REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

***EN BANC***

**COMMISSIONER OF INTERNAL REVENUE,**
Petitioner,

- versus -

**SHIP TO SHORE MEDICAL ASSIST, INC.,**
Respondent.

**CTA EB NO. 3029**
(CTA Case No. 10550)

Present:

**RINGPIS-LIBAN,** *P.J.*,
**BACORRO-VILLENA,**
**MODESTO-SAN PEDRO,**
**REYES-FAJARDO,**
**CUI-DAVID,**
**FERRER-FLORES,** *and*
**ANGELES** *JJ.*

Promulgated:
JUL 22 2026 1:41pm

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# RESOLUTION

***FERRER-FLORES, J.:***

For resolution is petitioner's **Motion for Reconsideration (Re: Decision dated February 26, 2026)** (*Motion*) filed through registered mail on March 23, 2026, and received by the Court on March 30, 2026,[1] with respondent's **Comment/Opposition [To the Motion for Reconsideration dated 23 March 2026]** filed on April 6, 2026.[2]

Petitioner seeks the reversal and setting aside of this Court's Decision dated February 26, 2026 (assailed Decision),[3] the dispositive portion of which reads:

> **ACCORDINGLY**, the instant **Petition for Review** dated November 20, 2024 is **DENIED** for lack of merit. The assailed Decision

[1] *Rollo*, pp. 142 to 174.
[2] *Id.* at 178 to 201.
[3] *Id.* at 117 to 139.

dated June 6, 2024 and the assailed Resolution dated October 30, 2024 of the Court in Division in CTA Case No. 10550 are **AFFIRMED**.

**SO ORDERED.**

In his *Motion*, petitioner claims that the Court *En Banc* erred in finding that the Court in Division has jurisdiction over the subject matter of respondent's original *Petition for Review*. Petitioner argues the assessment has already attained finality, and that there is no disputed assessment to speak of that would warrant the Court in Division to assume jurisdiction. Moreover, petitioner contends that the instant case does not fall under "other matters", since the Notices of Garnishment from the bank are neither decisions, rulings or inactions of the Commissioner of Internal Revenue (CIR), nor are they issuances of the Bureau of Internal Revenue (BIR). According to petitioner, the appealable "other matter" contemplated under the National Internal Revenue Code (NIRC) of 1997, as amended, is the Warrant of Garnishment itself, and not the subsequent communications issued by third-party banks.

Petitioner further contends that the Court *En Banc* erred in affirming the Court in Divion's ruling on the timeliness of respondent's appeal. According to petitioner, the period to appeal cannot be reckoned from mere letters issued by the banks informing respondent of the garnishment. Petitioner maintains that respondent failed to establish and prove receipt of the Warrant of Garnishment issued by the BIR, and that it is respondent who bears the burden to prove the timeliness of its appeal before this Court.

Finally, petitioner argues that respondent was accorded the right to due process. He emphasizes that respondent was duly informed of the facts and the law upon which the assessment was made, as the Final Assessment Notice (FAN) and Final Letter of Demand (FLD) were allegedly received by respondent, through SG Carillo, on January 17, 2020. Petitioner further maintains that respondent never filed a formal notice of change of address with the BIR, pursuant to Section 11 of Revenue Regulations No. 12-1985. Accordingly, the FAN/FLD were mailed to and received at respondent's only registered business address on record with the BIR.

Petitioner concludes that the assessment, having been issued within the three-year prescriptive period, became final when respondent failed to file a protest within 30 days from receipt of the FAN/FLD.

In its *Comment/Opposition*, respondent counters that the Court *En Banc* correctly ruled that the Court in Division has jurisdiction over the subject matter of the original *Petition for Review* as it falls under "other matters" arising from the NIRC of 1997, as amended.

Respondent maintains that the Court *En Banc* correctly ruled that the Court in Division did not err in finding that the original *Petition for Review* was timely filed. It emphasizes that the BIR failed to observe the proper procedures for garnishment under Section 208 of the NIRC of 1997, as amended, and that it did not receive the FAN/FLD; thus, the reckoning date within which to file the *Petition for Review* is counted from the day it received the Notice of Garnishment on May 10, 2021.

Respondent argues that it was not accorded the right to due process, as petitioner failed to establish that it actually received the FAN/FLD. According to respondent, petitioner failed to present evidence that "SG Carillo" was authorized to receive the FAN/FLD on its behalf. Respondent argues that the assessment is void in the first place, and as such, has not and will never have attained finality.

Finally, respondent argues that petitioner's right to assess respondent for deficiency taxes for taxable year 2016 has already prescribed. Respondent highlights that an assessment is deemed made or effective upon its valid service to the taxpayer, and not upon mere issuance. In the instant case, petitioner purportedly failed to prove that a valid FAN/FLD was served upon respondent within the three-year period prescribed under Section 203 of the NIRC of 1997, as amended.

After a careful consideration of the parties' respective arguments, the Court finds petitioner's *Motion* bereft of merit.

To reiterate, the appellate jurisdiction of this Court is not confined to cases involving decisions of the CIR on matters relating to assessments or refunds. Section 7 (a) (1) of R.A. No. 1125,[4] as amended by R.A. No. 9282,[5] expressly extends the Court's jurisdiction to "other matters" arising under the NIRC or related laws administered by the BIR. Included among these matters is the BIR's act of collecting internal revenue taxes, such as the issuance of a Warrant of Garnishment, pursuant to Section 208, in relation to Section 2, of the NIRC of 1997, as amended.

Here, the allegations in respondent's original *Petition for Review* filed before the Court in Division show that the judicial recourse was triggered by the BIR's enforcement of the Warrant of Garnishment, which respondent claims it discovered only upon receiving from its bank a scanned copy of the Notice of Garnishment dated February 15, 2021. Thus, while the Notice of

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[4] An Act Creating the Court of Tax Appeals, June 16, 1954.

[5] 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, and for Other Purposes, Approved: March 30, 2004.

Garnishment itself was issued by the bank, the act being assailed before this Court is, in essence, the BIR's implementation of its tax collection measure through the Warrant of Garnishment. Clearly, the controversy involves a matter arising from the BIR's exercise of its tax collection powers, which falls squarely within the Court's jurisdiction.

It is a fundamental rule that jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiff's cause of action.[6] What determines the jurisdiction of the court is the nature of the action pleaded as appearing from the allegations in the complaint. The averments therein and the character of the relief sought are the ones to be consulted.[7]

As to the reckoning date for determining the timeliness of the appeal, it must be emphasized that petitioner, apart from its bare allegation that respondent received the first Notice of Garnishment dated February 15, 2021 on the same date, failed to present any evidence to substantiate such claim. Respondent, on the other hand, sufficiently established that it did not receive the Notice of Garnishment dated February 15, 2021 and only became aware of the BIR's collection effort on May 10, 2021.

Even assuming, as petitioner argues, that the May 10, 2021 receipt was not adequately proven, the Court in Division correctly ruled that, at the earliest, respondent could have only received the second Notice of Garnishment on the date it was mailed, June 7, 2021. Respondent, thus, had 30 days from June 7, 2021, or until July 7, 2021, within which to file its judicial appeal. Since the *Petition* was filed on June 7, 2021, the same was timely filed.

Finally, as already discussed in the assailed Decision, petitioner failed to establish by preponderance of evidence that respondent actually received the FAN/FLD dated January 14, 2020. Records show that the assessment notices were sent via courier and received by one "SG Carillo". Petitioner, however, presented no evidence that SG Carillo was authorized to receive assessment notices on behalf of respondent. In fact, petitioner's own witness admitted during trial that the recipient was not an authorized representative of respondent.

Again, this defect in service cannot be cured by petitioner's claim that respondent failed to formally notify the BIR of its change of address. The rules presuppose that the FAN/FLD must first be validly served at the taxpayer's registered address. Thus, mere non-compliance with the

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[6] *Padlan v. Spouses Dinglasan*, G.R. No. 180321, March 20, 2013.
[7] *Ibid.*

administrative requirement of filing a written notice of change of address does not validate an otherwise void assessment. A defective service of the FAN/FLD constitutes a denial of due process, and no administrative lapse on the part of the taxpayer can breathe life into an invalid assessment.

Given petitioner's failure to prove that the assessment notices were duly received by respondent, no valid assessment exists that could serve as the lawful basis for collection under the Warrant of Garnishment. It bears emphasis that a tax collection effort that stems from an invalid assessment holds no legal weight. Without a proper assessment, there exists no enforceable tax liability, making any attempt to collect through summary remedies entirely void.[8]

In sum, there being no new issues or substantial arguments raised in the instant *Motion*, this Court finds no compelling reason to disturb or overturn the assailed Decision or rediscuss our ruling thereon.

**ACCORDINGLY**, petitioner's **Motion for Reconsideration (Re: Decision dated February 26, 2026)** is **DENIED** for lack of merit.

**SO ORDERED.**

**CORAZON G. FERRER-FLORES**
Associate Justice

WE CONCUR:

**MA. BELEN M. RINGPIS-LIBAN**
Presiding Justice

**JEAN MARIE A. BACORRO-VILLENA**
Associate Justice

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[8] *Commissioner of Internal Revenue vs. Stradcom Corporation*, G.R. No. 255520, April 21, 2025.

**MARIA ROWENA MODESTO-SAN PEDRO**
Associate Justice

(On Official Business)

**MARIAN IVY F. REYES-FAJARDO**
Associate Justice

**LANEE S. CUI-DAVID**
Associate Justice

ON LEAVE
**HENRY S. ANGELES**
Associate Justice