REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

TOTAL (PHILIPPINES) CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case Nos. 8056 and 8163

Members:

BAUTISTA, *Chairperson*
FABON-VICTORINO, and
RINGPIS-LIBAN, *JJ.*

Promulgated:

DEC 19 2014 2:23 p.m.

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AMENDED DECISION

***Fabon-Victorino, J.*:**

In the assailed Decision[1] of January 28, 2014, the Court denied these consolidated *Petitions for Review* for lack of merit. The Court found petitioner's claim for refund or issuance of tax credit certificate in the aggregate amount of ₱187,554,770.69, representing unutilized input value-added tax (VAT) attributable to zero-rated sales for taxable year 2008, without merit hinged on the following grounds:

1. the amount of ₱59,191,588.71 are not properly substantiated by VAT invoices or official receipts in accordance with Sections 110 (A) and 113 (A) and (B) of the National Internal Revenue Code (NIRC) of 1997, as amended, and as implemented by Sections 4.110-8 and 4.113-1 of Revenue Regulations (RR) No. 16-2005, as amended;

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[1] Docket, pp. 766-795.

2. petitioner's input VAT claim on importation of goods amounting to ₱2,083,964,047.62 have no supporting Import Entry and Internal Revenue Declarations (IEIRDs), Bureau of Customs or bank official receipts or are supported by IEIRDs but with no machine validation pursuant to Section 110 (A) (1) (b) of the NIRC of 1997, as amended, and Section 4.110-8 (a) (1) of RR No. 16-2005, as amended; and

3. there is no excess input VAT which may be the subject of a claim for refund or issuance of tax credit certificate under Section 112 (A) of the NIRC of 1997, as amended.

On February 13, 2014, petitioner filed a *Motion for Reconsideration/New Trial*[2], followed by a *Supplemental Motion for Reconsideration/New Trial*[3] filed on March 14, 2014, both praying to reconsider the assailed Decision and grant a new trial for the presentation of supporting documents. On March 6, 2014, respondent filed her *Opposition.*[4]

On May 26, 2014,[5] the Court granted petitioner's motion to reopen the case for presentation of additional documents and held in abeyance the resolution of its *Motion for Reconsideration*.

During the hearing, petitioner presented its Tax Manager, Mr. Dennis Odra, who identified the exhibits referred to in his Judicial Affidavit, all of which were admitted in evidence per Resolution dated September 23, 2014.

Hence, this Amended Decision.

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[2] Docket, pp. 801-819.
[3] Docket, pp. 1119-1140.
[4] Docket, pp. 1110-1114.
[5] Docket, pp. 1146-1151.

Petitioner cites the following grounds to justify reconsideration of the assailed Decision, to wit:

1. On the assumption that there are indeed higher output taxes than input taxes due to disallowances of input taxes, petitioner's claim for input taxes related to the zero-rated sales should not be affected;

2. The input tax carried-over from the previous quarter had been validated;

3. Petitioner's sales in 2008 were export sales; the same having been actually exported or sold to entities registered with PEZA/CDC/SBMA. Hence, these sales should be treated as VAT zero-rated transactions; and

4. The disallowed input tax on importation in the amount of ₱2,083,964,047.62 has been substantiated.

Petitioner's *motion* is partly meritorious.

On the first ground, petitioner contends that under Section 112(A) of the National Internal Revenue Code (NIRC) of 1997, as amended, a taxpayer is entitled to a refund of input taxes attributable to zero-rated sales to the extent that they were not applied against output taxes. According to petitioner, there is no requirement to apply the input taxes related to zero-rated sales against output taxes, and only when there is an excess will a refund be allowed. Petitioner posits that a taxpayer has the right to claim in the form of refund all input taxes attributable to zero-rated sales.

Petitioner's stance is untenable.

