

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

EN BANC

SONY PHILIPPINES,
INCORPORATED,
Petitioner,

CTA EB No. 2983
(CTA Case No. 10302)

Present:

- versus -

RINGPIS-LIBAN, P.J.
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES,
ANGELES,
TESTON, and
CENTENO-DIJAMCO, II.

THE COMMISSIONER OF
INTERNAL REVENUE,
Respondent.

Promulgated:

SEP 17 2026

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RESOLUTION

BACORRO-VILLENA, L.:

For the Court *En Banc*'s resolution is petitioner Sony Philippines, Incorporated's (**petitioner's**) "Motion for Reconsideration (Re: Decision dated 07 January 2026)"¹ (**MR**) with respondent Commissioner of Internal Revenue's (**respondent's/CIR's**) "Comment/Opposition (Re: Motion for Reconsideration dated 7 January 2026)"² (**Comment**).

In its MR, petitioner contests the Court *En Banc* Decision³ of 07 January 2026 (**assailed Decision**) which denied the instant petition. In the assailed Decision, We ruled that petitioner was not able to prove, by preponderance of evidence, the third requisite in a claim for CWT

¹ Filed personally and *via* email on 29 January 2026, *rollo*, pp. 138-154.

² Filed personally on 27 February 2026 and *via* email on 02 March 2026, *id.*, pp. 166-175.

³ *Id.*, pp. 79-102.

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refund (*i.e.*, that the income upon which the taxes were withheld must be included in the return of the recipient).

In arriving at Our conclusion, We ruled that the third requisite may not be proved by the mere fact that the income from which the CWT is withheld is less than the total income reported by the claimant in its income tax return (ITR). Instead, the claimant must submit a general ledger or any other detailed documentation linking specific income payments subjected to withholding directly to the amounts reported in its ITR. After a careful and elaborate review, We found that petitioner's (a) Schedules of Creditable Income Tax Withheld (Exhibit "P-1144"); (b) Schedule of Creditable Income Tax Withheld and Corresponding Certificate of Creditable Tax Withheld at Source (BIR Form 2307) (Exhibit "P-1144-A"); and (c) General Ledger of Creditable Withholding Taxes (Exhibit "P-1146"), taken singly or cumulatively, do not prove that the income payments from which the CWTs subject of the present refund are declared in petitioner's fiscal year (FY) 2018 ITR.

The dispositive portion of the assailed Decision reads:

...

ACCORDINGLY, the instant Petition for Review filed by petitioner Sony Philippines, Incorporated on 30 August 2024 is **DENIED** for lack of merit. Thus, the assailed Decision dated 30 August 2023 and assailed Resolution dated 17 July 2024, of the Special Third Division in CTA Case No. 10302, entitled *Sony Philippines, Incorporated v. Commissioner of Internal Revenue*, are hereby **AFFIRMED**.

...

We resolve.

Before We delve into its merits, We shall first determine whether the MR was filed within the prescribed reglementary period.

Section 1, Rule 15 of the Revised Rules of Court of Tax Appeals⁴ (RRCTA) provides that an aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court by filing an



⁴ A.M. No. 05-11-07-CTA.

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MR or new trial within fifteen (15) days from the date he or she received the notice of the decision, resolution, or order of the Court in question.

In the instant case, petitioner received the assailed Decision on 14 January 2026.⁵ Counting 15 days therefrom, petitioner had until 29 January 2026 to file a motion for reconsideration. Thus, the instant MR filed on 29 January 2026 was filed on time.

Nevertheless, after an examination of the pleadings, We are constrained to deny petitioner's MR for lack of merit.

First, petitioner recycled its argument that its General Ledger of Creditable Withholding Taxes (Exhibit "P-1146") showed the reference Official Receipts (**OR**) numbers of the sales from which the CWTs were withheld. Following the double-entry accounting system, it must mean that every debit in the CWT asset account had a corresponding credit in the revenue account, which pertains to the sales whose OR numbers were indicated in its General Ledger of Creditable Withholding Taxes (Exhibit "P-1146").

Respondent disagrees. In his or her Comment, respondent points out that there was no direct linkage between the CWT being claimed for refund and the income reflected in petitioner's annual ITR.

We maintain Our ruling.

Without a schedule showing the composition of the revenues declared in petitioner's FY 2018 ITR, the Court *En Banc* is unable to determine whether the revenue corresponding to a specific CWT matches with the revenues declared in the FY 2018 ITR.

Second, petitioner invites a different approach to looking at its (1) Schedules of Creditable Income Tax Withheld (Exhibit "P-1144"); (2) Schedule of Creditable Income Tax Withheld and Corresponding Certificate of Creditable Tax Withheld at Source (BIR Form 2307) (Exhibit "P-1144-A"); and (3) General Ledger of Creditable Withholding Taxes (Exhibit "P-1146"). 

⁵ See petitioner's Manifestation with Compliance filed on 19 January 2026, *rollo*, pp. 105-136 (with annex).

