 27, 2018, Respondent had fifteen (15) days to act on the said administrative claim. This negates the contention of Respondent that he was denied opportunity to review Petitioner's administrative claim. Furthermore, since he ought to know the tax records of all taxpayers, Respondent could have easily disproved the claimant's allegation,[49] and decide on such administrative claim.

Nevertheless, the primary purpose of filing an administrative claim was to serve as a notice of warning to Respondent that court action would follow unless the tax or penalty alleged to have been collected erroneously or illegally is not refunded. To clarify, Section 229 of the NIRC of 1997, however, does not mean that the taxpayer must await the final resolution of its administrative claim for refund, since doing so would be tantamount to the taxpayer's forfeiture of its right to seek judicial recourse should the two (2)-year prescriptive period, expire without the appropriate judicial claim being filed.[50]

Notably, the aforequoted Section 229, as worded, only required that an administrative claim should first be filed. It bears stressing that Petitioner could

[44] Exhibits "P-6-a" to "P-6-a-3007"; "P-6-b" to "P-6-b-754"; "P-6-c" to "P-6-c-681"; "P-6-d" to "P-6-d-27"; and "P-6-e" to "P-6-e-40".
[45] Exhibits "P-6-f-1" to "P-6-f-12".
[46] Exhibit "P-6-f-1".
[47] *Id.* at Note 1, pp. 57 to 66, Exhibit "P-3".
[48] *Id.*, p. 10.
[49] *Commissioner of Internal Revenue vs. Ironcon Builders and Development Corporation*, G.R. No. 180042, February 8, 2010.
[50] *Commissioner of Internal Revenue vs. Goodyear Philippines, Inc.*, G.R. No. 216130, August 3, 2016; refer also to *CBK Power Company Limited vs. Commissioner of Internal Revenue, et seq.*, G.R. Nos. 193383-84, and 193407-08, January 14, 2015.

not be faulted for resorting to court action, considering that the prescriptive period stated therein was about to expire. Had Petitioner awaited the action of Respondent knowing fully well that the prescriptive period was about to lapse, it would have resultantly forfeited its right to seek a judicial review of its claim, thereby suffering irreparable damage.[51]

Thus, in view of the aforesaid circumstances, Petitioner correctly and timely sought judicial redress, notwithstanding that its administrative and judicial claims were filed only fifteen (15) days apart.

In the same vein, one of the recognized exceptions to the doctrine of exhaustion of administrative rule is when, as here, there are circumstances indicating the urgency of judicial intervention.[52] Thus, in this case, there is no violation of the said doctrine.

The Court shall now proceed to rule on whether the claim for refund in the amount of ₱122,620,732.71 represents erroneous or illegal excise taxes paid by Petitioner covering the year 2017.

The amount of ₱122,620,732.71 represents erroneous or illegal excise taxes paid by Petitioner covering the year 2017.

Petitioner alleges that during the period from January 1, 2017 up to December 31, 2017, in order that it will be able to make removals of its beer products without penalty, it was constrained to pay, as required by the BIR, excise taxes on its removals of the said products at the tax rate of ₱24.07 per liter, when it should have paid only ₱23.50 per liter, as provided for in the tenth paragraph of Section 143 of the NIRC of 1997, as amended by RA 10351.

In view of Our foregoing disquisitions, We rule in favor of Petitioner.

To be clear, pursuant to Section 143 of the NIRC of 1997, as last amended by RA 10351, the excise tax rate that should have been imposed, for the year 2017, is only ₱23.50 per liter, instead of ₱24.07 per liter. Hence, it is evident that the difference between the said amounts, *i.e.*, ₱0.57 per liter, has been erroneously, illegally, excessively and/or wrongfully collected from Petitioner by the BIR.

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[51] *Commissioner of Internal Revenue vs. Goodyear Philippines, Inc.*, supra.

[52] *Banco De Oro, et al. vs. Republic of the Philippines, et al.*, G.R. No. 198756, January 13, 2015.

The said difference amounting to ₱0.57 per liter yielded to a total amount of ₱122,620,732.71[53], which is the subject of the present claim, broken down as follows:

Product		Removals (in Liters)	2017 Excise Tax Payment @₱24.07	San Mig Light in Bottle, in Can and in Kegs and Other Beer Products Should be @₱23.50 pursuant to Section 143 of the NIRC of 1997, as amended by RA No. 10351	Difference
San Mig Light (SML) – Can	SML in can and in bottle	12,190,115.52	₱ 293,416,080.57	₱ 286,467,714.72	₱ 6,948,365.85
San Mig Light - Bottle		156,776,534.64	3,773,611,188.78	3,684,248,564.04	89,362,624.74
San Mig Light in Kegs - 30 Liters	SML in Kegs	466,020.00	11,217,101.40	10,951,470.00	265,631.40
San Mig Light in Kegs - 50 Liters		706,250.00	16,999,437.50	16,596,875.00	402,562.50
San Miguel Pale Pilsen - Can	Other beer products	6,144,605.28	147,900,649.09	144,398,224.08	3,502,425.01
San Miguel Premium All Malt Beer – Bottle		321,433.20	7,736,897.12	7,553,680.20	183,216.92
San Miguel Premium All Malt Beer – Can		156,926.88	3,777,230.00	3,687,781.68	89,448.32
San Mig Zero - Bottle in Case/Carton		476,958.24	11,480,384.84	11,208,518.64	271,866.20
Super Dry – Can		201,872.88	4,859,080.22	4,744,012.68	115,067.54
Red Horse – Can		5,617,774.80	135,219,839.44	132,017,707.80	3,202,131.64
San Miguel Flavored Beer - Apple – Bottle		28,427,739.12	684,255,680.62	668,051,869.32	16,203,811.30
San Miguel Flavored Beer - Lemon – Bottle		3,637,861.92	87,563,336.41	85,489,755.12	2,073,581.29
TOTAL		**215,124,092.48**	**₱5,178,036,905.99**	**₱5,055,416,173.28**	**₱122,620,732.71**

