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:*** JUN 19 2020 4:02 p.m.

x - x

RESOLUTION

UY, *J.*:

For resolution is petitioner's ***MOTION FOR RECONSIDERATION (of the Decision dated November 7, 2019)***[1] filed on November 28, 2019, without the Commissioner of Internal Revenue's (CIR) comment despite notice as per Records Verification Report[2] dated January 22, 2020, seeking the reconsideration and setting aside of this Court's Decision dated November 7, 2019[3], the dispositive portion of which reads:

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

In its *Motion for Reconsideration*, petitioner alleges that it is entitled to tax credit or refund of input value-added tax (VAT) in the amount of ₱9,642,857.00. According to petitioner, the subject sale of service (i.e. lease of its property) to Chuanshun Electric (Phils), Inc.,

[1] Docket – Vol. 2, pp. 742 to 748.
[2] Docket – Vol. 2, p. 751.
[3] Docket – Vol. 2, pp. 727 to 741.

a PEZA registered enterprise, is evidenced by the Contract of Lease executed sometime in March 2015; that the related income is indicated in its 2nd quarter VAT return for taxable year 2015; and that the said lease transaction is tantamount to a sale of service treated as zero-rated pursuant to Revenue Memorandum Circular No. 74-99.

In addition, petitioner submits that its claim for refund was timely filed.

THE COURT'S RULING

The instant *Motion for Reconsideration* lacks merit.

After a careful examination and consideration of instant *Motion for Reconsideration*, it is noted that the arguments raised therein are mere reiteration of matters which have already been considered, weighed and resolved in the assailed Decision.

As found in the assailed Decision, petitioner failed to show compliance with the invoicing requirements under Section 113 of the National Internal Revenue Code of 1997, as implemented by Revenue Regulations No. 16-2005, which requires the issuance of VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

A perusal of the records of the case shows that no evidence was presented by petitioner to prove that it issued the VAT official receipt establishing the existence of the alleged zero-rated or effectively zero-rated sales for the 1st quarter of 2015.

In the case of *Western Mindanao Power Corporation vs. Commissioner of Internal Revenue*,[4] the Supreme Court ruled that "in a claim for tax refund or tax credit, the applicant must prove not only entitlement to the grant of the claim under substantive law. It must also show satisfaction of all the documentary and evidentiary requirements for an administrative claim for a refund or tax credit."

Clearly, petitioner's failure to comply with mandatory invoicing requirements is fatal to its claim for refund.

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[4] G.R. No. 181136, June 13, 2012, citing *Atlas Consolidated Mining and Development Corporation v. Commissioner of Internal Revenue*, G.R. No. 145526, 16 March 2007.

In sum, the Court finds no compelling reason to reverse or modify the assailed Decision.

WHEREFORE, in light of the foregoing considerations, petitioner's ***MOTION FOR RECONSIDERATION (of the Decision dated November 7, 2019)*** filed on November 28, 2019 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