REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

****

YILAN HOLDINGS CO. INC., Petitioner,	**CTA Case No. 9665**
	Members:
- versus -	**UY,** *Chairperson,* **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	***Promulgated:*** NOV 07 2019 2:20 p.m.

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DECISION

UY, J.:

Before this Court is a *Petition for Review* filed by Yilan Holdings Co. Inc., petitioner, against the Commissioner of Internal Revenue, respondent, on August 25, 2017, seeking the refund of its input value-added tax (VAT) covering the period from January 1, 2015 to March 31, 2015 allegedly attributable to its zero-rated sales in the total amount of ₱9,642,857.14.

THE FACTS

Petitioner Yilan Holdings Co. Inc. is a corporation duly organized and existing under the laws of the Republic of the Philippines, registered with the Securities and Exchange Commission (SEC) with Company Reg. No. CS201503624. Its principal office is located at Unit 1807 Cityland Condominium 10 Tower 1, H.V. Dela Costa Street, Salcedo Village, Bel-Air, City of Makati.[1] It is registered with the Bureau of Internal Revenue (BIR) under Taxpayer Identification No. (TIN) 008-967-576-00000.[2]

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[1] Exhibits "P-1" and "P-1-a", Docket – Vol. 2, pp. 509, and 511 to 520, respectively.
[2] Exhibit "P-2, Docket – Vol. 2., p. 521.

On the other hand, respondent Commissioner of Internal Revenue is vested with authority to exercise the functions of said office, including *inter alia*, the power to refund any internal revenue tax erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, or of VAT input taxes attributable to zero-rated revenue, and holding office at the BIR National Office Building, Diliman, Quezon City, Metro Manila.[3]

On March 17, 2015, petitioner entered into a *Contract to Sell*,[4] wherein J.Y. & Sons Realty Co. Inc. agreed to sell to petitioner two (2) parcels of land, covered by Transfer Certificate of Title (TCT) Nos. T-768086[5] and 057-2014015108[6], both located at Barangay Langkaan, First Cavite Industrial Estate (FCIE), Dasmariñas, Cavite, with a total area of 17,963, more or less, in the amount of ₱90,000,000.00 inclusive of VAT. This transaction was covered by Sales Invoice No. 1005 dated March 27, 2015,[7] and Official Receipts Nos. 20596 and 21596 dated March 27, 2015 and May 10, 2016,[8] respectively, all issued by J.Y. & Sons Realty Co. Inc.

Subsequently, petitioner and J.Y. & Sons Realty Co. Inc. executed the *Deed of Absolute Sale* dated May 26, 2016,[9] covering the said parcels of land. Eventually, petitioner was issued TCT Nos. 057-2016070642[10] and 057-2016070643[11], covering the same property.

Sometime in March 2015, petitioner entered into a *Contract of Lease*[12] with Chuanshun Electric (Phils.), Inc., allegedly an Ecozone Export Enterprise at the FCIE – Special Economic Zone under Certificate of Registration No. 10-87 issued by the Philippine Economic Zone Authority.[13] The said *Contract* covers the two (2) parcels of land, which petitioner purchased from J.Y. & Sons Realty Co. Inc., with a lease term of twenty five (25) years commencing from March 1, 2015 up to February 28, 2040, and at a monthly rental fee of

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[3] Par. 1, Stipulation of Fact, *Joint Stipulation of Fact and Simplification of Issue* (JSFSI), Docket – Vol. 1, p. 329.
[4] Exhibits "P-3", Docket – Vol. 2, pp. 522 to 526.
[5] Exhibit "P-5", Docket – Vol. 2, pp. 535 to 538.
[6] Exhibit "P-6", Docket – Vol. 2, pp. 542 to 544.
[7] Exhibit "P-4", Docket – Vol. 2, p. 532.
[8] Exhibit "P-4-b", Docket – Vol. 2, pp. 534.
[9] Exhibit "P-3-a", Docket – Vol. 2, pp. 527 to 529.
[10] Exhibit "P-5-a", Docket – Vol. 2, pp. 539 to 541.
[11] Exhibit "P-6-a", Docket – Vol. 2, pp. 545 to 547.
[12] Exhibit "P-7", Docket – Vol. 2, pp. 548 to 555.
[13] Exhibits "P-8" and "P-9", Docket – Vol. 1, pp. 400 to 401.