As ascertained by the court-commissioned ICPA, Mrs. Katherine O. Constantino, Petitioner filed separate Excise Tax Returns (BIR Form No. 2200-A) for each of the six plants, namely: (1) Sta. Rosa, Laguna; (2) Davao; (3) Bacolod; (4) Mandaue, Cebu; (5) San Fernando, Pampanga; and (6) Polo, Valenzuela. Petitioner paid the excise taxes in advance before the actual removal of all of its domestic beer products (including *"San Mig Light"* and *"Other Beer Products"*) from the six plants and filed the corresponding excise tax returns. The advance excise tax payments served as deposits to be applied on the excise taxes due on actual removals of all domestic beer products from the six plants. In this regard, Petitioner filed separate Excise Tax Returns for the application of advance excise tax payments on the excise taxes due on the actual removal of all the beer products.[54]

Furthermore, the ICPA examined Petitioner's balance of excise tax advance payments carried from the previous return and the excise tax payments/deposits made in the year 2017, then compared the same with all the removals/applications of the excise taxes for the same year, to wit:[55]

[53] Exhibit "P-5", Table 3, p. 7.
[54] Exhibit "P-5", pp. 8 to 9.
[55] Exhibit "P-5", Table 8, p. 11.

Advance Excise Tax Payments and Excise Taxes Due per *Excise Tax Returns* (BIR Form No. 2200-A) for the period from January 1, 2017 to December 31, 2017				
Plant Location	**Balance of Deposits Carried Over from Previous Returns**	**Excise Tax Payments / Deposits**	**Excise Tax Due / Applied**	**Balance of Deposits to be Carried Over to Next Return**
Sta. Rosa, Laguna	₱ 5,634,021.72	₱ 3,922,507,905.56	₱ (3,899,121,212.95)	₱ 29,020,714.30
Davao	13,759,224.82	5,479,437,486.38	(5,430,459,208.71)	62,737,502.45
Bacolod	4,304,405.10	2,577,929,510.82	(2,557,964,458.33)	24,269,457.62
Mandaue, Cebu	18,751,675.46	9,474,470,117.45	(9,350,449,550.37)	142,772,242.52
San Fernando, Pampanga	63,180,529.64	13,701,787,759.78	(13,552,435,522.84)	212,532,766.54
Polo, Valenzuela	27,643,614.50	6,873,918,820.69	(6,815,960,168.34)	85,602,266.81
Total	**₱133,273,471.24**	**₱42,030,051,600.68**	**(₱41,606,390,121.54)**	**₱556,934,950.24**

Based on the foregoing, the total amount of Advance Excise Tax Deposits during the year 2017 amounting to ₱42,030,051,600.68 when added to the beginning balance of Advance Excise Tax Deposits amounting to ₱133,273,471.24 will result to a total amount of ₱42,163,325,071.92. The sum is sufficient to cover the total excise taxes due for the year 2017 of ₱41,606,390,121.54 and will result to an excess advance payment of ₱556,934,950.24 as of December 31, 2017. Thus, it is established that Petitioner had enough excise tax payments/deposits to cover all its removals during the year 2017.

The beginning balance of deposits carried forward to January 2017 in the amount of ₱133,273,471.24 can be verified through the corresponding Excise Tax Returns (BIR Form No. 2200-A)[56] duly filed by the Petitioner. The payments/deposits made for the year 2017 in the amount of ₱42,030,051,600.68 was properly supported by Excise Tax Returns (BIR Form No. 2200-A)[57]; Original Print-outs of Bank Online Payment Confirmations[58]; Monthly Movement Report with Allocated Deposits, as attached to the Total Removals Report and Monthly Removals Schedules duly filed and stamped *"Received"* by the BIR[59]; and Official Register Books (ORB) and Sworn Statement of the Volume of Removals (SSR)[60], which contain information, such as total volume of removals of Petitioner's domestic beer products and the corresponding excise taxes due, as well as the beginning balance of excise tax deposits, total deposits paid and the ending balance thereof.

A comparison of the foregoing documents reveals the following, *viz*:[61]

[56] Exhibits "P-6-a-3000" to "P-6-a-3005", Line 20.
[57] Exhibits "P-6-a" to "P-6-a-2999"; Annex 1.1 to Annex 1.6 of the ICPA Report.
[58] Exhibits "P-6-b" to "P-6-b-754", "P-6-c" to "P-6-c-681", "P-6-d" to "P-6-d-27", "P-6-e" to "P-6-e-40"; Annex 2.1 to Annex 2.5 of the ICPA Report.
[59] Exhibits "P-6-f-1" to "P-6-f-12".
[60] Exhibits "P-6-g" to "P-6-g-69".
[61] Exhibit "P-5", Table 12 and 13, pp. 14 to 15.

