REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

- versus -

EDUARDO T. SARRONDO,
Malipampang, San Ildefonso,
Bulacan,
(At Large),
Accused.

CTA CRIM. CASE NO. O-1036
For: Violation of Section 255 of the National Internal Revenue Code of 1997 as amended

Members:

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

Promulgated:

MAY 25 2023
3:14 p.m.

x - x

RESOLUTION

Records show that, on April 13, 2023, the prosecution filed the Information dated October 19, 2022 against herein accused Eduardo T. Sarrondo for violation of Section 255 of the National Internal Revenue Code (NIRC) of 1997, as amended, committed as follows:

> "That sometime in 2007, in Caloocan City, Metro Manila, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, did then and there willfully, unlawfully and feloniously fail and refuse to pay the following tax deficiencies, *to wit*:

Kind of Tax	Taxable Year	Date of Assessment	Basic tax	Surcharge/ Interest	Compromise Penalty	Total Amount Due
IT	2007	12/20/2010	P33,412.52	P18,373.54		P51,786.06
PT	2007	12/20/2010	1,434.71	852.50		2,287.21
EWT	2007	12/20/2010	2,551.50	2,168.78		4,720.28
CP	2007	12/20/2010			P30,000.00	P30,000.00
TOTAL			P37,398.73	P21,394.82	P30,000.00	P88,793.55

> for the taxable year 2007, and still fail and refuse to do so up to the present, despite the finality and incontestability of the Assessment Notices/Formal Letter of Demand all dated 20 December 2010 issued by the Commissioner of Internal Revenue, through the Regional Director, to the damage and prejudice of the government.
>
> Contrary to law."

Pursuant to Section 4, Rule 9 of the 2005 Revised Rules of the Court of Tax Appeals, as amended,[1] the Court shall determine the existence or non-existence of probable cause.

In support of the Information, the prosecution submitted the following documents for examination:

1. Original copy the Resolution dated April 4, 2016 issued by the Department of Justice (DOJ);

2. Original copy of the undated Investigation Data Form;

3. Original copy of the referral letter dated January 15, 2016 of Regional Director Jose N. Tan of the Revenue Region No. 5, Caloocan City; and,

4. Original copy of the undated Complaint-Affidavit of Atty. Lei Adrian V. Gapoy, with the attached annexes which are all photocopies.

The Court, however, takes into consideration the ruling of the Supreme Court in the case of *Bureau of Customs vs. Devanadera.*[2] As held in that case, it is the duty of the courts to consider the question of jurisdiction before they look into other matters involved in the case, even though such question is not raised by any of the parties. Courts are bound to take notice of the limits of their authority and, even if such question is neither raised by the pleadings nor suggested by counsel, they may recognize the want of jurisdiction and act accordingly by staying pleadings, dismissing the action, or otherwise noticing defect, at any stage of the proceedings.[3]

Jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter. Jurisdiction over the subject matter of a case is conferred by law.[4]

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1 SEC. 4. *Warrant of arrest.* – Within ten days from the filing of the information, the Division of the Court to which the case was raffled shall evaluate the resolution of the public prosecutor and its supporting evidence. The Division may immediately dismiss the case if it finds that the evidence on record clearly fails to establish probable cause. If the Division finds probable cause, it shall issue a warrant of arrest signed by the Chairperson of the Division. In case of doubt on the existence of probable cause, the Division may order the prosecutor to present additional evidence, *ex parte*, within five days from notice.

2 G.R. No. 193253, September 8, 2015.

3 *Ibid.*

4 *City of Iloilo vs. Philippine Ports Authority*, G.R. No. 233861, January 12, 2021.

The jurisdiction of the Court of Tax Appeals over criminal cases is provided under Section 7(b)(1) of Republic Act (RA) No. 1125,[5] as amended by RA No. 9282,[6] *viz*:

> "SEC. 7. *Jurisdiction.* — The CTA shall exercise:
>
> xxx xxx xxx
>
> (b) Jurisdiction over cases involving criminal offenses as herein provided:
>
> (1) **Exclusive original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code** or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue and the Bureau of Customs: *Provided, however*, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is **less than One million pesos (₱1,000,000.00)** or where there is no specified amount claimed **shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate**. Any provision of law or the Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized." (*Emphases supplied.*)

This Court has exclusive original jurisdiction involving criminal offenses arising from violation of the NIRC of 1997, as amended, or Tariff and Customs Code (TCC) and other laws administered by the Bureau of Internal Revenue and Bureau of Customs, provided that the principal amount of taxes and fees, exclusive of charges and penalties, claimed is at least One Million Pesos (₱1,000,000.00). On the other hand, where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than ₱1,000,000.00 or where there is no specified amount claimed, the case shall be tried by the regular courts and the jurisdiction of this Court shall be appellate.

Case law has it that, in order to determine the jurisdiction of the court in criminal cases, the complaint or Information must be examined for the

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[5] AN ACT CREATING THE COURT OF TAX APPEALS.

[6] AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS.

purpose of ascertaining whether or not the facts set out therein and the prescribed period provided for by law are within the jurisdiction of the court, and where the said Information or complaint is filed. It is settled that the jurisdiction of the court in criminal cases is determined by the allegations of the complaint or Information and not by the findings based on the evidence of the court after trial. Jurisdiction is conferred only by the Constitution or by the law in force at the time of the filing of the Information or complaint. Once jurisdiction is vested in the court, it is retained up to the end of the litigation.[7]

Consequently, this Court should only look into the alleged facts in the Information in order to determine whether the case falls within its jurisdiction. The Information must state that the exact principal amount of taxes and fees, exclusive of charges and penalties, claimed is at least ₱1,000,000.00.

As may be gleaned from the above-stated Information, the principal amount of taxes, exclusive of charges and penalties, claimed is only **₱37,398.73**, which is less than ₱1,000,000.00. It is, therefore, apparent that this Court has no jurisdiction to take cognizance of the instant case.

WHEREFORE, premises considered, CTA Criminal Case No. O-1036 is **DISMISSED** for lack of jurisdiction.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

(On official business)
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

[7] *Mobilia Products, Inc. vs. Umezawa,* G.R. Nos. 149357 and 149403, March 4, 2005.