Section 112(A) of the NIRC of 1997, as amended, provides as follows:

"SEC. 112. *Refunds or Tax Credits of Input Tax.-*

(A) *Zero-rated or effectively Zero-rated Sales.-* Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, **apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, <u>to the extent that such input tax has not been applied against output tax</u>**: *Provided, however,* That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the *Bangko Sentral ng Pilipinas* (BSP): *Provided, further,* That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods or properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: *Provided, finally,* That for a person making sales that are zero-rated under Section 108(B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero rated sales.

xxx xxx xxx

(C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* — **In proper cases**, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents

> in support of the application filed in accordance with Subsection (A) hereof.
>
> In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals." (*Emphases supplied*)

While it may be true that Section 112(A) suggests that input VAT, which is attributable to zero-rated sales and "to the extent that such input tax has not been applied against the output tax", may be applied, without any further requirement, for the issuance of a tax credit certificate or refund, the said provision should be read or applied in conjunction with other provisions of the VAT law.

Thus, the aforequoted Section 112 must be read with Section 110(B) of the same Code, which states, thus:

> "SEC. 110. *Tax Credits.* —
>
> xxx xxx xxx
>
> (B) *Excess Output or Input Tax.* - If at the end of any taxable quarter the output tax exceeds the input tax, the excess shall be paid by the VAT-registered person. If the input tax exceeds the output tax, the excess shall be carried over to the succeeding quarter or quarters: *Provided, however,* That **any input tax attributable to zero-rated sales by a VAT-registered person may at his option be refunded or credited against other internal revenue taxes, subject to the provisions of Section 112**." (*Boldfacing supplied*)

Evident from the proviso of the foregoing Section 110 (B) that the refund or credit of "any input tax attributable to zero-rated sales by a VAT-registered person" is "subject to the provisions of Section 112." In other words, the provision on such refund or credit is not confined to paragraph (A), but to the whole provision of Section 112.

The term "in proper cases" under Section 112(C) qualifies the granting of refund under Section 112(A). Thus, it is not only when the input VAT is attributable to zero-rated sales and the same has not been applied against the output VAT that the grant of refund or tax credit may be made; it must likewise be "proper" or appropriate under the circumstances.

The first sentence of the aforequoted Section 110(B) is plain that "if at the end of any taxable quarter the output tax exceeds the input tax, the excess shall be paid by the VAT-registered person." Thus, it would be improper or inappropriate, if not irregular, to grant a refund of, or issue a tax credit certificate for input VAT in favor of a taxpayer-claimant where there are still unpaid output VAT.

Anent the second ground, petitioner argues that there is no requirement to validate the input tax carried over from the previous quarter. Allegedly, what is required is for the taxpayer to validate only the input taxes out of which the claim is being made. If there are any issues or imperfections of the input taxes generated in previous periods, that is a concern to be addressed in those periods and should not affect the amount that was carried-over to a subsequent period.

Petitioner submits that based on the ICPA report, input tax for the years 2006 and 2007 had been validated and were properly supported. Further, these input taxes were duly recorded and presented in petitioner's general ledger and audited financial statements. That being the case, petitioner has the right to claim those as input VAT and apply against the output tax due for the year 2008.

The Court is not persuaded.

Pursuant to Sections 110(A)(1) and (B) of the NIRC of 1997, as amended, the input taxes (including the input taxes carried-over from the previous quarter) shall be credited against the output taxes only if the same are supported by VAT invoices (in cases of purchases of goods or properties) or VAT official receipts (in cases of purchases of services, use or lease of properties) issued in accordance with Section 113 of the same Code.

Thus, without the presentation of the related VAT invoices or official receipts, petitioner's input tax carry-over from the previous years 2006 and 2007 shall not be credited against its output tax for the subject year 2008.

As to the third ground, it can be recalled that in the assailed Decision, this Court held that petitioner's sales of goods to entities located in export processing zones such as the Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA) and Clark Development Corporation (CDC) as well as to Board of Investments (BOI)-registered manufacturer/producer whose products are 100% exported qualify for VAT zero-rating pursuant to Section 106(A)(2) of the National Internal Revenue Code (NIRC) of 1997, as amended and Section 4.106-5 of Revenue Regulations (RR) No. 16-05, as amended by RR No. 04-07. The Court further held that since the period covered by the instant claim is taxable year 2008, only the Certifications attesting to the fact that the named entities therein are duly registered with the PEZA, SBMA, CDC or BOI for the year 2008 shall be considered valid for purposes of determining petitioner's zero-rated sales for the year 2008. Thus, the Court denied petitioner's sales to Subic Shipyard and Engineering for the year 2008 in the amount of ₱42,670.00 for petitioner's failure to submit certification stating that such entity is a special economic or freeport zone enterprise for the year 2008 and/or other documents to prove that such sales are VAT zero-rated.