Total Advance Excise Tax Deposits Paid and Total Excise Taxes Due on Removals of All Beer Products for the period from January 1, 2017 to December 31, 2017					
	Annex Reference	**Beginning Balance**	**Advance Excise Tax Deposits**	**Excise Tax Due**	**Ending Balance**
Per *Excise Tax Returns* (BIR Form No. 2200-A)	Annex 1	₱133,273,471.24	₱42,030,051,600.68	(₱41,606,390,121.54)	₱556,934,950.38
Per *Monthly Movement Report with Allocated Deposits*	Annex 3	133,273,460.17	42,030,051,600.67	(41,606,390,129.47)	556,934,931.37
Difference*		**₱11.07**	**₱0.01**	**(₱7.93)**	**₱19.01**

**Difference due to rounding-off.*

Total Excise Tax Due and Paid on Total Removals of All Beer Removals for the period January 1, 2017 to December 31, 2017		
	Annex Reference	**Excise Tax Due and Paid**
Per *Total Removals Report*	Annex 4	₱ 41,606,390,129.39
Per *Monthly Movement Report with Allocated Deposits*	Annex 3	41,606,390,129.47
Difference*		**(₱0.08)**

**Difference due to rounding-off.*

Consequently, the total excise tax due and paid in the amount of ₱41,606,390,121.54 was for the actual removals of all beer products in the total of 1,765,266,782.84 liters, as evidenced by the Monthly Movement Report with Allocated Deposits, as attached to the Total Removals Report and Monthly Removals Schedules duly filed and stamped *"Received"* by the BIR[62]. Out of the said total volume, 215,124,092.48 liters pertain to *"San Mig Light"* and *"Other Beer Products"*, and the remaining 1,550,142,690.36 liters pertain to *"Other Products"*, as shown below:[63]

Total Volume of Liters and Total Excise Taxes Paid on Actual Removals of All Beer Products per Total Removals Report and Monthly Removals Schedules for the period from January 1, 2017 to December 31, 2017						
On *"San Mig Light"* and *"Other Beer Products"*			**On Other Products**		**Total**	
2017	**Volume of Removals (in Liter)**	**Excise Tax Paid**	**Volume of Removals (in Liter)**	**Excise Tax Paid**	**Volume of Removals (in Liter)**	**Excise Tax Paid**
January	15,899,781.60	₱ 382,707,743.11	112,404,787.04	₱ 2,641,512,495.46	128,304,568.64	₱ 3,024,220,238.57
February	16,237,317.92	390,832,242.33	113,029,261.12	2,656,187,636.36	129,266,579.04	3,047,019,878.69
March	17,422,987.04	419,371,298.05	121,311,905.28	2,850,829,774.06	138,734,892.32	3,270,201,072.11
April	16,349,442.80	393,531,088.20	119,333,126.88	2,804,328,481.67	135,682,569.68	3,197,859,569.87
May	17,990,539.52	433,032,286.25	131,087,539.36	3,080,557,174.90	149,078,078.88	3,513,589,461.15
June	18,647,587.44	448,847,429.68	126,496,440.60	2,972,666,354.09	145,144,028.04	3,421,513,783.77
July	17,202,917.36	414,074,220.86	119,481,732.40	2,807,820,711.41	136,684,649.76	3,221,894,932.27
August	17,598,641.36	423,599,297.54	129,765,190.84	3,049,481,984.71	147,363,832.20	3,473,081,282.25
September	17,872,921.36	430,201,217.14	139,720,865.36	3,283,440,336.00	157,593,786.72	3,713,641,553.14
October	19,256,656.88	463,507,731.10	136,508,920.12	3,207,959,622.84	155,765,577.00	3,671,467,353.94
November	18,800,113.68	452,518,736.28	140,412,583.00	3,299,695,700.47	159,212,696.68	3,752,214,436.75
December	21,845,185.52	525,813,615.47	160,590,338.36	3,773,872,951.41	182,435,523.88	4,299,686,566.88
Total	**215,124,092.48**	**₱5,178,036,905.99**	**1,550,142,690.36**	**₱36,428,353,223.40**	**1,765,266,782.84**	**₱41,606,390,129.39**

Thus, the claim for refund in the total amount of ₱122,620,732.71 emanated from *"San Mig Light"* and *"Other Beer Products"* removals which were

[62] Exhibits "P-6-f-1" to "P-6-f-12".

[63] Exhibit "P-5", Table 14, p. 17.

imposed by the Respondent an excise tax at the rate of ₱24.07 per liter, when Petitioner should have paid only at ₱23.50 per liter. Based on the ICPA Report,[64] the details of Petitioner's beer products subjected to the excise taxes at the rate of ₱24.07 per liter are as follows:

TOTAL VOLUME OF REMOVALS AND TOTAL EXCISE TAXES PAID ON *"SAN MIG LIGHT AND OTHER BEER PRODUCTS"* REMOVALS PER MONTHLY REMOVALS SCHEDULES PER PLANT DULY FILED AND STAMPED *"RECEIVED"* BY THE BIR				
LOCATION	**SAN MIG LIGHT (SML) PRODUCTS**	**VOLUME OF REMOVALS (in liters)**	**TAX RATE PER LITER**	**EXCISE TAX PAID**
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,523,158.56**	24.07	**₱36,662,426.54**
DAVAO BREWERY				
DAVAO BREWERY	SML BOTTLE	**294,394.32**	24.07	**₱ 7,086,071.28**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**970,295.04**	24.07	**₱23,355,001.61**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SML BOTTLE	871,999.92	24.07	₱20,989,038.07
MANDAUE, CEBU BREWERY	SM APPLE	751,251.60	24.07	18,082,626.01
sub-total		**1,623,251.52**		**₱39,071,664.09**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,095,040.96**	24.07	**₱74,497,635.91**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	402,336.00	24.07	₱ 9,684,227.52
POLO BREWERY, VALENZUELA	PREMIUM 330ML	19,538.64	24.07	470,295.06
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	3,421.44	24.07	82,354.06
POLO BREWERY, VALENZUELA	RED HORSE-CANS	399,730.32	24.07	9,621,508.80
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	4,912,340.40	24.07	118,240,033.43
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	45,476.64	24.07	1,094,622.72
POLO BREWERY, VALENZUELA	SML CAN	951,001.92	24.07	22,890,616.21
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	35,580.00	24.07	856,410.60
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	35,250.00	24.07	848,467.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	7,088.40	24.07	170,617.79
POLO BREWERY, VALENZUELA	SM APPLE	1,333,688.40	24.07	32,101,879.79
POLO BREWERY, VALENZUELA	SM LEMON	248,189.04	24.07	5,973,910.19
sub-total		**8,393,641.20**		**₱202,034,943.68**
[illegible]		**15,899,781.60**		[illegible]
STA. ROSA, LAGUNA BREWERY				

[64] Excerpt from Annex 5 of Exhibit "P-5".

STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,580,689.44**	24.07	**₱38,047,194.82**
DAVAO BREWERY				
DAVAO BREWERY	SML BOTTLE	472,831.92	24.07	₱11,381,064.31
DAVAO BREWERY	SM APPLE	66,765.60	24.07	1,607,047.99
sub-total		**539,597.52**		**₱12,988,112.31**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**887,531.04**	24.07	**₱21,362,872.13**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SML BOTTLE	894,833.28	24.07	₱21,538,637.05
MANDAUE, CEBU BREWERY	SM APPLE	602,007.12	24.07	14,490,311.38
sub-total		**1,496,840.40**		**₱36,028,948.43**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,253,520.16**	24.07	**₱78,312,230.25**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	490,477.68	24.07	₱11,805,797.76
POLO BREWERY, VALENZUELA	PREMIUM 330ML	16,663.68	24.07	401,094.78
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	12,070.08	24.07	290,526.83
POLO BREWERY, VALENZUELA	RED HORSE-CANS	500,971.68	24.07	12,058,388.34
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	4,797,532.08	24.07	115,476,597.17
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	28,757.52	24.07	692,193.51
POLO BREWERY, VALENZUELA	SM APPLE	1,217,763.36	24.07	29,311,564.08
POLO BREWERY, VALENZUELA	SM LEMON	336,204.00	24.07	8,092,430.28
POLO BREWERY, VALENZUELA	SML CAN	970,952.40	24.07	23,370,824.27
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	37,620.00	24.07	905,513.40
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	56,750.00	24.07	1,365,972.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	13,376.88	24.07	321,981.50
sub-total		**8,479,139.36**		**₱204,092,884.40**
[illegible]	[illegible]	[illegible]		[illegible]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,621,422.00**	24.07	**₱39,027,627.54**
DAVAO BREWERY				
DAVAO BREWERY	SML BOTTLE	733,415.76	24.07	₱17,653,317.34
DAVAO BREWERY	SM APPLE	165,250.80	24.07	3,977,586.76
sub-total		**898,666.56**		**₱21,630,904.10**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,435,001.04**	24.07	**₱34,540,475.03**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SML BOTTLE	1,310,078.88	24.07	₱31,533,598.64
MANDAUE, CEBU BREWERY	SM APPLE	688,929.12	24.07	16,582,523.92
sub-total		**1,999,008.00**		**₱48,116,122.56**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,382,180.56**	24.07	**₱81,409,086.08**

POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	301,870.80	24.07	₱ 7,266,030.16
POLO BREWERY, VALENZUELA	PREMIUM 330ML	14,461.92	24.07	348,098.41
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	6,082.56	24.07	146,407.22
POLO BREWERY, VALENZUELA	RED HORSE-CANS	314,130.96	24.07	7,561,132.21
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	4,839,896.16	24.07	116,496,300.57
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	17,170.56	24.07	413,295.38
POLO BREWERY, VALENZUELA	SM APPLE	1,467,282.96	24.07	35,317,500.85
POLO BREWERY, VALENZUELA	SM LEMON	299,257.20	24.07	7,203,120.80
POLO BREWERY, VALENZUELA	SML CAN	735,047.28	24.07	17,692,588.03
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	29,700.00	24.07	714,879.00
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	52,550.00	24.07	1,264,878.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	9,258.48	24.07	222,851.61
sub-total		**8,086,708.88**		**₱194,647,082.74**
[redacted]				
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,447,427.52**	24.07	**₱34,839,580.41**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	189,074.16	24.07	4,551,015.03
DAVAO BREWERY	SML BOTTLE	569,178.72	24.07	13,700,131.79
sub-total		**758,252.88**		**₱18,251,146.82**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,223,053.92**	24.07	**₱29,438,907.85**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	657,890.64	24.07	₱15,835,427.70
MANDAUE, CEBU BREWERY	SML BOTTLE	1,164,865.68	24.07	28,038,316.92
sub-total		**1,822,756.32**		**₱43,873,744.62**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,356,092.08**	24.07	**₱80,781,136.37**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	305,426.88	24.07	₱ 7,351,625.00
POLO BREWERY, VALENZUELA	PREMIUM 330ML	14,295.60	24.07	344,095.09
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	5,797.44	24.07	139,544.38
POLO BREWERY, VALENZUELA	RED HORSE-CANS	312,974.64	24.07	7,533,299.58
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	4,554,689.04	24.07	109,631,365.19
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	33,335.28	24.07	802,380.19
POLO BREWERY, VALENZUELA	SAN MIG ZERO CARTON	498.96	24.07	12,009.97
POLO BREWERY, VALENZUELA	SM APPLE	1,414,519.92	24.07	34,047,494.47

