REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Special Second Division

TARLAC I ELECTRIC COOPERATIVE INC. (TARELCO I)
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10633

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

Promulgated:
_______________ 4:13 pm

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RESOLUTION

MODESTO-SAN PEDRO, J.:

For the Court's resolution is respondent's *Motion for Reconsideration (Re: Decision dated 18 February 2026)*, filed on March 23, 2026, with petitioner's *Comment (on Respondent's Motion for Reconsideration dated March 20, 2026)*, filed on April 27, 2026.

Respondent's Motion assails this Court's Decision, dated February 18, 2026, where We granted the instant Petition primarily upon finding that (1) respondent violated petitioner's right to due process by failing to address the latter's arguments against the assessment; and (2) the Group Supervisor ("GS") who participated in the audit of petitioner's records was not duly authorized by a Letter of Authority ("LOA").

Respondent argues that (1) a clear and well-established law needs no further explanation or elaboration; (2) he is allowed to retain his assessment in the face of a taxpayer's protest; and (3) examining a completed report is not equivalent to involvement in an audit.

Against these, petitioner reiterated the findings and discussions in the assailed Decision.

The Motion lacks merit.

Anent argument (1), the same does not directly raise any counterpoint to Our findings. What it seems to imply, however, is that this Court should ignore or disregard the Supreme Court's applications of the law, as in *Commissioner of Internal Revenue v. Avon Products Manufacturing*,[1] which served as a major jurisprudential basis for Our ruling. It should go without saying that We cannot do this. We cannot ignore and contradict the declarations of the Supreme Court simply because doing so would be convenient for respondent. Vague invocations of aesthetic descriptions such as "clear" or "well-established" cannot change this. Respondent's first argument must thus be rejected.

As for argument (2), the same misses the point. We agree that respondent is not mandated to modify an assessment simply due to the existence of a protest against it. The point is that respondent is required to *explain why* the assessment was not modified, *why* the protest was denied. Being irrelevant to the actual issue, argument (2) fails to convince as well.

Finally, argument (3) holds no water either. Even if we treat reviewing a report as distinct from "actually" auditing a taxpayer, the former is still a form of participating in the assessment. Even if the GS did not *directly* audit the taxpayer's records, the GS still indirectly audited the taxpayer and participated in the assessment by reviewing the report. In any event, *Section 13 of the National Internal Revenue Code of 1997, as amended*, requires proper authority not just to "examine taxpayers" but also "to recommend the assessment of any deficiency tax due." By reviewing and approving the report, a GS necessarily recommends the assessment resulting from the audit. As the GS here lacked the proper authority to do this, the assessment is void.

In sum, the Motion raises no substantial challenged to Our ruling.

FOR THESE REASONS, respondent's *Motion for Reconsideration (Re: Decision dated 18 February 2026)*, filed on March 23, 2026, is hereby **DENIED** for lack of merit.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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1 G.R. Nos. 201398-99, October 3, 2018.

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

CORAZON G. FERRER-FLORES
Associate Justice