REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

En Banc

WILLORE PHARMA CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB No. 1577
(CTA Case No. 8602)

Present:
DEL ROSARIO, *P.J.,*
CASTAÑEDA, JR.,
UY,
FABON-VICTORINO,
MINDARO-GRULLA,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA, *and*
MODESTO-SAN PEDRO, *JJ.*

Promulgated:
AUG 13 2019 3:53 p.m.

x- x

RESOLUTION

For resolution is the "Motion for Reconsideration (Decision dated 9 October 2018)" of respondent Commissioner of Internal Revenue (CIR) filed on November 8, 2018 asking the Court *En Banc* to reconsider its Decision dated October 9, 2018 on the following grounds:

1. The Honorable Court erred in ruling that the assessments issued against Petitioner are void; and

2. The Honorable Court erred in ruling that the Tax Verification Notice (TVN) issued against Petitioner is not valid.

In a Resolution dated February 18, 2019, the Court *En Banc* ordered Petitioner to file its Comment.

On March 11, 2019, Petitioner filed its Comment/Opposition arguing that the errors assigned by Respondent are bereft of merit and to sustain Respondent's line of reasoning would have the effect of giving validity to an otherwise void assessment. As held in the *Medicard* case[1], the proper source of authority in the performance of assessment functions is a Letter of Authority (LOA) and, thus, the absence of an LOA invalidates an assessment.

Petitioner further argues that the issue pertaining to the validity of authority of the revenue officers who conducted the audit that was never raised during trial but only on appeal cannot work to make legally valid an assessment that is void at the onset. Appellate courts have ample authority to rule on matters not assigned as errors in an appeal, if these are indispensable or necessary to the just resolution of the pleaded issues.[2]

After considering the arguments of both parties, it is apparent to this Court that, indeed, the arguments raised by Respondent in its Motion for Reconsideration are not persuasive.

We reiterate our holding in the Decision, thus:

> "It is apparent, therefore, that the authority relied upon by the revenue officers who conducted the audit and investigation of the taxpayer was faulty. By any account, it is not the LOA issued either by the CIR or the Revenue Regional Director, as the law requires.
>
> In this case, the authority to examine and verify respondent's records for taxable year 2008 was made only pursuant to TVN No. 2003 00123321 dated November 11, 2009, signed by Revenue District Officer Rey Asterio L. Tambis, which authorized Revenue Officer (RO) Clea Marie P. Pimentel and Group Supervisor (GS) Ruleo V. Badilles to conduct the said examination and verification.
>
> Considering that the revenue officer who conducted the examination was not validly authorized to do so by virtue of an LOA signed by the CIR or the Regional Director, the subject tax assessment or examination is a nullity."

Considering that no argument persuasive enough to merit reconsideration has been raised, Respondent's "Motion for Reconsideration" (Decision dated 9 October 2018) is **DENIED** for lack of merit.

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[1] G.R. No. 222743, April 5, 2017.
[2] G.R. No. 143870, September 20, 2005.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

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

ERLINDA P. UY
Associate Justice

(On Leave)
ESPERANZA R. FABON-VICTORINO
Associate Justice

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO- SAN PEDRO
Associate Justice