REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

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IRENE C. SALUD,
Petitioner,

- versus -

THE COMMISSIONER OF INTERNAL REVENUE,
Respondent.

C.T.A. CASE NO. 6954

Members:

ACOSTA, *Chairperson*
BAUTISTA, and
CASANOVA, *JJ.*

Promulgated:

APR 29 2008 ; 11:01 Am

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DECISION

BAUTISTA, *J.*:

This is a Petition for Review seeking the reversal and setting aside of respondent's Decision dated March 2, 2004 which denied petitioner's protest and affirmed the Final Assessment Notice Nos. BW-99-CGT-0002-01 for deficiency capital gains tax in the amount of P8,398,741.00 and BW-99-DST-0003-01 for deficiency documentary stamp tax in the amount of P61,688.24, both dated April 2, 2001, issued against petitioner.

On August 11, 1999, petitioner Irene C. Salud borrowed a sum of Seventeen Million Thirty-Six Thousand Four Hundred Thirty Pesos and Nineteen Centavos (P17,036,430.19) and executed a promissory note[1] and a Pledge Agreement in favor of a certain Dante T. Tan. The pertinent portions of the contract of Pledge[2] read:

> "WHEREAS, the Pledgor had entered and executed a Promissory Note dated 11 August 1999 with DANTE TAN, and to secure prompt and efficient

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[1] Exhibit "B".
[2] Exhibit "A".

> (payment) of (her) principal obligation as embodied in the said Promissory Note, the Pledgor had offered to the Pledgee by way of Pledge the four million five hundred thousand (4,500,000) shares of BW Resources Corporation.
>
> xxx xxx xxx
>
> NOW, THEREFORE, for and in consideration of the foregoing premises the Pledgor's above-mentioned shares of stocks which was endorsed in blank are hereby pledged unto the Pledgee as security for the payment of whatever obligation the Pledgor had with DANTE TAN(.) Any taxes arising from this pledge transaction shall be borne by the Pledgor.
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> WHEREAS, failure on the part of the Pledgor to pay the said Promissory Note, or the interest accruing with ___________ year, the Pledgee is hereby authorized to foreclose the pledge upon the aforesaid stock certificate by selling the same at public auction upon notice given to the pledgor pursuant to the provision of Article 2122 of the New Civil Code of the Philippines. Moreover, the 'pledgee may also bid, but his offer shall not be valid (if) he (is) the only bidder' pursuant to Art. 2113 of the Civil Code.
>
> WHEREAS, in the event of foreclosure of this pledge and the sale of the pledged certificates, any surplus remaining in the hands of the pledgee after the payment of said foreclosure sale, shall be paid by the Pledgee to the Pledgor.
>
> WHEREAS, upon payment of the said note and interest in full, the Pledgee will, on demand of the pledgor, redeliver to him the said shares of stocks."

On March 29, 2000, as an off-shoot of the alleged stock manipulation and insider trading scandal involving Best World Resources Corporation, Inc. (BW Resources) that hit the Philippine Stock Exchange in 1999, then Commissioner Dakila B. Fonacier issued a Letter of Authority No. 00008812 authorizing the Ad Hoc Committee for the BW Resources Tax Inquiry to examine the PCCI Securities Brokers Corporation's 1999 books of accounts and other accounting records.[3]

On October 16, 2000, the Ad Hoc Committee wrote a Memorandum for respondent recommending the immediate issuance of a notice containing the computations of the

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[3] BIR Records, p. 1.

deficiency capital gains and documentary stamp taxes, as well as the details of the discrepancies, to petitioner as seller of BW Shares.[4] The Ad Hoc Committee explained:

> "It was noted from the records of *PCCI* that on *August 11, 1999, Ms. Irene Salud* transferred 4,500,000 BW shares to Quality Investments for the account of *Lucio Co.* Said transfer was duly supported by Stock Debit Memo or Out Receipt and In Receipt of brokers. Since there was a change in beneficial ownership and was not done in the trading floor, the corresponding capital gains tax and documentary stamp tax was assessed against the subject petitioner, xxx:"

On February 12, 2001, Deputy Commissioner Lilian B. Hefti sent a "Notice to Taxpayer" informing petitioner of her deficiency capital gains and documentary stamp taxes for the "over-the-counter" sales transactions of BW shares in 1999, with the computation and details of discrepancies.[5]

On March 16, 2001, petitioner received her copy of the Preliminary Assessment Notice dated March 2, 2001, together with the computation and Details of Discrepancies.[6]

On April 2, 2001, petitioner filed her Position Paper questioning the findings on the deficiency assessment.[7]

On April 11, 2001, petitioner received her copies of Assessment Notice Nos. BW-99-CGT-0002-01 and BW-99-DST-0003-01, Formal Letter of Demand dated April 2, 2001, computation of the deficiency capital gains and documentary stamp taxes, and Details of Discrepancies.[8] The deficiency capital gains and documentary stamp taxes were computed as follows:

Assessment Notice No. BW-99-CGT-0002-01
(Deficiency Capital Gains Tax)

Sales	P128,250,000.00
Less: Cost	82,250,000.00
Net Taxable Gains	P46,000,000.00
Capital Gains Tax Due (Sec. 24C)	P4,595,000.00
Less: Capital Gains Tax Paid	0.00

[4] BIR Records, pp. 41-42.
[5] BIR Records, pp. 53-57.
[6] BIR Records, pp. 61-65; Par. 1, Joint Stipulation of Facts and Issues, Docket, p. 63.
[7] Par. 2, Joint Stipulation of Facts and Issues, Docket, p. 63; BIR Records, pp. 96-103.
[8] BIR Records, pp. 72-80.