POLO BREWERY, VALENZUELA	SM LEMON	331,903.44	24.07	7,988,915.80
POLO BREWERY, VALENZUELA	SML CAN	681,009.12	24.07	16,391,889.52
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	30,720.00	24.07	739,430.40
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	48,350.00	24.07	1,163,784.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	8,339.76	24.07	200,738.02
sub-total		**7,741,860.08**		**₱186,346,572.13**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,267,833.60**	24.07	**₱30,516,754.75**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	220,500.72	24.07	₱ 5,307,452.33
DAVAO BREWERY	SML BOTTLE	914,981.76	24.07	22,023,610.96
sub-total		**1,135,482.48**		**₱27,331,063.29**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,370,033.28**	24.07	**₱32,976,701.05**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	551,334.96	24.07	₱13,270,632.49
MANDAUE, CEBU BREWERY	SML BOTTLE	1,167,202.08	24.07	28,094,554.07
sub-total		**1,718,537.04**		**₱41,365,186.55**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,210,870.96**	24.07	**₱77,285,664.01**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	504,282.24	24.07	₱12,138,073.52
POLO BREWERY, VALENZUELA	PREMIUM 330ML	18,770.40	24.07	451,803.53
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	9,907.92	24.07	238,483.63
POLO BREWERY, VALENZUELA	RED HORSE-CANS	425,406.96	24.07	10,239,545.53
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,289,657.12	24.07	127,322,046.88
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	35,505.36	24.07	854,614.02
POLO BREWERY, VALENZUELA	SM APPLE	1,741,124.88	24.07	41,908,875.86
POLO BREWERY, VALENZUELA	SM LEMON	374,251.68	24.07	9,008,237.94
POLO BREWERY, VALENZUELA	SML CAN	775,684.80	24.07	18,670,733.14
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	40,020.00	24.07	963,281.40
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	58,400.00	24.07	1,405,688.00
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	14,770.80	24.07	355,533.16
sub-total		**9,287,782.16**		**₱223,556,916.59**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**518,514.48**	24.07	**₱12,480,643.53**
DAVAO BREWERY				

DAVAO BREWERY	SM APPLE	243,254.88	24.07	₱ 5,855,144.96
DAVAO BREWERY	SML BOTTLE	911,132.64	24.07	21,930,962.64
sub-total		**1,154,387.52**		**₱27,786,107.61**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,493,078.40**	24.07	**₱35,938,397.09**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	780,159.60	24.07	₱18,778,441.57
MANDAUE, CEBU BREWERY	SML BOTTLE	1,132,623.36	24.07	27,262,244.28
sub-total		**1,912,782.96**		**₱46,040,685.85**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**4,111,913.52**	24.07	**₱98,973,758.43**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	491,364.72	24.07	₱11,827,148.81
POLO BREWERY, VALENZUELA	PREMIUM 330ML	26,674.56	24.07	642,056.66
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	16,243.92	24.07	390,991.15
POLO BREWERY, VALENZUELA	RED HORSE-CANS	526,965.12	24.07	12,684,050.44
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,472,886.32	24.07	131,732,373.72
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	30,832.56	24.07	742,139.72
POLO BREWERY, VALENZUELA	SM APPLE	1,535,917.68	24.07	36,969,538.56
POLO BREWERY, VALENZUELA	SM LEMON	313,782.48	24.07	7,552,744.29
POLO BREWERY, VALENZUELA	SML CAN	944,547.12	24.07	22,735,249.18
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	31,620.00	24.07	761,093.40
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	49,650.00	24.07	1,195,075.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	16,426.08	24.07	395,375.75
sub-total		**9,456,910.56**		**₱227,627,837.18**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**20,956.32**	24.07	**₱504,418.62**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	232,166.88	24.07	₱5,588,256.80
DAVAO BREWERY	SML BOTTLE	876,538.08	24.07	21,098,271.59
sub-total		**1,108,704.96**		**₱26,686,528.39**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,224,804.24**	24.07	**₱29,481,038.06**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	570,129.12	24.07	₱13,723,007.92
MANDAUE, CEBU BREWERY	SML BOTTLE	1,377,755.28	24.07	33,162,569.59
sub-total		**1,947,884.40**		**₱46,885,577.51**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,217,119.84**	24.07	**₱77,436,074.55**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	432,249.84	24.07	₱ 10,404,253.65