Likewise, the Court disallowed petitioner's sales to Nidec Subic Philippines Corporation from December 4, 2008 to December 31, 2008 in the amount of ₱566,328.00 and Phoenix Gold Energy, Inc. for January 2008 in the amount of ₱104,604,712.60 as the Certifications submitted by petitioner do not show that these entities were registered with the CDC and SBMA for the said respective periods[6].

Subic Shipyard and Engineering Inc. (October 2008)	₱ 42,670.00
PhoenixGlod Energy (January 2008)	104,604,712.60
Nidec Subic Phil. Corp. (December 4 to 31, 2008)	566,328.00
Davao Agricultural Ventures Corp. (2008)	5,108,320.00

However, it is to be noted that although the Court ruled that the sales to Subic Shipyard and Engineering in the amount of ₱42,670.00 does not qualify for VAT zero-rating, the same was inadvertently not deducted in arriving at the amount of ₱1,531,397,312.49 representing petitioner's valid zero-rated sales for the year 2008[7].

Petitioner, in its motion, contends that the certifications/certificates of registration presented to the Court establish or confirm that its customers-companies are indeed locators with the various economic zones or registered with the BOI. The PEZA, CDC, BOI and SBMA could not have issued the certifications if these entities are not registered with these agencies. And as confirmed locators or registered companies, the sales to them are considered export sales. Further, there is no requirement that entities registered with PEZA, CDC, BOI or SBMA should secure from the said agencies certification of their entitlement to the benefits or incentives to cover a very specific period. Petitioner avers that absent a certification for a specific period does not divest the locator of its entitlement to the incentives, such as the VAT zero-rating of its purchases. Allegedly, it is the registration and location in a Freeport or economic zone that entitle it to the VAT zero-rating of its purchases.

Nevertheless, in its *Supplemental Formal Offer of Evidence*, petitioner presented a Certificate of Registration issued by CDC showing that Phoenix Gold Energy, Inc. is registered as a Clark Special Economic Zone Enterprise for the period starting February 1, 2007 to January 31, 2008[8].

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[6] Decision, pp. 22-23.
[7] Decision, p. 23.
[8] Exhibit "AAAAA-1".

It also presented the audited financial statements of Nidec Subic Philippines Corporation [9] and Subic Shipyard and Engineering Inc[10].

An examination of these documents revealed that petitioner's sales to Phoenix Gold Energy, Inc. for the month of January 2008, in the amount of ₱104,604,712.60, entitled to VAT zero-rating. However, with regard to petitioner's sales to Nidec Subic Philippines Corporation in the amount of ₱566,328.00 from December 4, 2008 to December 31, 2008 and Subic Shipyard and Engineering Inc. in the amount of ₱42,670.00 for October 2008, they shall still be denied VAT zero-rating. The audited financial statements do not specifically state the effectivity period of the registration of the said entities with SBMA. Thus, it cannot be determined whether the aforesaid sales fall within the covered period of the entities' registration with SBMA.

Consequently, out of the ₱1,644,257,527.16 zero-rated sales reported by petitioner for the year 2008, only the amount of ₱1,635,959,269.09 is duly substantiated, computed as follows:

Zero-Rated Sales per Quarterly VAT Returns		₱ 1,644,257,527.16[11]
Less:	Disallowances	
	Difference in Zero-Rated Sales Per VAT Returns and Per Monthly Lists of Sales	2,580,940.07[12]
	Reported Zero-Rated Sales to the following entities which do not have proof of registration as special economic or freeport zone enterprise for the following periods:	
	Nidec Subic Phil. Corp. (December 4 to 31, 2008)	566,328.00[13]
	Davao Agricultural Ventures Corp. (2008)	5,108,320.00[14]
	Subic Shipyard and Engineering Inc.	42,670.00[15]
Total Valid Zero-Rated Sales		**₱1,635,959,269.09**

[9] Exhibit "AAAAA-2".
[10] Exhibit "AAAAA-3".
[11] Decision, p. 20.
[12] Decision, pp. 20-21.
[13] Decision, p. 22.
[14] Decision, p. 22.
[15] Decision, p. 23.