Basic Deficiency Capital Gains Tax Due (Sec. 24C)	P4,595,000.00
Add: 50% surcharge (non-filing/non-payment) (Sec. 248B)	2,297,500.00
20% interest from 9-10-99 up to 4-15-00 (Sec. 249) (11.95%)	549,102.50
20% interest from 4-16-00 to 4-30-01 (20.83%)	957,138.50
Total Deficiency Capital Gains Tax Due	**P8,398,741.00**

Assessment Notice No. BW-99-DST-0003-01
(Deficiency Documentary Stamp Tax)

Total Volume of BW Shares Transferred Via EQ Trade of PCDI with Change in Beneficial Ownership	4,500,000.00
Par Value	1.00
Taxable Base	P4,500,000.00
DST Rate Applicable (Sec.176)	P1.50/P200.00
DST Due	P33,750.00
DST Paid	0.00
Basic Deficiency Documentary Stamp Tax	P33,750.00
Add: 50% surcharge (non-filing/non-payment) (Sec. 248B)	16,875.00
20% interest from 9-10-99 up to 4-15-00 (Sec. 249) (11.95%)	4,033.12
20 % interest from 4-16-00 to 4-30-01 (20.83%) (Sec. 249)	7,030.12
Total Deficiency Documentary Stamp Tax Due	**P61,688.24**

On March 9, 2004, petitioner received respondent's Decision finding her liable for deficiency capital gains and documentary stamp taxes in the amounts of P8,398,741.00 and P61,688.24.[9] Respondent disposed of petitioner's protest as follows:

> "In view thereof, this Office hereby resolves to DENY the protest of Ms. Irene Salud. The Final Assessment Notice Nos. BW-99-CGT-0002-01 for P8,398,741.00 and BW-99-DST-0003-01 for P61,688.24, both dated April 2, 2001, issued by this Bureau for deficiency capital gains tax and documentary stamp tax respectively, are hereby AFFIRMED in all respects. Consequently, Ms. Irene Salud is hereby ordered to pay the above-stated amount plus interest that may have accrued thereof within thirty (30) days from receipt hereof, otherwise the collection thereof will be effected through the summary remedies provided by law.
>
> This constitutes the final decision of this Office on the matter."

Hence, this Petition.

The parties stipulated the following issues[10] for this Court resolution:

> "1. Whether petitioner authorized the transfer of the BW shares to Lucio Co for which she is now being held liable for capital gains and documentary stamp taxes?

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[9] Par. 3, Joint Stipulation of Facts and Issues, Docket, p. 63; BIR Records, pp. 115-121.
[10] Joint Stipulation of Facts and Issues, Docket, pp. 63-64.

2. Assuming that petitioner authorized the transfer of the BW shares to Lucio Co, whether petitioner should be held liable for documentary stamp taxes given that no document of sale was ever executed by her?

3. Assuming that petitioner authorized the transfer of the BW shares to Lucio Co, whether respondent was able to present clear and convincing proof of fraud to merit the imposition upon her of a 50% surcharge on the deficiency capital gains and documentary stamp taxes?

4. Whether petitioner's right to due process was violated?

5. Whether the assessment for deficiency capital gains tax and documentary stamp tax imposed against petition(er) in connection with the sale/transfer of her shares of stocks in BW Resources Corporation through the over-the-counter transaction, is proper?"

The above-enumerated issues can be summarized into two main issues, namely:

1. Whether petitioner's right to due process was violated; and

2. Whether the assessment for deficiency capital gains tax and documentary stamp tax imposed against petitioner in connection with the sale/transfer of her shares of stocks in BW Resources Corporation through the over-the-counter transaction, is proper.

The Court will first resolve the issue of alleged violation of due process.

Petitioner's allegation that she was denied due process is without merit.

Assessment is a notice to the effect that the amount therein stated is due as a tax and a demand for the payment thereof.[11] It fixes and determines the tax liability of a taxpayer. As soon as it is served, an obligation arises on the part of the taxpayer concerned to pay the amount assessed and demanded.[12] Section 228 of the National Internal Revenue Code (NIRC) of 1997, as amended, laid the rules on assessment, to wit:

"SEC. 228. *Protesting of Assessment.* — When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: Provided, however, That a preassessment notice shall not be required in the following cases:

xxx xxx xxx

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[11] *Republic v. Lim De Yu*, G.R. No. L-17438, April 30, 1964.
[12] *Commissioner of Internal Revenue vs. Island Garment Manufacturing Corporation*, G.R. No. L-46644, September 11, 1987.