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POLO BREWERY, VALENZUELA	PREMIUM 330ML	30,626.64	24.07	737,183.22
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	12,378.96	24.07	297,961.57
POLO BREWERY, VALENZUELA	RED HORSE-CANS	395,730.72	24.07	9,525,238.43
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,961,740.40	24.07	143,499,091.43
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	35,988.48	24.07	866,242.71
POLO BREWERY, VALENZUELA	SM APPLE	1,475,377.20	24.07	35,512,329.20
POLO BREWERY, VALENZUELA	SM LEMON	264,337.92	24.07	6,362,613.73
POLO BREWERY, VALENZUELA	SML CAN	977,122.08	24.07	23,519,328.47
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	30,030.00	24.07	722,822.10
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	53,150.00	24.07	1,279,320.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	14,715.36	24.07	354,198.72
sub-total		**9,683,447.60**		**₱233,080,583.73**
[redacted]				
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,074,348.00**	24.07	**₱25,859,556.36**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	248,418.72	24.07	₱ 5,979,438.59
DAVAO BREWERY	SML BOTTLE	800,181.36	24.07	19,260,365.34
sub-total		**1,048,600.08**		**₱25,239,803.93**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,323,677.52**	24.07	**₱31,860,917.91**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	533,190.24	24.07	₱12,833,889.08
MANDAUE, CEBU BREWERY	SML BOTTLE	1,273,282.56	24.07	30,647,911.22
sub-total		**1,806,472.80**		**₱43,481,800.30**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,516,012.72**	24.07	**₱84,630,426.17**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	509,580.72	24.07	₱12,265,607.93
POLO BREWERY, VALENZUELA	PREMIUM 330ML	21,241.44	24.07	511,281.46
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	14,089.68	24.07	339,138.60
POLO BREWERY, VALENZUELA	RED HORSE-CANS	580,583.52	24.07	13,974,645.33
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,092,631.28	24.07	122,579,634.91
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	29,890.08	24.07	719,454.23
POLO BREWERY, VALENZUELA	SM APPLE	1,224,075.60	24.07	29,463,499.69
POLO BREWERY, VALENZUELA	SM LEMON	166,462.56	24.07	4,006,753.82
POLO BREWERY, VALENZUELA	SML CAN	1,079,606.88	24.07	25,986,137.60
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	40,080.00	24.07	964,725.60

POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	60,050.00	24.07	1,445,403.50
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	11,238.48	24.07	270,510.21
sub-total		**8,829,530.24**		**₱212,526,792.88**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,079,963.28**	24.07	**₱25,994,716.15**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	144,793.44	24.07	3,485,178.10
DAVAO BREWERY	SML BOTTLE	704,040.48	24.07	16,946,254.35
sub-total		**848,833.92**		**₱20,431,432.45**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,518,517.44**	24.07	**₱36,550,714.78**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	741,850.56	24.07	₱17,856,342.98
MANDAUE, CEBU BREWERY	SML BOTTLE	1,758,984.48	24.07	42,338,756.43
sub-total		**2,500,835.04**		**₱60,195,099.41**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**2,537,092.80**	24.07	**₱61,067,823.70**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	450,838.08	24.07	₱10,851,672.59
POLO BREWERY, VALENZUELA	PREMIUM 330ML	44,716.32	24.07	1,076,321.82
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	17,978.40	24.07	432,740.09
POLO BREWERY, VALENZUELA	RED HORSE-CANS	498,912.48	24.07	12,008,823.39
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,148,182.16	24.07	123,916,744.59
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	50,830.56	24.07	1,223,491.58
POLO BREWERY, VALENZUELA	SM APPLE	1,509,662.88	24.07	36,337,585.52
POLO BREWERY, VALENZUELA	SM LEMON	318,978.00	24.07	7,677,800.46
POLO BREWERY, VALENZUELA	SML CAN	1,220,559.12	24.07	29,378,858.02
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	41,910.00	24.07	1,008,773.70
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	55,300.00	24.07	1,331,071.00
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	29,810.88	24.07	717,547.88
sub-total		**9,387,678.88**		**₱225,961,430.64**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,318,181.04**	24.07	**₱31,728,617.63**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	267,561.36	24.07	6,440,201.94
DAVAO BREWERY	SML BOTTLE	640,506.24	24.07	15,416,985.20
sub-total		**908,067.60**		**₱21,857,187.13**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,154,363.76**	24.07	**₱27,785,535.70**

MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	693,974.16	24.07	₱16,703,958.03
MANDAUE, CEBU BREWERY	SML BOTTLE	1,545,580.08	24.07	37,202,112.53
sub-total		**2,239,554.24**		**₱53,906,070.56**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,891,159.36**	24.07	**₱93,660,205.80**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	801,630.72	24.07	₱19,295,251.43
POLO BREWERY, VALENZUELA	PREMIUM 330ML	20,885.04	24.07	502,702.91
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	12,972.96	24.07	312,259.15
POLO BREWERY, VALENZUELA	RED HORSE-CANS	454,045.68	24.07	10,928,879.52
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,003,721.36	24.07	120,439,573.14
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	57,491.28	24.07	1,383,815.11
POLO BREWERY, VALENZUELA	SM APPLE	1,664,736.48	24.07	40,070,207.07
POLO BREWERY, VALENZUELA	SM LEMON	399,769.92	24.07	9,622,461.97
POLO BREWERY, VALENZUELA	SML CAN	1,202,683.68	24.07	28,948,596.18
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	38,100.00	24.07	917,067.00
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	66,500.00	24.07	1,600,655.00
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	22,793.76	24.07	548,645.80
sub-total		**9,745,330.88**		**₱234,570,114.28**
[illegible]		[illegible]		[illegible]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,219,767.12**	24.07	**₱29,359,794.58**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	261,296.64	24.07	₱6,289,410.12
DAVAO BREWERY	SML BOTTLE	1,093,102.56	24.07	26,310,978.62
sub-total		**1,354,399.20**		**₱32,600,388.74**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,502,376.48**	24.07	**₱36,162,201.87**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	643,840.56	24.07	₱15,497,242.28
MANDAUE, CEBU BREWERY	SML BOTTLE	1,002,109.68	24.07	24,120,780.00
sub-total		**1,645,950.24**		**₱39,618,022.28**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**3,753,319.68**	24.07	**₱90,342,404.70**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	679,623.12	24.07	₱16,358,528.50
POLO BREWERY, VALENZUELA	PREMIUM 330ML	40,487.04	24.07	974,523.05
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	29,248.56	24.07	704,012.84
POLO BREWERY, VALENZUELA	RED HORSE-CANS	522,450.72	24.07	12,575,388.83

POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	4,491,455.76	24.07	108,109,340.14
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	32,400.72	24.07	779,885.33
POLO BREWERY, VALENZUELA	SM APPLE	1,876,556.88	24.07	45,168,724.10
POLO BREWERY, VALENZUELA	SM LEMON	425,589.12	24.07	10,243,930.12
POLO BREWERY, VALENZUELA	SML CAN	1,076,320.08	24.07	25,907,024.33
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	52,650.00	24.07	1,267,285.50
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	69,300.00	24.07	1,668,051.00
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	28,218.96	24.07	679,230.37
sub-total		**9,324,300.96**		**₱224,435,924.11**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
STA. ROSA, LAGUNA BREWERY				
STA. ROSA, LAGUNA BREWERY	SML BOTTLE	**1,569,664.80**	24.07	**₱37,781,831.74**
DAVAO BREWERY				
DAVAO BREWERY	SM APPLE	86,549.76	24.07	₱ 2,083,252.72
DAVAO BREWERY	SML BOTTLE	1,010,045.52	24.07	24,311,795.67
sub-total		**1,096,595.28**		**₱26,395,048.39**
BACOLOD BREWERY				
BACOLOD BREWERY	SML BOTTLE	**1,799,661.60**	24.07	**₱43,317,854.71**
MANDAUE, CEBU BREWERY				
MANDAUE, CEBU BREWERY	SM APPLE	741,779.28	24.07	₱17,854,627.27
MANDAUE, CEBU BREWERY	SML BOTTLE	1,913,353.20	24.07	46,054,411.52
sub-total		**2,655,132.48**		**₱63,909,038.79**
SAN FERNANDO, PAMPANGA BREWERY				
SAN FERNANDO, PAMPANGA BREWERY	SML BOTTLE	**4,266,511.92**	24.07	**₱102,694,941.91**
POLO BREWERY, VALENZUELA				
POLO BREWERY, VALENZUELA	CAN RPT PP	774,924.48	24.07	₱18,652,432.23
POLO BREWERY, VALENZUELA	PREMIUM 330ML	53,071.92	24.07	1,277,441.11
POLO BREWERY, VALENZUELA	PREMIUM 330ML - CAN	16,734.96	24.07	402,810.49
POLO BREWERY, VALENZUELA	RED HORSE-CANS	685,872.00	24.07	16,508,939.04
POLO BREWERY, VALENZUELA	SAN MIG LIGHT BOTTLE	5,043,630.24	24.07	121,400,179.88
POLO BREWERY, VALENZUELA	SAN MIG ZERO 330ML BTL	78,780.24	24.07	1,896,240.38
POLO BREWERY, VALENZUELA	SM APPLE	1,885,062.96	24.07	45,373,465.45
POLO BREWERY, VALENZUELA	SM LEMON	159,136.56	24.07	3,830,417.00
POLO BREWERY, VALENZUELA	SML CAN	1,575,581.04	24.07	37,924,235.63
POLO BREWERY, VALENZUELA	SML DRAFT 30 LITERS	57,990.00	24.07	1,395,819.30
POLO BREWERY, VALENZUELA	SML DRAFT 50 LITERS	101,000.00	24.07	2,431,070.00
POLO BREWERY, VALENZUELA	SUPERDRY-CANS	25,835.04	24.07	621,849.41
sub-total		**10,457,619.44**		**₱251,714,899.92**
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

𝓃

GRAND TOTAL	**215,124,092.48**		**₱5,178,036,905.99**

Petitioner, in addition to the documents mentioned above, presented the corresponding Excise Tax Removal Declarations (ETRDs) (BIR Form No. 2299)[65] for the 215,124,092.48 liters, duly signed and attested to by the BIR Revenue Officer on Premise (ROOP), and which were likewise scrutinized by the ICPA. Accordingly, the brand name and volume of alcohol products removed within the production premises are separately indicated in the prescribed ETRDs of Petitioner.

Furthermore, the ICPA examined other related documents supporting the volume of removals of *"San Mig Light"* and *"Other Beer Products"* based on the *Schedule of Removals* for the six plants for the year 2017, such as Shipping Memoranda[66] and Issue/Receipt Documents, Plant Breakages Report, Gate Passes, Delivery Receipts, Claim Memoranda and Stock Transfer Receipts[67].

Based on the foregoing findings, Petitioner has duly established that the removals of its *"San Mig Light"* and *"Other Beer Products"* for the year 2017 in the total of 215,124,092.48 liters are subject to excise tax rate of ₱23.50 only, instead of the ₱24.07 imposed by Respondent, and thus, it is entitled to a refund corresponding to its erroneously, excessively, and/or illegally collected excise taxes due on the removals of *"San Mig Light"* and *"Other Beer Products"* for the period covering January 1, 2017 to December 31, 2017, in the total amount of ₱122,620,732.71.

