CTA Form No. 8 (For DCC)

22-000133-0048

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 10814

WIPRO PHILIPPINES, INC.,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. AYESHA HANIA B. GUILING-MATANOG
ATTY. LARA NICOLE T. GONZALES
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor-Santiago Avenue
Diliman, Quezon City

CABRERA & COMPANY
28th Floor, AIA Tower (formerly Philamlife Tower)
8767 Paseo de Roxas
1226 Makati City

GREETINGS:

You are hereby notified by these presents that on **November 13, 2024,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **November 14, 2024.**

Atty. Margarette Y. Guzman
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

WIPRO PHILIPPINES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10814

Members:

DEL ROSARIO, *P.J., Chairperson,*
BACORRO-VILLENA, *and*
CUI-DAVID, *JJ.*

Promulgated:
NOV 13 2024; 10:30 AM

x- -x

RESOLUTION

CUI-DAVID, J.:

This resolves respondent's *Motion for Reconsideration (Re: Decision dated 24 June 2024)*[1] filed on July 12, 2024, with petitioner's *Comment/Opposition [Re: Respondent's Motion for Reconsideration dated 11 July 2024]*[2] filed on August 12, 2024.

Respondent seeks reconsideration of the Court's *Decision*[3] promulgated on June 24, 2024 (the "*assailed Decision*"), the dispositive portion of which reads:

> **WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **GRANTED**. Accordingly, the subject deficiency Income Tax assessment in the total amount of ₱6,315,375.47, inclusive of interests, for the fiscal year ending March 31, 2016, is **CANCELLED and WITHDRAWN** and the FDDA dated February 4, 2022, issued by respondent against petitioner is **REVERSED** and **SET ASIDE**.

---

[1] Docket, pp. 1033–1056.
[2] *Id.* at 1063–1077.
[3] *Id.* at 1007–1030.

Respondent is **ENJOINED** from proceeding with the collection of the said deficiency Income Tax assessment.

SO ORDERED.

In support of the *Motion*, respondent raises the following grounds:

I. THE HONORABLE COURT ERRED IN CANCELLING AND WITHDRAWING THE FINAL DECISION ON DISPUTED ASSESSMENT.

II. WITH ALL DUE RESPECT, THE HONORABLE COURT ERRED WHEN IT STATED IN ITS DECISION THAT RESPONDENT VIOLATED PETITIONER'S RIGHT TO DUE PROCESS.

III. WITH ALL DUE RESPECT, THE HONORABLE COURT ERRED WHEN IT DECLARED IN ITS DECISION THAT PETITIONER IS NOT LIABLE FOR DEFICIENCY INCOME TAX IN THE TOTAL AMOUNT OF PHP6,315,375.47, INCLUSIVE OF INTERESTS, FOR THE FISCAL YEAR ENDING MARCH 31, 2016.

Respondent contends that in its Decision, the Court addressed the issue of due process, which neither party had raised. According to respondent, the Court should not rule on the validity of the taxes beyond what petitioner has initially raised. Respondent maintains that petitioner's right to due process was not violated.

Respondent further argues that petitioner is liable for deficiency Income Tax for the fiscal year ending March 31, 2016. Respondent asserts that while petitioner claims an Income Tax Holiday (ITH) exemption, it failed to present this exemption during the tax audit investigation. Had petitioner submitted its ITH exemption, respondent asserts it would have been considered in the Final Decision on Disputed Assessment (FDDA). Given the issuance of the FDDA, respondent argues that the Court's jurisdiction is strictly appellate in nature, *i.e.*, it should confine itself to whether the findings of respondent are consistent with the law.

In rejecting respondent's arguments, petitioner interposes that:

1. The Honorable Court has the authority to rule on issues expressly raised by either party, in the pleadings ,or otherwise, including those issues necessary to the proper and orderly disposition of a case;

2. Petitioner is not estopped to question the propriety of the issuance of the Preliminary Assessment Notice and Formal Letter of Demand/Final Assessment Notice by the Respondent;

3. The Honorable Court is a court of record, and thus, it is allowed to receive evidence, documentary or otherwise, not submitted with the Respondent during the administrative proceedings below; and,

4. Even assuming for the sake of argument that the enumerated pieces of documentary evidence above-mentioned is inadmissible, the Respondent violated the Petitioner's right to due process;

After a careful examination of the record and meticulous evaluation of the arguments proffered by respondent in his *Motion for Reconsideration*, the Court finds that, aside from the issue regarding the Court's authority to address matters not raised by the parties, all other arguments in the *motion* have already been thoroughly discussed and passed upon in the assailed Decision of June 24, 2024. Reiterating these points would only expend unnecessary time and resources.

Anent respondent's argument that the Court cannot rule on matters not raised by the parties, it suffices to say that while the validity of the assessment was not explicitly raised, this Court is not precluded from considering it given that a void assessment bears no fruit.[4] This principle is supported by the Supreme Court's ruling in *Commissioner of Internal Revenue v. Lancaster Philippines, Inc.*,[5] where the Court of Tax Appeals was affirmed as having the authority to address issues not specifically raised by the parties, stating:

---

[4] *Commissioner of Internal Revenue v. Fitness By Design, Inc.*, G.R. No. 215957, November 9, 2016, 808 SCRA 422 [Per J. Leonen, Second Division]; *Samar-I Electric Cooperative v. Commissioner of Internal Revenue*, G.R. No. 193100, December 10, 2014, 744 SCRA 459 [Per J. Villarama, Jr., Third Division]; *Commissioner of Internal Revenue v. BASF Coating + Inks Phils., Inc.*, G.R. No. 198677, November 26, 2014, 743 SCRA 113 [Per J. Peralta, Third Division]; *Commissioner of Internal Revenue Metro Star Superama, Inc.*, G.R. No. 185371, December 8, 2010, 637 SCRA 633 [Per J. Mendoza, Second Division]; *Commissioner of Internal Revenue v. Reyes*, G.R. Nos. 159694 & 163581, January 27, 2006, 516 Phil. 176, 189-190 [Per CJ. Panganiban, First Division].

[5] G.R. No. 183408, 12 July 2017 [Per J. Martires, Second Division].

On **whether the CTA can resolve an issue which was not raised by the parties**, **we rule in the affirmative**.

Under Section 1, Rule 14 of A.M. No. 05-11-07-CTA, or the Revised Rules of the Court of Tax Appeals, **the CTA is not bound by the issues specifically raised by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case**. The text of the provision reads:

> SECTION 1. Rendition of judgment. — x x x In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule, upon related issues necessary to achieve an orderly disposition of the case.

The above section is clearly worded. On the basis thereof, the CTA Division was, therefore, well within its authority to consider in its decision the question on the scope of authority of the revenue officers who were named in the LOA **even though the parties had not raised the same in their pleadings or memoranda.** The CTA En Banc was likewise correct in sustaining the CTA Division's view concerning such matter. (*Citations omitted, boldfacing supplied*)

WHEREFORE, premises considered, respondent's *Motion for Reconsideration (Re: Decision dated 24 June 2024)* is **DENIED** for lack of merit.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:

ROMAN G.DEL ROSARIO
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice