REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

SECOND DIVISION

PUBLIC SAFETY MUTUAL BENEFIT FUND, INC., Represented by its President JOSE CHIQUITO M MALAYO,
Petitioner,

vs.

ROSETTE F. LAQUIAN CITY TREASURER SAN JUAN CITY,
Respondent.

CTA AC NO. 293
(Civil Case No. 75552)

Present:

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

Promulgated:

SEP 2 3 2024
11:20 a.m.

x - x

DECISION

FERRER-FLORES, J.:

At bar is a *Petition*[1] appealing the *Decision* dated March 6, 2023[2] (assailed Decision) and the *Resolution* dated May 8, 2023[3] (assailed Resolution) issued by Branch 160 of the Regional Trial Court (RTC) of Pasig City (San Juan Station) in Civil Case No. 75552 filed by petitioner **Public Safety Mutual Benefit Fund, Inc., represented by its President, Joel Napoleon M. Coronel (PSMBFI/petitioner)** against respondent **Rosette F. Laquian, City Treasurer, San Juan City (respondent/Laquian)**, the dispositive portions of which read:

Assailed Decision

> **WHEREFORE**, premises considered, the Petition is hereby **DISMISSED**. The Tax Orders of Payment dated 21 January 2021 and 2 March 2021 issued by the City Treasurer are hereby affirmed.

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1 Docket pp. 5-32.
2 *Id.*, at 38-48.
3 *Id.*, at 49-52.

SO ORDERED.

Assailed Resolution

WHEREFORE, premises considered, petitioner's Motion for Reconsideration is denied for lack of merit.

SO ORDERED.

THE PARTIES

Petitioner PSMBFI is a non-stock non-profit domestic corporation organized as a mutual benefit association with business address at No. 318-320 corner 1st and 2nd West Crame Sts., Barangay West Crame, Santolan Road, San Juan City, where it may be served with notices and orders by the Court. It is represented by its President, Jose Chiquito M. Malayo.

Respondent Rosette F. Laquian is the City Treasurer of San Juan City with postal address in the Office of the City Treasurer, Pinaglabanan St., corner Dr. P.A. Narciso St., Barangay Corazon de Jesus, San Juan City where she may be served with notices, summons and orders by the Court.

ANTECEDENTS (ADMINISTRATIVE LEVEL)

PSMBFI is a duly registered non-stock non-profit mutual benefit association providing insurance protection and financial and material aid to its members who are personnel of public safety offices. It is operating as an insurance company offering life insurance coverage to all its members and is under the supervision of the Insurance Commission,

The Amended Articles of Incorporation provide that petitioner is formed primarily:

a) To foster brotherhood and sisterhood and mutual assistance among members;
b) To encourage the habit of thrift and savings among members;
c) To provide financial material aid and comforts to members and their families in case of losses, disability, necessities, unemployment, old age, as may be authorized by statutes or regulations prescribed by competent authority;
d) To provide retirement benefits to members and their families; and,

e) In general to do such acts and things and to undertake such activities not otherwise prohibited by law which are calculated to help members and necessary for the accomplishment of the purpose for which the fund has been organized.

For its revenue, PSMBFI realizes gross receipts from the contribution of members to the Equity Plan (Insurance Plan), premiums from other insurance plans, investment earnings and other incomes. Additionally, it leases a portion of its building to tenants, thus, realizing rental income from leasing activities. All funds and earnings are utilized for the mutual benefit and protection of its members and their families. Given its nature as a mutual benefit association, petitioner is exempt from payment of income tax for income "AS SUCH" as evidenced by its Tax Exemption Certificate.

From 2006 to 2015, PSMBFI paid its local business tax (LBT) on its leasing operations (commercial activity) only.

After nine years of operation, or on October 29, 2015, respondent Treasurer issued Tax Order of Payment (TOP) 1 providing for the payment of LBT based on its gross receipts as a financial institution, meaning its operations as a mutual benefit association as well as its leasing operations. This was followed by the issuance of TOPs 2, 3, and 4 all covering the cumulative years from 2009 to 2020 in the subsequent years.