As for the payment of legal interest by Respondent, the same, however, cannot be granted.

It is well-settled in this jurisdiction that our national government cannot be required to pay interest in tax refunds. In the absence of statutory provision clearly or expressly directing or authorizing such payment, the National Government cannot be required to pay interest.[68] Nevertheless, it is the rule that interest may be awarded only when the collection of tax sought to be refunded was attended with arbitrariness.[69]

There being no law which clearly or expressly directs the payment of interest on tax refunds, and since there is no indication that the collection of the excise taxes sought to be refunded was attended with arbitrariness, the award of legal interest cannot be made. N

[65] Exhibits "P-6-h" to "P-6-h-2324".
[66] Exhibits "P-6-i" to "P-6-i-38635".
[67] Exhibits "P-6-j" to "P-6-j-1576".
[68] *Commissioner of Customs vs. Borres, et al.*, G.R. No. L-12867, November 28, 1959.
[69] *Atlas Fertilizer Corporation vs. Commissioner of Internal Revenue, et seq.*, G.R. Nos. L-26686 and L-26698, October 30, 1980.

WHEREFORE, in light of the foregoing considerations, the instant Petition for Review is **PARTIALLY GRANTED**.

For being contrary to Section 143 of the NIRC of 1997, as last amended by RA 10351, the following portions of Annex "A-1" of RMC 90-2012, prescribing the applicable excise tax rates per liter, are declared invalid, and have no force and effect, *viz*:

"Annex 'A-1'

LIST OF BRANDS OF LOCALLY MANUFACTURED FERMENTED LIQUORS
As of December 2012

I. List of Brands Based on 2010 BIR Price Survey

BRAND NAME/ Product Description	TYPE OF PACKAGING	CONTENT PER TYPE OF PACKAGING (in milliliter)	NET RETAIL PRICE (Based on 2010 BIR Price Survey) Per Liter	Applicable Excise Tax Rate Per Liter (Effective January 1, 2013)
A. NRP is P50.60 per liter and below				
xxx	xxx	xxx		
San Miguel Pale Pilsen	bottle	1000	32.73	15.49
San Miguel Pale Pilsen (embossed label marking)	bottle	320	45.48	15.49
Coors Light Beer	bottle	330	43.18	20.57
San Mig Light	bottle	330	47.99	20.57
The Original Coors	bottle	330	32.36	20.57
The Silver Bullet Coorslight	bottle	330	45.21	20.57
B. NRP is more than P50.60				
xxx	xxx	xxx		
Colt Ice	bottle	330	60.37	20.57
Coors Light Beer	can	330	56.03	20.57
Red Horse	can	330	56.61	20.57
San Mig Cerveza Negra	bottle	320	66.39	20.57
San Mig Light	can	330	61.51	20.57
San Mig Strong Ice	bottle	330	62.66	20.57
San Mig Strong Ice	non-returnable bottle	330	65.10	20.57
San Mig Strong Ice	can	330	70.36	20.57
San Mig Oktoberfest Beer	bottle	330	74.75	20.57
San Mig Pale Pilsen		330	60.05	20.57
San Miguel Premium Malt Beer	bottle	330	91.73	20.57

San Miguel Premium Malt Beer	can	330	100.30	20.57
San Miguel Premium Malt Beer	non-returnable bottle	330	104.73	20.57
Super Dry	can	330	69.90	20.57
The Original Coors	can	330	54.00	20.57
The Silver Bullet Coorslight	can	330	57.05	20.57

II. List of Brands (not included on 2010 BIR Price Survey and introduced in the market before effectivity of R.A. No. 10351) Based on Latest Suggested Net Retail Price Per Sworn Statement Submitted by the Manufacturer or Importer

BRAND NAME/ Product Description	TYPE OF PACKAGING	CONTENT PER TYPE OF PACKAGING (in milliliter)	NET RETAIL PRICE (Based on 2010 BIR Price Survey) Per Liter	Applicable Excise Tax Rate Per Liter (Effective January 1, 2013)
A. NRP is P50.60 per liter and below				
	xxx	xxx	xxx	
Beer Pale Pilsen	bottle	330	45.21	20.57
B. NRP is more than P50.60				
	xxx	xxx	xxx	
Carlsberg	bottle	330	60.37	20.57
San Mig Zero	can	330	56.03	20.57
San Miguel Flavored Beer-Apple	can	330	56.61	20.57
San Miguel Flavored Beer-Lemon	bottle	320	66.39	20.57
San Miguel Flavored Beer-Strong Lager	can	330	61.51	20.57
Stag	bottle	330	62.66	20.57
The Original Coors	can	330	70.36	20.57

”

Moreover, also for being contrary to Section 143 of the NIRC of 1997, as last amended by RA 10351, the portion of Section 5 of RR 17-2012, which states that "[s]*tarting January 1, 2014, the applicable tax rate shall be increase*[d] *by four percent (4%) annually*" is likewise declared as invalid and has no force and effect of law.

Lastly, Respondent is **ORDERED TO REFUND** in favor of Petitioner the amount of **₱122,620,732.71**, representing erroneously, excessively, and/or illegally collected excise taxes due on the removals of *"San Mig Light"* and *"Other Beer Products"* for the period covering January 1, 2017 to December 31, 2017, **WITHOUT LEGAL INTEREST THEREON.**

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

ERLINDA P. UY
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ERLINDA P. UY
Associate Justice
Chairperson

CERTIFICATION

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

ROMAN G. DEL ROSARIO
Presiding Justice