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According to petitioner, its 2018 quarterly and annual ITR shows that the total net sales amounting to ₱5,306,126,946.00, from which the CWTs amounting to ₱53,060,855.00 were withheld, were declared as part of its net sales as declared in its 2018 Annual Financial Statements (AFS). Petitioner stressed that its gross sales indicated for both income tax and financial reporting were audited by its external auditor. Petitioner adds that its 2018 AFS should be a reliable source for identifying that all its taxable sales were recognized in its AFS, and ultimately in its FY 2018 ITR.

Respondent differs and claims that petitioner's Exhibits "P-1144", "P-1144-A", and "P-1146" do not provide the itemized/summary list of sales to which respondent can use as cross-reference in order to verify its claims. Respondent adds that the CWT system serves as a trail of transaction wherein the Bureau of Internal Revenue (BIR) can cross-reference the taxes remitted by the payor with the income declared by the payees, making it difficult for business to underreport their revenues. Thus, the claimant must prove that their CWTs are attributable to their gross income primarily to validate the legitimacy of the tax credit and to ensure the proper matching of income and expenses in their tax filings.

We see no urgent reason to deviate from our previous ruling.

Given how tax refunds are construed *strictissimi juris* against the claimant, it behooves Us to be adequately convinced of petitioner's compliance with all the requirements before granting a claim for tax refund. In performing this duty, We cannot rely on wholesale numbers declared in petitioner's FY 2018 AFS and ITR. Petitioner should take guidance in Our pronouncement that without a schedule showing the composition of the revenues declared in its FY 2018 ITR, We are unable to determine whether the revenue corresponding to a specific CWT matches with revenues declared in its FY 2018 ITR.

Lastly, petitioner reiterates that it was able to prove by preponderance of evidence its compliance with the third requisite. According to petitioner, ICPA Calica was able to examine the summary of unutilized creditable withholding tax withheld, the BIR Forms 2307



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issued by the payors, and petitioner's income upon which the taxes were withheld.

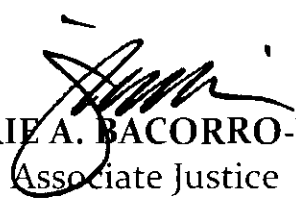
We disagree.

Section 3, Rule 13 of the RRCTA provides that the findings and conclusions of the independent CPA "shall not be conclusive upon the Court, which may, in whole or in part, adopt such findings and conclusions subject to verification." Here, We cannot rely on the ICPA's conclusion that petitioner complied with the third requirement precisely because there was no supporting documentation that will allow verification. The Court *En Banc*'s denial of petitioner's claim all boils down to a fatal deficiency – there was no schedule showing the composition of the revenues declared in petitioner's FY 2018 ITR to which We can connect the revenue corresponding to the specific CWTs subject of the tax refund.

Having failed to present an argument that warrants consideration, petitioner's MR must necessarily fail.

WHEREFORE, in view of the foregoing, petitioner Sony Philippines, Incorporated's "Motion for Reconsideration" filed on 29 January 2026, is **DENIED** for lack of merit.

SO ORDERED.


JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:


MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

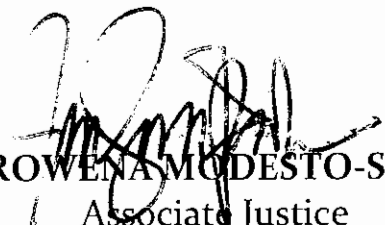
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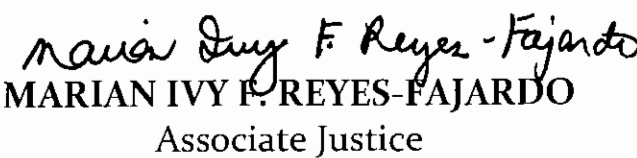
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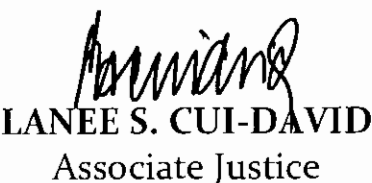
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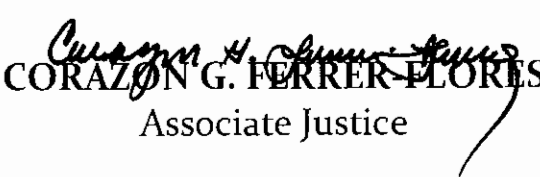
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice



MARIAN IVY F. REYES-FAJARDO
Associate Justice



LANEE S. CUI-DAVID
Associate Justice



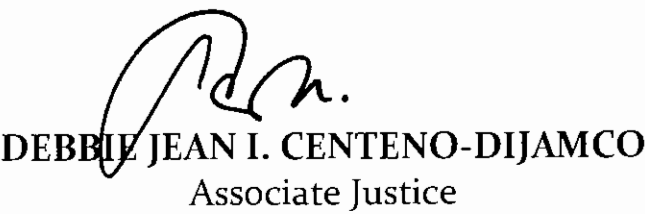
CORAZON G. FERRER-FLORES
Associate Justice



HENRY S. ANGELES
Associate Justice



PAOLO S. TESTON
Associate Justice



DEBBIE JEAN I. CENTENO-DIJAMCO
Associate Justice