₱22.00 per square meter or a total of ₱395,186.00, subject to escalation of five percent (5%) on the 6th year and every five (5) years thereafter, payable on or before the 1st five days of the month without need of demand.

In May 2016, the said *Contract of Lease* was amended,[14] revising the monthly rental fee to ₱44.00 per square meter or a total of ₱790,372.00, but maintaining the same escalation clause and period for the payment thereof without need of demand. The said new rate shall take effect on June 1, 2016.

Petitioner filed its Quarterly VAT Return for the period January 1, 2015 to March 31, 2015 on June 22, 2016.[15]

On March 31, 2017, petitioner filed with the BIR – Revenue District Office (RDO) No. 50, South Makati, an *Application for Tax Credits/Refunds* (BIR Form No. 1914),[16] representing VAT in the amount of ₱9,642,857.14 for the period January 1, 2015 to March 31, 2015, the legal basis therefor is *"Sec. 4.112-1 Revenue Regulations 16-2005"*.

Due to the supposed inaction of respondent on its administrative claim,[17] petitioner filed the instant *Petition for Review* before this Court on August 25, 2017.

Respondent filed his *Answer* on October 19, 2017,[18] interposing certain special and affirmative defenses, summarized as follows:

> (1) petitioner's alleged claim for issuance of tax credit certificate is still subject to administrative routinary investigation/examination by the respondent;
>
> (2) taxes paid and collected are presumed to have been made in accordance with law, hence, not refundable;
>
> (3) petitioner's claim is not substantiated by proper documents, such as sales invoices, official receipts and others, pursuant to Revenue Regulations (RR) No. 7-95, in relation to Sections 113 and 237 of the 1997 Tax Code;

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[14] Exhibit "P-7-a", Docket – Vol. 2, pp. 556 to 558.
[15] Exhibit "P-10", Docket – Vol. 2, pp. 561 to 564.
[16] Exhibit "P-12", Docket – Vol. 1, p. 423.
[17] Refer to Par. 9, *Petition for Review*, Docket – Vol. 1, p. 13.
[18] Docket – Vol. 1, pp. 51 to 58.

> (4) in an action for refund, the burden of proof is on the petitioner to establish its right to the claimed refund, and failure to adduce sufficient proof is fatal to the claim for tax refund/credit;
>
> (5) it is incumbent upon the petitioner to show that it has complied with the provisions under Section 204(c) in relation to Section 229 of the Tax Code, otherwise, its failure to prove the same is fatal to its claim for refund; and
>
> (6) claims for refund are construed strictly against petitioner, since the same partakes the nature of exemption from taxation and as such, they are looked upon with disfavor.

As agreed upon by both parties' counsels during the Pre-Trial Conference held on March 13, 2018[19], they filed a *Joint Stipulation of Fact and Simplification of Issue* on March 21, 2018.[20] Subsequently, a Pre-Trial Order was issued on May 4, 2018.[21] However, upon petitioner's motion,[22] the said Pre-Trial Order was amended by the Court, and thereafter Pre-Trial was terminated.[23]

During trial, petitioner presented three (3) witnesses, namely: Donnalyn Mata,[24] Iralin Tan,[25] and Vanessa Manlapaz.[26] Subsequently, petitioner filed its *Formal Offer of Evidence*[27] on August 29, 2018, offering Exhibits "P-1" to "P-18", inclusive of sub-markings, which were all admitted by the Court in the Resolution dated October 23, 2018.[28]

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[19] *Notice of Pre-Trial Conference* dated November 6, 2017, Docket – Vol. 1, pp. 55 to 56. Minutes of the hearing held on, and Order dated, March 13, 2018, Docket – Vol. 1, pp. 322, and 327 to 328, respectively.
[20] Docket – Vol. 1, pp. 329 to 331.
[21] Docket – Vol. 1, pp. 333 to 339.
[22] *Motion to Correct and/or Amend Pre-Trial Order*, Docket – Vol. 1, pp. 340 to 344.
[23] Resolution dated July 19, 2018, Docket – Vol. 1, pp. 359 to 360; and Amended Pre-Trial Order dated July 26, 2018, Docket – Vol. 1, pp. 364 to 370.
[24] Exhibit "P-16", Docket – Vol. 1, pp. 383 to 388; Minutes of the hearing held on, and Order dated, July 24, 2018, Docket – Vol. 1, pp. 361 to 362.
[25] Exhibit "P-17", Docket – Vol. 1, pp. 402 to 408; Minutes of the hearing held on, and Order dated, July 24, 2018, Docket – Vol. 1, pp. 361 to 362.
[26] Exhibit "P-18", Docket – Vols. 1 and 2, pp. 492 to 508.
[27] Docket – Vol. 1, pp. 373 to 382.
[28] Docket – Vol. 2, pp. 696 to 697.

On October 9, 2018, respondent filed a *Manifestation*,[29] stating, *inter alia*, that as of that date, the BIR revenue examiner who handled petitioner's application for refund has no final report, and that respondent will no longer be presenting any evidence.

At the hearing held on October 23, 2018,[30] the Court noted respondent's *Manifestation*, and granted the parties a period of thirty (30) days or until November 22, 2018, within which to file their respective memorandum. Petitioner's *Memorandum* was filed on November 21, 2018.[31] As for respondent, however, he failed to file his memorandum.[32] Thus, on December 13, 2018, the instant case was deemed submitted for decision.[33]

Hence, this Decision.

THE ISSUES

The sole issue stipulated by the parties for resolution of this Court is as follows:

> "Whether or not the Petitioner is entitled to claim refund or for the issuance of tax credit certificate in the amount of Nine Million Six Hundred Forty Two Thousand Eight Hundred Fifty Seven and 14/100 Philippine currency (₱9,642,857.14), representing unutilized input VAT, covering the period from January 01, 2015 to March 31, 2015."[34]

Petitioner's arguments:

Petitioner contends that it is entitled to a tax credit/refund of unutilized input VAT in the total amount of ₱9,642,857.14, covering the period from January 01, 2015 to March 31, 2015.

According to petitioner, its claim for refund was timely filed; that

[29] Docket – Vol. 2, pp. 692 to 693.
[30] Minutes of the hearing held on, and Order dated, October 23, 2018, Docket – Vol. 2, pp. 698 to 699.
[31] Docket – Vol. 2, pp. 700 to 722.
[32] Records Verification Report dated November 29, 2019 issued by the Court's Judicial Records Division, Docket – Vol. 2, p. 723.
[33] Resolution dated December 13, 2018, Docket – Vol. 2, p. 725.
[34] Issue, JSFSI, Docket – Vol. 1, p. 330.

its sale of services was zero-rated or effectively zero-rated sales; and that it incurred input VAT that were attributable to its sales of services, and the excess were unutilized, and the input taxes were not applied against any output VAT liability.

Moreover, petitioner avers that based on its documentary and testimonial evidence, it is entitled, as a matter of right, for tax credit/refund covering the said period.

Finally, petitioner points out that respondent did not present any evidence to oppose its claim for tax credit/refund.

Respondent's counter-arguments:

In his *Answer*, respondent asserts that petitioner's alleged claim for issuance of tax credit certificate is still subject to administrative routinary investigation/examination by the respondent.

Allegedly, taxes paid and collected are presumed to have been made in accordance with law, hence, not refundable.

According to respondent, petitioner's claim is not substantiated by proper documents, such as sales invoices, official receipts and others, pursuant to RR No. 7-95, in relation to Sections 113 and 237 of the 1997 Tax Code.