Anent TOPs 1 and 2 (covering years 2009 to 2017), the same became the subject of Court of Tax Appeals (CTA) AC No. 214,[4] wherein this Court dismissed the petition for lack of jurisdiction. The Court Second Division opined that the RTC had no jurisdiction over the *Petition for Review on Appeal* considering that the petition was belatedly filed. Accordingly, TOPs 1 and 2 had become conclusive and unappealable. The Court *En Banc,* in CTA EB No. 2198, likewise affirmed the disposition of the Court Second Division. Later, in the Resolution dated August 4, 2021 in G.R. No. 256741, the Supreme Court denied the petition and affirmed the Decision dated January 15, 2021 and Resolution dated June 8, 2021 of the CTA *En Banc* in CTA EB No. 2198.

The TOP 3 (covering years 2018 and 2019), on the other hand, became the subject of CTA AC No. 245. Similar to CTA AC No. 214, the

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4 Promulgated on August 27, 2019. Penned by Associate Justice Cielito N. Mindaro-Grulla, and concurred in by Associate Justices Juanito C. Castañeda and Jean Marie A. Bacorro-Villena.
The petitioner's *Motion for Reconsideration (of the Decision promulgated on August 27, 2019)* was denied for lack of merit in the Resolution dated November 22, 2019. Penned by Associate Justice Cielito N. Mindaro-Grulla, and concurred in by Associate Justice Jean Marie A. Bacorro-Villena, with Associate Justice Juanito C. Castañeda on leave.

Court Second Division, in its Decision dated June 11, 2024,[5] also found that the petitioner PSMBFI failed to timely appeal before the RTC.

On January 21, 2021, PSMBFI received a TOP dated January 20, 2021 covering the year 2021. Later, on March 2, 2021, petitioner received another TOP dated on even date covering the years 2009 to 2021 (inclusive of the assessment covered by earlier issued TOP dated January 20, 2021). The two TOPs (collectively known as TOP 5) dated January 20, 2021 and March 2, 2021 are the crux of the instant case.

On March 12, 2021, petitioner filed its administrative protest assailing TOP dated January 20, 2021 amounting to ₱11,198,144.80, and TOP dated March 2, 2021 with aggregate total of **₱266,007,672.17** covering the period 2009 to 2021 inclusive of penalties and interest.

Subsequently, on March 18, 2021, PSMBFI also paid under protest the total LBT liability, regulatory fees, penalties and interest. The full payment of ₱266,007,672.17 cover the years 2009-2021 inclusive of LBT for 2021, subject of this present petition. At the time of payment under protest, the LBT for 2021 is at ₱14,583,151.24 inclusive of penalties and interest.[6]

PROCEEDINGS BEFORE THE RTC

Undeterred by respondent Treasurer's inaction on its administrative appeal, petitioner filed on June 7, 2021 a *Petition for Review* before the RTC pursuant to Section 195[7] of Republic Act (R.A.) No. 7160, otherwise known as the Local Government Code of 1991 (LGC). Petitioner PSMBFI sought the cancellation of TOP 5 for being contrary to law and without basis.

The RTC of Pasig City, Branch 160 (San Juan Station) rendered the assailed Decision on March 6, 2023 dismissing the Petition and affirming

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5 Penned by Associate Justice Maria Rowena Modesto-San Pedro, and concurred in by Associate Justice Ma. Belen M. Ringpis-Liban and the undersigned.

6 Paragraph 19, Petition, Docket p.17.

7 Sec. 195 - *Protest of Assessment.*— When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties. Within sixty (60) days from the receipt of the notice of assessment, the taxpayer may file a written protest with the local treasurer contesting the assessment; otherwise, the assessment shall become final and executory. The local treasurer shall decide the protest within sixty (60) days from the time of its filing. If the local treasurer finds the protest to be wholly or partly meritorious, he shall issue a notice cancelling wholly or partially the assessment. However, if the local treasurer finds the assessment to be wholly or partly correct, he shall deny the protest wholly or partly with notice to the taxpayer. The taxpayer shall have thirty (30) days from the receipt of the denial of the protest or from the lapse of the sixty (60)-day period prescribed herein within which to appeal with the court of competent jurisdiction otherwise the assessment becomes conclusive and unappealable.

the TOP 5. Petitioner's *Motion for Reconsideration* was denied in the Resolution dated May 8, 2023.

PROCEEDINGS BEFORE THIS COURT

Aggrieved, petitioner filed the instant *Petition* on June 14, 2023 assailing the Decision and Resolution of the RTC.

In the Resolution dated June 29, 2023, the Court ordered respondent to file her comment within ten (10) days from notice thereof. Respondent correspondingly filed her *Comment (To the Petition for Review dated 09 June 2023)*[8] through registered mail on July 28, 2023.

Considering the allegations in the Petition for Review as well as respondent's Comment thereon, the Court submitted the instant case for decision on August 23, 2023.[9]

ASSIGNMENT OF ERRORS

Petitioner assigned the following errors in its *Petition:*[10]

a) The RTC erred in disregarding that, as a mutual benefit association, petitioner is not subject to LBT;

b) The RTC erred in disregarding that PSMBFI is a mutual benefit association under the:

i. Corporation Code of the Philippines (CCP);
ii. Articles of Incorporation (AAI) and By Laws (BL);
iii. Section 30 of the National Internal Revenue Code (NIRC) of 1997, as amended; and,
iv. Insurance Code of the Philippines, as amended (ICP)[11]

c) The RTC erred in disregarding that even the San Juan City Revenue Code (Article B, Section 1B.01) defers to the definition of "insurance company" in "applicable laws or rules and regulations" such as the CCP, AAI & BL, NIRC of 1997, as amended, and ICP. When these applicable laws exclude a

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8 Docket pp. 191-215.
9 Minute Resolution dated August 23, 2023, Docket p. 225.
10 Docket pp. 19-20.
11 Republic Act No. 10607, AN ACT STRENGTHENING THE INSURANCE INDUSTRY, FURTHER AMENDING PRESIDENTIAL DECREE NO. 612, OTHERWISE KNOWN AS THE INSURANCE CODE, AS AMENDED BY PRESIDENTIAL DECREE NOS. 1141, 1280, 1455, 1460, 1814 AND 1981, AND BATAS PAMBANSA BLG. 874, AND FOR OTHER PURPOSES

mutual benefit association, such as petitioner, from the definition of an "insurance company" and is not a "financial institution," PSMBFI is not liable for LBT;

d) The RTC erred in disregarding the Department of Finance-Bureau of Local Government Finance (DOF-BLGF) Circular No. 2-93 and Letter-Opinion dated January 14, 2016, which exclude a mutual benefit association from the definition of "insurance companies" referred to in Section 143 of the LGC and Section 2J.02 (I) of the City of San Juan Revenue Code of 2013; and,

e) The RTC failed to rule that the issuance of the subject TOP is violative of due process for lack of legal basis, more so, when prior to 2009, San Juan City was imposing LBT on PSMBFI based on gross receipts from its leasing activity or as a commercial entity only.

Petitioner's arguments:

Petitioner PSMBFI vehemently argues the following:

First, it is a mutual benefit association under the CCP, Section 130 of the NIRC of 1997, as amended, and Section 403 of the ICP, as amended. The term "insurance company," as defined in the ICP, as amended, excludes a mutual benefit association.

The San Juan Revenue Code adheres to the definition of "insurance company" provided under applicable laws and regulations. These applicable laws referred to in the San Juan Revenue Code are the Corporation Code, NIRC of 1997, as amended, and ICP.

Further, the Local Finance Circular 2-93, issued by the DOF-BLGF on June 16, 1993, prescribing the guidelines governing the powers of municipalities and cities to impose business tax on insurance companies pursuant to the Local Government Code of 1991 (LGC), excepts mutual benefit association from the definition of an "insurance company".

Second, TOP 5 is not a valid assessment, as the City Treasurer issued the same without any legal basis. Prior to 2015, the City Treasurer was only issuing assessments on PSMBFI's leasing activities. Clearly the City Treasurer interpreted the revenue code to exempt a mutual benefit association from the concept of an insurance company. The sudden change in the interpretation of the local revenue code is prejudicial to PSMBFI and lacks support in law and in fact.

Petitioner, therefore, prays that the Court renders a Decision setting aside the assailed Decision and assailed Resolution; cancelling the TOP 5 for being contrary to law and without basis, and as a consequence, refund the LBT paid for the year 2021.

Respondent's counter-arguments:

Respondent, on the other hand, counters as follows:

First, petitioner is doing insurance business. As petitioner admits to receiving insurance premiums, it is subject to LBT levied on financial institutions, based on the income derived from financial transactions including insurance premium.

Second, petitioner failed to prove that a mutual benefit association is not subject to LBT. The definition of "insurance company" under Section 190 of the ICP, as amended, is not a tax exemption provision, rather it is for the limited purpose of the ICP only. Taxation is the rule. The one who claims exemption must point out to a specific provision of the law which grants it.