With regard to the fourth ground, note that pursuant to Section 110(A)(1)(b) of the NIRC of 1997, as amended, and Section 4.110-8(a)(1) of Revenue Regulations (RR) No. 16-2005, as amended, the Court denied petitioner's input VAT claim on importation of goods amounting to ₱2,083,964,047.62 as they have no supporting Import Entry and Internal Revenue Declarations (IEIRDs), Bureau of Customs or bank official receipts or supported by IEIRDs but with no machine validation

Petitioner claims that it was unfortunate that it relied on the ICPA's representation that all the faithful reproduction of the IEIRDs were all submitted to the Court. Further, the ICPA actually marked and identified these IEIRDs as Exhibits FFFF-1.1 to FFFF-1.226 without exceptions as indicated in his Judicial Affidavit dated September 12, 2011. Much to its surprise only the front pages were photocopied when the back pages contained the data machine validations. And to prove that the input VAT of ₱2,083,964,047.62 had in fact been paid, petitioner proferred before the Court the related IEIRDs and BOC/bank official receipts.

A revisit of the supplemental evidence as well as those previously presented by petitioner, the Court finds that out of the ₱2,083,964,047.62 input VAT on importation previously disallowed by the Court, the amount of ₱2,046,707,613.04 duly supported by machine validated IEIRDs and/or BOC or bank official receipts represents petitioner's valid claim. Below is the breakdown of the amount of ₱2,046,707,613.04:

IEIRD	**Exhibit No.**	**BOC / Bank Official Receipt**	**Exhibit No.**	**Input Tax**
86050142	BBBBB-1			₱ 234,152.00
86050115	BBBBB-2			168,706.00
86050081	BBBBB-3			234,148.00
86050097	BBBBB-4			249,140.00
92947531	BBBBB-5			425,450.00
91697663	BBBBB-6			405,584.00
92402737	BBBBB-7			609,856.00
92402746	BBBBB-8			759,346.00
92402755	BBBBB-9			403,511.00
89776057	BBBBB-10			281,443.00

91330364	BBBBB-11			332,389.00
88424917	BBBBB-12			140,769.00
88424892	BBBBB-13			118,517.00
88458876	BBBBB-14			126,216.00
87873737	BBBBB-15			547,540.00
87873694	BBBBB-16			394,321.00
87873773	BBBBB-17			256,639.00
89323516	BBBBB-18			261,719.00
88458982	BBBBB-19			277,146.00
89323613	BBBBB-20			413,812.00
90826601	BBBBB-21.1 & 21.2			129,535.00
79484036	CCCCC-1, CCCCC-2	Security Bank Corp 000321		46,402,092.00
88893892	DDDDD-1, DDDDD-2	Security Bank Corp 0008170		6,644,628.20
90937996 & 90938005	FFFF-1.127 & FFFF-1.62	147231472	FFFF-1.134	46,327,531.30
90228241	FFFF-1.143	147229591	FFFF-1.136	19,590,671.85
88057252	FFFF-1.141	150475105	FFFF-1.139	21,970,139.54
88057252	FFFF-1.141	151798035	FFFF-1.140	10,352,870.00
86341446	FFFF-1.142	148894532	FFFF-1.144	6,176,415.93
86341446	FFFF-1.142	149755505	FFFF-1.145	2,945,617.00
86341534	FFFF-1.152	148886324	FFFF-1.149	4,532,217.00
85446444	FFFF-1.151	148862244	FFFF-1.150	13,836,905.00
86341525	FFFF-1.160	148886333	FFFF-1.158	13,334,985.00
90938023 &90938084	FFFF-1.163 & FFFF-1.177	147229887	FFFF-1.161	34,083,313.08
90937953	FFFF-1.159	147232303	FFFF-1.162	10,049,940.00
87511706	FFFF-1.167	149768315	FFFF-1.164	7,028,987.00
87511706	FFFF-1.167	149757526	FFFF-1.165	14,332,061.59
90938093, 90938102, 90938084	FFFF-1.226, FFFF-1.221 & FFFF-1.177	147229424	FFFF-1.166	61,240,089.98
149757526	FFFF-1.143	149757526	FFFF-1.169	6,092,413.76
149768324	FFFF-1.143	149768324	FFFF-1.170	3,295,881.84
151787955	FFFF-1.143	151787955	FFFF-1.176	7,066,922.29
151800801	FFFF-1.143	151800801	FFFF-1.178	3,394,921.81
151800792	FFFF-1.143	151800792	FFFF-1.181	6,195,053.00
148862253	FFFF-1.143	148862253	FFFF-1.182	6,408,487.00
147229564	FFFF-1.143	147229564	FFFF-1.186	7,579,235.56
151787946	FFFF-1.143	151787946	FFFF-1.187	15,525,126.91
152364511	FFFF-1.143	152364511	FFFF-1.188	11,666,157.23
150454306	FFFF-1.143	150454306	FFFF-1.189	10,769,382.44
150456205	FFFF-1.143	150456205	FFFF-1.190	5,772,737.00
148886315	FFFF-1.143	148886315	FFFF-1.203	19,725,340.45
152371563	FFFF-1.143	152371563	FFFF-1.204	1,471,345.88
148898574	FFFF-1.143	148898574	FFFF-1.205	8,200,740.00
148867117	FFFF-1.143	148867117	FFFF-1.207	15,836,380.00
148894523	FFFF-1.143	148894523	FFFF-1.208	13,081,612.15
149755496	FFFF-1.143	149755496	FFFF-1.209	5,617,013.00