In an action for refund, the burden of proof is on the petitioner to establish its right to the claimed refund, and failure to adduce sufficient proof is fatal to the claim for tax refund/credit. Allegedly, it is incumbent upon the petitioner to show that it has complied with the provisions under Section 204(c) in relation to Section 229 of the Tax Code, otherwise, its failure to prove the same is fatal to its claim for refund. Claims for refund are construed strictly against petitioner, since the same partakes the nature of exemption from taxation and as such, they are looked upon with disfavor.

THE COURT'S RULING

Section 112 of the National Internal Revenue Code (NIRC) of

1997, as amended by Republic Act (RA) No. 9337,[35] pertinently 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, to the extent that such input tax has not been applied against output tax: *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 of 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: xxx.
>
> 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 a 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

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[35] AN ACT AMENDING SECTIONS 27, 28, 34, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 119, 121, 148, 151, 236, 237 AND 288 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

(30) days from the 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."

Based on the foregoing provisions and as enunciated in jurisprudential pronouncements, certain requisites must be complied with by the taxpayer-applicant to successfully obtain a credit/refund of input VAT. Said requisites are classified into certain categories, to wit:

Timeliness of the filing of the administrative and judicial claims:

1. the claim is filed with the BIR within two years after the close of the taxable quarter when the sales were made;[36]

2. that in case of full or partial denial of the refund claim, or the failure on the part of the Commissioner to act on the said claim within a period of 120 days, the judicial claim has been filed with this Court, within 30 days from receipt of the decision or after the expiration of the said 120-day period;[37]

Taxpayer's registration with the BIR:

3. the taxpayer is VAT registered;[38]

Taxpayer's output VAT:

4. the taxpayer is engaged in zero-rated or effectively zero-rated sales;[39]

5. for zero-rated sales under Section 106(A)(2)(1) and (2); 106(B); and 108(B)(1) and (2), the acceptable foreign currency exchange proceeds have been duly

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[36] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 166732, April 27, 2007; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, G.R. No. 180345, November 25, 2009; and *AT&T Communications Services Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 182364, August 3, 2010.

[37] *Steag State Power, Inc. (Formerly State Power Development Corporation) vs. Commissioner of Internal Revenue*, G.R. No. 205282, January 14, 2019; *Rohm Apollo Semiconductor Philippines vs. Commissioner of Internal Revenue*, G.R. No. 168950, January 14, 2015.

[38] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra; and *AT&T Communications Services Philippines, Inc.*, supra.

[39] *Id.*

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accounted for in accordance with BSP rules and regulations;[40]

<u>*Taxpayer's input VAT being refunded*</u>:

6. the input taxes are due or paid;[41]

7. the input taxes are not transitional input taxes;[42]

8. the input taxes claimed are attributable to zero-rated or effectively zero-rated sales. However, where there are both zero-rated or effectively zero-rated sales and taxable or exempt sales, and the input taxes cannot be directly and entirely attributable to any of these sales, the input taxes shall be proportionately allocated on the basis of sales volume;[43] and

9. the input taxes have not been applied against output taxes during and in the succeeding quarters.[44]

In resolving the merit of petitioner's refund claim, We find it necessary to first determine whether or not petitioner has zero-rated or effectively zero-rated sales for the period of the claim as mentioned under the fourth requisite pertaining to "<u>*Taxpayer's input VAT being refunded*</u>", in relation with the first requisite pertaining to "<u>*Timeliness of the filing of the administrative and judicial claims*</u>".

This must be so because it is only when the sales of a VAT-registered person are **zero-rated or effectively zero-rated** that it may have the option of applying for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales.[45]

In other words, proving the existence of zero-rated or effectively zero-rated sales is of paramount importance in the instant case, not only because it is one of the conditions for a valid input VAT refund

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[40] *Id.*
[41] *Id.*
[42] *Id.*
[43] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; and *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra.
[44] *Intel Technology Philippines, Inc. vs. Commissioner of Internal Revenue*, supra; *San Roque Power Corporation vs. Commissioner of Internal Revenue*, supra; and *AT&T Communications Services Philippines, Inc.*, supra.
[45] *Coca-Cola Bottlers Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 222428, February 19, 2018.

claim, but also because it is determinative as to when the two-year period for filing the administrative claim should commence.