Third, the principles of tax exemption and not the doctrine of strict interpretation in the imposition of taxes is applicable. The argument of petitioner that tax laws must be construed strictly against the state and liberally in favor of the taxpayer must necessarily fail because it is clear that petitioner is subject to business tax under Section 2J.02 of the City of San Juan Revenue Code of 2013.

Fourth, the DOF-BLGF Circular No. 2-93 and its letter opinion hold no weight in determining exemption of petitioner because it is not an administrative agency tasked to implement a statute.

Fifth, being a non-profit corporation does not exempt petitioner from LBT. The fact that no profit is derived from the making of insurance contracts, agreements or transactions, or that no separate or direct consideration is received, shall not preclude the existence of an insurance business.

Lastly, the doctrine of immutability of judgment must apply insofar as TOP 1 and TOP 2 are concerned, considering that the Supreme Court had already resolved the issue of refund of TOP 1 and TOP 2. As such, petitioner may no longer request for the refund of the amount covered by TOP 1 and

TOP 2 as the Supreme Court's decision had already become final and executory.

THE COURT'S RULING

The instant *Petition* is partly meritorious.

Jurisdiction of the Court

Before delving into the merits of the case, the Court shall determine first its jurisdiction.

Section 7(a)(3) of Republic Act No. 1125, otherwise known as *An Act Creating the Court of Tax Appeals*, as amended, provides:

> SEC. 7 *Jurisdiction.* – The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> xxx xxx xxx
>
> 3) Decisions, orders or resolutions of the Regional Trial Courts in local tax cases originally decided or resolved by them in the exercise of their original or appellate jurisdiction;
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> xxx xxx xxx

Relatedly, Rule 4 Section 3(a)(3) of the Revised Rules of the Court of Tax Appeals (RRCTA), as amended, states:

> Rule 4 – Jurisdiction of the Court
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> Sec. 3 – Cases within the jurisdiction of the Court in Division. – The Court in Division shall exercise:
>
> (a) Exclusive original over or appellate jurisdiction to review by appeal the following:
>
> xxx xxx xxx
>
> (3) Decisions, resolutions or orders of the Regional Trial Courts in local tax cases decided or resolved by them in the exercise of their original jurisdiction.
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> xxx xxx xxx

From the foregoing, it is evident that the Court has jurisdiction over the *Petition*. ɥ

Petitioner is not subject to local business taxes

Local government units, being merely territorial and political subdivisions of the State, do not possess the inherent power to tax. The Constitution, however, consistent with the policy of local autonomy, grants each local government unit the power to "create its own sources of revenues and to levy taxes, fees, and charges subject to such guidelines and limitations as the Congress may provide."[12]

These guidelines and limitations are found in the LGC. In reading these provisions, one must strictly construe the extent of a local government's power to tax in accordance with the principle that such power does not inhere in local government units.[13]

One of the taxes that local government units may impose upon certain entities is a local business tax for the privilege of doing business within their territorial jurisdictions. Respondent hinges its basis for subjecting petitioner to local business tax on Section 143(f) of the LGC, to wit:

> SECTION 143. *Tax on Business.* — The municipality may impose taxes on the following businesses:
>
> xxx xxx xxx
>
> (f) On banks and other financial institutions, at a rate not exceeding fifty percent (50%) of one percent (1%) on the gross receipts of the preceding calendar year derived from interest, commissions and discounts from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property, insurance premium.

It is undisputed that petitioner is a mutual benefit association. Petitioner, being as such, claims that it is not subject to local business tax. Respondent, however, claims otherwise.

We find for petitioner.

For an entity to be subject to local tax under the above-quoted section, it must fall within the purview of the definition of "business" and "banks and other financial institutions." The LGC defines business under Section 131 as:

> Section 131. Definition of Terms. - When used in this Title, the term:

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[12] *City of Davao v. First Meridian Development, Inc.,* G.R. No. 240078 (Notice), October 19, 2022.