150454297	FFFF-1.143	150454297	FFFF-1.215	4,552,461.95
150456214	FFFF-1.143	150456214	FFFF-1.216	3,558,326.16
149768543	FFFF-1.143	149768543	FFFF-1.217	1,540,196.50
150443535	FFFF-1.143	150443535	FFFF-1.218	27,716,748.90
150443526	FFFF-1.143	150443526	FFFF-1.219	7,806,074.00
147628862	FFFF-1.143	147628862	FFFF-1.220	3,383,920.00
	EEEEE-1 EEEEE-2	147617312	FFFF-1.1	11,738,155.00
	EEEEE-1 EEEEE-2	85446295	FFFF-1.94	18,096,018.00
87511821	FFFF-1.63	149747543	FFFFF-1	48,950,434.50
88057304	FFFF-1.124	149776085	FFFFF-2	26,357,007.30
88893883	FFFF-1.126	151791403	FFFFF-3	28,149,045.41
88057295	FFFF-1.128	148774256	FFFFF-4	42,014,419.21
90228257	FFFF-1.137	153703085	FFFFF-5	36,507,642.89
88057252	FFFF-1.141	150452565	FFFFF-6	64,260,334.40
90228241	FFFF-1.143	153703076	FFFFF-7	61,105,848.64
88893917	FFFF-1.53	151787937, 151908567	FFFFF-8.1 & FFFFF-8.2	105,041,313.79
90228205	FFFF-1.57	152392791, 153718686	FFFFF-9.1 & FFFFF-9.2	125,189,255.24
90938023	FFFF-1.163	147231147	FFFFF-10	16,752,167.61
86341525	FFFF-1.177	148886333	FFFFF-11	21,577,205.00
90938084	FFFF-1.177	147231131	FFFFF-12	26,486,261.63
88057207	FFFF-1.179	151303862	FFFFF-13	42,217,716.86
88057216	FFFF-1.214	151303871	FFFFF-14	6,416,935.95
90938102	FFFF-1.226	147230587	FFFFF-15	8,278,172.00
86341525	FFFF-1.160	147649871	FFFFF-16	32,630,390.48
90937996	FFFF-1.127	147231621	FFFFF-18	29,973,010.29
93003337	FFFF-1.49	147232321, 147232312, 147233597	FFFFF-20.1 to FFFFF-20.3	42,831,565.01
93682102	FFFF-1.54	147235121	FFFFF-21	31,355,991.96
93003346	FFFF-1.160	147232337, 147233606, 147232321	FFFFF-22.1, FFFFF-22.2	30,638,476.50
90938005	FFFF-1.162	147232312	FFFFF-20.2	16,310,941.00
88743916	FFFF-1.195	153137783, 152369332, 153137756	FFFFF-25.1 to FFFFF-25.3	43,326,010.92
88893777	FFFF-1.196	152357615, 153127747, 152379342	FFFFF-26.1 to FFFFF-26.3	115,137,919.63
88743907	FFFF-1.197	153137774, 152369341, 153137765	FFFFF-27.1 to FFFFF-27.3	77,766,312.20
85446356	FFFF-1.55	147190312, 148862262	FFFFF-28.1 to FFFFF-28.2	74,620,176.25
87511715	FFFF-1.171	148890271	FFFFF-29	23,838,085.91
86341613	FFFF-1.125	148156355	FFFFF-30	48,359,241.30
85446435	FFFF-1.183	148156373	FFFFF-31	24,535,523.35
86341534	FFFF-1.152	147649887	FFFFF-32	24,123,448.54
85446444	FFFF-1.151	148156364	FFFFF-33	33,279,441.66
87511706	FFFF-1.167	148890262	FFFFF-35	32,159,497.92
86341507	FFFF-1.206	149003093	FFFFF-36	47,873,828.40