In this case, in arguing that its sale of service (*i.e.*, lease of its property) to Chuanshun Electric (Phils.), Inc. is subject to zero percent (0%) VAT, petitioner invokes Section 3(2)(b) of Revenue Memorandum Circular (RMC) No. 74-99[46], to wit:

> "SECTION 3. *Tax Treatment Of Sales Made By A VAT Registered Supplier From The Customs Territory, To A PEZA Registered Enterprise.* —
>
> xxx xxx xxx
>
> 3. In the final analysis, **any sale of goods, property or services made by a VAT registered supplier from the Customs Territory to any registered enterprise operating in the ecozone, regardless of the class or type of the latter's PEZA registration, is actually qualified and thus legally entitled to the zero percent (0%) VAT.** Accordingly, all sales of goods or property to such enterprise made by a VAT registered supplier from the Customs Territory shall be treated subject to 0% VAT, pursuant to Sec. 106(A)(2)(a)(5), NIRC, in relation to the provision of R.A. 7916 and the 'Cross Border Doctrine' of the VAT System.
>
> This Circular shall serve as a sufficient basis to entitle such supplier of goods, property or services to the benefit of the zero percent (0%) VAT for sales made to the aforementioned ECOZONE enterprises and shall serve as sufficient compliance to the requirement for prior approval of zero-rating imposed by Revenue Regulations No. 7-95 effective as of the date of the issuance of this Circular." *(Emphasis supplied)*

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[46] SUBJECT: Tax Treatment of Sales of Goods, Property and Services Made by a Supplier from the Customs Territory to a PEZA Registered Enterprise, and Sale Transactions Made by PEZA Registered Enterprises Within and Without the ECOZONE. MO

Based on the foregoing, any sale of goods, property, or services made by a VAT-registered supplier from the Customs Territory to any PEZA-registered enterprise is subject to zero-rated VAT. Undoubtedly, this is the prevailing rule regarding such transaction. In fact, such rule was jurisprudentially recognized in the case of *Commissioner of Internal Revenue vs. Seagate Technology (Philippines)*,[47] wherein the Supreme Court made the following pronouncements, *viz*:

> "...the contemporaneous construction of our tax laws by BIR authorities who are called upon to execute or administer such laws will have to be adopted. Their prior tax issuances have held inconsistent positions brought about by their probable failure to comprehend and fully appreciate the nature of the VAT as a tax consumption and the application of the *destination principle*. **Revenue Memorandum Circular No. (RMC) 74-99, however, now clearly and correctly provides that any VAT-registered supplier's sale of goods, property or services from the customs territory to any registered enterprise operating in the ecozone – regardless of the class or type of the latter's PEZA registration – is legally entitled to a zero rate.**" *(Emphasis supplied)*

On the basis thereof, considering that petitioner is a VAT-registered entity[48] and has leased its parcels of land to a PEZA-registered enterprise, Chuanshun Electric (Phils.), Inc.,[49] such sale of service may be treated as subject to the VAT at zero percent (0%).

Notably however, based on the evidence presented by petitioner, there is no showing that it issued VAT official receipt for the said transaction to prove the existence of its alleged zero-rated or effectively zero-rated sales for the 1st quarter of 2015.

The foregoing requisite is pursuant to the provisions of Section 113 of the NIRC of 1997, as amended by RA No. 9337, to wit:

> "SEC. 113. *Invoicing and Accounting Requirements for VAT-registered Persons.* —

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[47] G.R. No. 153866, February 11, 2005.
[48] Refer to Exhibit "P-2, Docket – Vol. 2., p. 521.
[49] Refer to Exhibits "P-8" and "P-9", Docket – Vol. 1, pp. 400 to 401.