[13] *Id.*

xxx xxx xxx

> (d) "Business" means trade or commercial activity regularly engaged in as a **means of livelihood or with a view to profit;**

In *City of Davao vs. Randy Allied Ventures, Inc.*,[14] the Supreme Court opined:

> Essentially, LBT are taxes imposed by local government units on the **privilege of doing business within their jurisdictions.** To be sure, the phrase "doing business" means some **"trade or commercial activity regularly engaged in as a means of livelihood or with a view to profit."** Particularly, the LBT imposed pursuant to Section 143 (f) is premised on the fact that the persons made liable for such tax are banks or other financial institutions by virtue of their being engaged in the business as such. This is why the LBT are imposed on their gross receipts from "interest, commissions and discounts from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property, insurance premium." (Emphasis supplied)

On this score, the ICP, as amended, defines a mutual benefit association, to wit:

> Section 403. Any society, association or corporation, without capital stock, **formed or organized not for profit but mainly for the purpose of paying sick benefits to members, or of furnishing financial support to members while out of employment, or of paying to relatives of deceased members of fixed or any sum of money, irrespective of whether such aim or purpose is carried out by means of fixed dues or assessments collected regularly from the members, or of providing, by the issuance of certificates of insurance, payment of its members of accident or life insurance benefits out of such fixed and regular dues or assessments**, but in no case shall include any society, association, or corporation with such mutual benefit features and which shall be carried out purely from voluntary contributions collected not regularly and/or no fixed amount from whomsoever may contribute, shall be known as a **mutual benefit association** within the intent of this Code. (Emphasis supplied)

Verily, petitioner PSMBFI, a non-stock non-profit mutual benefit association, does not operate for profit, but for the protection and financial and material aid of its members who are personnel of public safety offices.

Also, in Section 131 of the LGC, "banks and other financial institutions" are defined as follows:

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[14] G.R. No. 241697, July 29, 2019.

> (e) "Banks and other financial institutions" include non-bank financial intermediaries, lending investors, finance and investment companies, pawnshops, money shops, **insurance companies**, stock markets, stock brokers and dealers in securities and foreign exchange, **as defined under applicable laws, or rules and regulations thereunder**; (Emphasis supplied)

Similar to the above, Article B, Section 1B.01 of the San Juan Revenue Code states:

> SECTION 1B.01. *Definitions.* — When used in this Code, the term:
>
> *Banks and Other Financial Institutions* — include non-bank financial intermediaries, lending investor, finance and investment companies, pawnshops, money shops, **insurance companies**, stock markets, stock brokers and dealers in securities and foreign exchange, **as define (sic) under applicable laws or rules and regulations thereunder.**

Notably, both the LGC and the San Juan Revenue Code failed to specifically define an "insurance company." Rather, both included the phrase "as defined under applicable laws or rules and regulations thereunder," which connotes that the definition must be harmonized with other applicable laws. The term "insurance company" is defined in Section 190 of the ICP, as amended, *viz*:

> Section 190. For purposes of this Code, the term *insurer* or *insurance company* shall include all partnerships, associations, cooperatives or corporations, including government-owned or -controlled corporations or entities, engaged as principals in the insurance business, **excepting mutual benefit associations.** Unless the context otherwise requires, the term shall also include professional reinsurers defined in Section 288. *Domestic company* shall include companies formed, organized or existing under the laws of the Philippines. *Foreign company* when used without limitation shall include companies formed, organized, or existing under any laws other than those of the Philippines. (Emphasis supplied)

Congruent with the ICP, the DOF Local Finance Circular No. 02-93[15] likewise excepts a mutual benefit association from the definition of insurance company, thus:

> SECTION 1. *Coverage.*(a) As used herein, the term "insurance companies" shall mean those formed or organized to save any person or persons or other corporations harmless from loss, damage or liability, arising from any unknown or future or contingent event, or to indemnify or to compensate any person or persons or other corporations for any such

15 SUBJECT: *Prescribing the Guidelines Governing the Power of Municipalities and Cities to Impose a Business Tax on Insurance Companies pursuant to Sections 143 (f) and 151 of Republic Act No. 7160 of 1991, and Its Implementing Rules and Regulations (IRR)*

> loss, damage or liability, or to guarantee the performance of or compliance with contractual obligations or the payment of debts of others.
>
> The term "insurance companies" shall include all individuals, partnerships, associations, or corporations including government owned or controlled corporations or entities, engaged as principals in the insurance business, including their branches, **except mutual benefit associations** and purely cooperative insurance associations organized under the laws on cooperatives. The term shall also include professional reinsurers. (Emphasis supplied)

Hence, following the definition of an "insurance company" under the ICP and DOF Local Finance Circular 2-93, a mutual benefit association cannot be considered as such. Respondent's position that the definition under Section 190 is limited only for purposes of ICP is erroneous.