86341437	FFFF-1.210	148882657	FFFFF-37	32,159,497.92
86341446	FFFF-1.142	148882632	FFFFF-38.1	23,838,085.91
		147235584, 147234525	GGGGG-1, GGGGG-2	18,497,873.25
		147234525, 147235575	GGGGG-2, GGGGG-3	32,439,479.91
				₱2,046,707,613.04

Therefore, the remaining input VAT claim on importation in the amount of ₱37,256,434.58 (₱2,083,964,047.62 less ₱2,046,707,613.04) shall still be disallowed.

Accordingly, petitioner's valid input tax for the year 2008 shall be recomputed as follows:

Total Input VAT Claim for the year 2008	₱ 3,296,210,160.14
Less: Disallowances	
Per ICPA's report	59,191,588.71
Per this Court's further verification	37,256,434.58
Properly Substantiated Input VAT	**₱ 3,199,762,136.85**

Since petitioner did not submit VAT invoices/receipts that would prove the existence of its reported input VAT carry-over from previous year in the amount of ₱205,081,910.96, its output VAT liability for the year 2008 in the amount of ₱3,183,562,653.22 shall be offset against the valid input VAT of ₱3,199,762,136.85 resulting to an excess input VAT of ₱16,199,483.63, computed as follows:

Output VAT Due	₱ 3,183,562,653.22
Less: Properly Substantiated Input VAT	3,199,762,136.85
Excess Input VAT	**₱ 16,199,483.63**

Hence, for the year 2008, only the excess input VAT of ₱16,199,483.63 can be attributed to the entire zero-rated sales declared by petitioner in the amount of ₱1,644,257,527.16 and only the input VAT of ₱16,117,727.89 is attributable to the valid zero-rated sales of ₱1,635,959,269.09, as computed below:

Valid Zero-Rated Sales	₱ 1,635,959,269.09
Divided by Total Declared Zero-Rated Sales	÷ ₱ 1,644,257,527.16
% of Valid Zero-Rated Sales to Total Declared Zero-Rated Sales	99.4953188%
Multiplied by Excess Input VAT	× ₱ 16,199,483.63
Refundable Excess Input VAT attributable to Valid Zero-Rated Sales	**₱ 16,117,727.89**

WHEREFORE, finding merit, petitioner's *Motion for Reconsideration* is hereby **PARTIALLY GRANTED**. The Decision dated January 28, 2014 is **MODIFIED** ordering respondent to refund or issue a tax credit certificate in favor of petitioner Total (Philippines) Corporation in the reduced amount of **SIXTEEN MILLION ONE HUNDRED SEVENTEEN THOUSAND SEVEN HUNDRED TWENTY SEVEN AND 89/100 PESOS (₱16,117,727.89)**, representing the latter's excess unutilized input VAT attributable to its zero-rated sales for the year 2008.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We concur:

LOVELL R. BAUTISTA
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

ATTESTATION

I attest 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's Division.

LOVELL R. BAUTISTA
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's Attestation, 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