> **(A)** ***Invoicing Requirements.*** **— A VAT-registered person shall issue:**
>
> (1) A VAT invoice for every sale, barter or exchange of goods or properties; and
>
> (2) **A <u>VAT official receipt</u> for every lease of goods or properties**, and for every sale, barter or exchange of services." *(Emphases and underscoring supplied)*

To implement the above-quoted Section 113, Section 4.113-1 of RR No. 16-2005 reads:

> "SEC. 4.113-1. ***Invoicing Requirements. —***
>
> **(A) A VAT-registered person shall issue: —**
>
> (1) A VAT invoice for every sale, barter or exchange of goods or properties; and
>
> (2) **A <u>VAT official receipt</u> for every lease of goods or properties**, and for every sale, barter or exchange of services.
>
> xxx xxx xxx
>
> VAT invoice/official receipt shall be prepared at least in duplicate, the original to be given to the buyer and the duplicate to be retained by the seller as part of his accounting records." *(Emphases and underscoring supplied)*

In light of the foregoing provisions, as an invoicing requirement under the VAT law, a VAT-registered person, such as petitioner, is mandated to issue a VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

Apropos, compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.[50] Thus, the taxpayer claiming the refund must comply with the invoicing and accounting requirements mandated by the NIRC, as well as by

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[50] *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015.

revenue regulations implementing them.[51] Such compliance is required to be able to file a claim for input taxes attributable to zero-rated sales.[52]

Without proper VAT official receipt(s) issued to its client, the payment(s) received by petitioner for providing services to PEZA-registered entities cannot qualify for VAT zero-rating. Hence, it cannot claim such sales are zero-rated VAT not subject to output tax.[53] In other words, petitioner cannot claim that it had zero-rated or effectively zero-rated sales for the 1st quarter of 2015.

Furthermore, it is also noted that the absence of zero-rated or effectively zero-rated sales for the said quarter is bolstered by petitioner's Quarterly VAT Return for the same period filed on June 22, 2016,[54] wherein petitioner did not report any amount of sales.

Consequently, not only did petitioner fail to show compliance with the *fourth* requisite in claiming an input VAT refund claim, it also failed to show compliance with the *first* requisite thereof, *i.e.*, that such claim was filed with the BIR or respondent within two (2) years after the close of the taxable quarter when the sales were made. Petitioner's administrative claim or *Application for Tax Credits/Refunds* (BIR Form No. 1914) filed on March 31, 2017[55] with the BIR or respondent cannot be said to have been filed within the said two-year period, because it failed to show that it had zero-rated or effectively zero-rated sales within the period of its claim.

To emphasize, the taxpayer has two (2) years after the close of the taxable quarter when the relevant sales were made within which to file an administrative claim before respondent for a refund of the creditable input tax or the issuance of a tax credit certificate, **regardless of when the input VAT was paid.**[56]

Considering petitioner's failure to substantiate its effectively

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[51] *Western Mindanao Power Corporation vs. Commissioner of Internal Revenue*, G.R. No. 181136, June 13, 2012.
[52] *J.R.A. Philippines, Inc. vs. Commissioner of Internal Revenue,* G.R. No. 171307, August 28, 2013.
[53] *Takenaka Corporation – Philippine Branch vs. Commissioner of Internal Revenue*, G.R. No. 193321, October 19, 2016.
[54] Exhibit "P-10", Docket – Vol. 2, p. 561.
[55] Exhibit "P-12", Docket – Vol. 1, p. 423.
[56] *The Commissioner of Internal Revenue vs. Visayas Geothermal Power Company, Inc.*, G.R. No. 181276, November 11, 2013.

zero-rated sales for the 1st quarter of 2015, the claimed input VAT cannot be refunded.[57] Hence, it becomes unnecessary to discuss petitioner's compliance with the remaining requisites.

In fine, petitioner failed to sufficiently prove its entitlement to its refund claim in the amount of ₱9,642,857.14, allegedly representing its unutilized input VAT attributable to its zero-rated sales for the period January 1, 2015 to March 31, 2015.

WHEREFORE, all the foregoing considered, the instant *Petition for Review* is **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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[57] Refer to *Kepco Philippines Corporation vs. Commissioner of Internal Revenue*, G.R. No. 179961, January 31, 2011.

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.

ERLINDA P. UY
Associate Justice
Chairperson, 3rd Division

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