The Supreme Court, in interpreting "banks and other financial institutions," has resolved to correlate the definition under the LGC with other applicable laws. For one, in determining what can be considered as a non-bank financial intermediary (which was also not defined under the LGC), the Supreme Court harmonized the provisions of the NIRC of 1997, as amended, banking laws and other pertinent regulations.[16]

The above discussion only leads to the conclusion that petitioner is not liable to LBT for 1) not being engaged in business; and; 2) not being an insurance company or other financial institution under Section 131 of the LGC.

Petitioner is not entitled to full refund

Having settled that petitioner is not subject to LBT, the next issue to be resolved is whether petitioner is entitled to a refund of the local business taxes paid from 2009-2021 with an aggregate amount of ₱266,007,672.17.

In *International Container Terminal Services, Inc. vs. The City of Manila,*[17] citing *City of Manila vs. Cosmos Bottling Corp.*, the Supreme Court explained the consequences of the remedies under Section 195 and 196 of the LGC, to wit:

> If the taxpayer opts to pay the assessed tax, fee, or charge, it must still file the written protest within the 60-day period, and then bring the case to court within 30 days from either the decision or inaction of the local treasurer. In its court action, the taxpayer may, at the same time,

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16 See *City of Davao vs. Randy Allied Ventures, Inc.,* G.R. No. 241697, July 29, 2019; and *City of Davao vs. Arc Investors, Inc.,* G.R. No. 249668, July 13, 2022.

17 G.R. No. 185622, October 17, 2018.

> question the validity and correctness of the assessment and seek a refund of the taxes it paid. "Once the assessment is set aside by the court, it follows as a matter of course that all taxes paid under the erroneous or invalid assessment are refunded to the taxpayer."

While ordinarily a refund of a full amount of taxes paid is appropriate, as a consequence of a finding that the taxpayer is not liable therefor, such is not the case with petitioner.

To recall, respondent issued a series of TOPs covering cumulative years. These TOPs eventually became the subject of different cases.

The TOPs 1 and 2 (covering the years 2009-2017) was decided in CTA EB Case No. 2198 (CTA AC No. 214) and later on in a Supreme Court Resolution in G.R. No. 256741. This Court, and as affirmed by the Supreme Court, declared that TOPs 1 and 2 are already conclusive and unappealable. As the decision has attained its finality, petitioner is no longer entitled to the refund of the same.

With respect to TOP 3 (covering the years 2009-2019), subject of CTA AC No. 245, the CTA has likewise ruled that the assessment has become final, executory, and unappealable since the appeal before the RTC was belatedly filed. The Court is mindful that petitioner may still bring the matter before the Court *En Banc* and eventually the Supreme Court. For the sole reason that this Court's Decision has not attained finality, We find that petitioner **may** be entitled to the refund for the years 2018 and 2019. This is, of course, subject to and without prejudice to the final outcome of the case. Nonetheless, to avoid a possible conflicting ruling concerning the years 2018 to 2019, the Court shall withhold its ruling on petitioner's claim for refund.

Further, it must be noted that the Court is not aware of any action taken by petitioner concerning the year 2020 (which also forms part of the TOP dated March 2, 2020). Upon perusal of petitioner's *Verification and Certification,* however, *petitioner* only certified that it has not commenced any action or filed any claim involving the same issues and TOP for the year **2021**. Likewise, in paragraph 56 of the *Petition*, petitioner stated that – "as a consequence of the payment under protest by PSMBFI, is also entitled in the alternative, for the refund of the amount of Php 14,583,151.24 representing the basic local tax for the year 2021." Considering petitioner's statements, and to avert any possible conflicting ruling, the Court shall also withhold ruling on petitioner's claim for refund for 2020.

In view of the above, the Court will only consider and rule on petitioner's claim for refund for the year 2021.

WHEREFORE, in light of the foregoing considerations, the present *Petition* is **PARTIALLY GRANTED**. The Decision dated March 6, 2023 and Resolution dated May 8, 2023 in Civil Case No. 75552 of the Regional Trial Court of Pasig City, Branch 160 (San Juan Station) are hereby **SET ASIDE**.

Accordingly, the Tax Orders of Payment dated January 20, 2021 and March 2, 2021 are **CANCELLED**. Petitioner Public Safety Mutual Benefit Fund, Inc. is entitled to a refund of local business tax paid for the year 2021 amounting to ₱14,583,151.24.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
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.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice
Division 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 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