> The taxpayer shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.
>
> Within a period to be prescribed by implementing rules and regulations, the taxpayer shall be required to respond to said notice. If the taxpayer fails to respond, the Commissioner or his duly authorized representative shall issue an assessment based on his findings.
>
> Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations. Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; otherwise, the assessment shall become final.
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> If the protest is denied in whole or in part, or is not acted upon within One Hundred Eighty (180) days from submission of documents, the taxpayer adversely affected by the decision or inaction may appeal to the Court of Tax Appeals within thirty (30) days from receipt of the said decision, or from the lapse of the One Hundred Eighty (180)-day period; otherwise, the decision shall become final, executory and demandable."

The above-quoted section of the NIRC of 1997 does not fix the form or content of the assessment notice. Thus, respondent is not required to put details, such as "the existence of the Out Receipts and statements of account," in the Preliminary Assessment Notice and Final Assessment Notice.

The simple meaning of procedural due process is that a party to a case must be given sufficient opportunity to be heard. Its very essence is to allow all parties opportunity to present evidence. In administrative cases, the requirement of due process is the right to a hearing, including the right of the party interested or affected to present her or his own case and submit evidence to support her or his allegation.[13] In this case, petitioner was not denied due process. She received her copies of the Notice to Taxpayer, the Preliminary Assessment Notice, the Final Assessment Notice, and the assailed Decision; and she was

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[13] *Robusta Agro Marine Products, Inc. and Mario Santos, Jr. vs. Baltazar Gorombalem, et al.,* G.R. No. 80500, July 5, 1989; citing *Banco Español-Filipino vs. Palanca* (37 Phil. 921) and *Ang Tibay vs. The Court of Industrial Relations* (69 Phil. 635).

given opportunity to attend the preliminary conference, hear the Bureau's findings and express objections thereto.

The Court will now tackle the propriety of assessing petitioner for deficiency capital gains tax and documentary stamp tax in connection with the sale/transfer of her shares of stocks in BW Resources Corporation through the over-the-counter transaction.

Capital Gains Tax

In the present case, petitioner presented testimonial and documentary evidence to prove that she obtained a loan from Dante Tan and executed a promissory note and a contract of Pledge in favor of the latter. Petitioner, however, failed to prove that she is not liable to pay or she is exempt from paying capital gains tax.

In capital gains tax, the tax is imposed on the gain or profit from the sale of capital assets. In this case, the tax is imposed on the gain from the sale of shares of stock not traded in the Stock Exchange. Sec. 24(C) of the NIRC of 1997, as amended, states:

> "(C) *Capital Gains from Sale of Shares of Stock not Traded in the Stock Exchange*.- The provisions of Section 39(B) notwithstanding, a final tax at the rates prescribed below is hereby imposed upon the net capital gains realized during the taxable year from the **sale, barter, exchange or other disposition of shares of stock** in a domestic corporation, except shares sold, or disposed of through the stock exchange.
>
> Not over P100,000 .... 5%
> On any amount in excess of P100,000 .... 10%"
> (*Emphasis supplied*)

As the NIRC of 1997, as amended, does not define the term "other disposition," the same shall be construed in its plain and ordinary meaning.[14] The word "Disposition" means "to act or the power of disposing or disposing of or the state of being disposed or disposed of"[15]; and "dispose" means "to transfer into new hands or to the control of someone else."[16]

[14] *Commissioner of Internal Revenue vs. Bank of the Philippine Islands*, G.R. No. 147375, June 26, 2006.
[15] *Webster's Third New International Dictionary of the English Language, Unabridged*, 1976 ed.
[16] *Ibid.*

The records show that petitioner transferred her shares of stock to Dante T. Tan as a security for a loan. Thereafter, she wrote to PCCI Securities Brokers Corporation (PCCI Securities) authorizing the latter to transfer the 4,500,000 BW shares from her account to Quality Securities for the account of Dante T. Tan.[17] Her act of pledging her shares of stock as security, and subsequently authorizing the transfer of her shares to Dante T. Tan after receiving the loaned amount of P17,036,430.19 clearly falls under the phrase "disposition of shares" and petitioner became liable to pay the capital gains tax.

As correctly pointed out by respondent, the fact that the transferee was actually Lucio L. Co and not Dante T. Tan, does not belie the fact that petitioner transferred her shares without paying the capital gains tax to which the said transaction is liable. Records support this finding.

Petitioner, in a letter dated August 11, 1999[18], instructed her broker PCCI Securities to transfer 4,500,000 shares to Quality Securities for the account of Dante T. Tan. On the same date, PCCI Securities Account Ledger of Customer 12656[19] shows that 4,500,000 BW shares were transferred. PCCI Securities Account No. 12656 is the account number of petitioner as shown by Reference Card of petitioner with PCCI Securities[20]. On the same date, Quality Securities Stock Debit Memo No. 00967[21] was executed indicating that 4,500,000 BW shares were transferred from PCCI Securities Account No. 12656 and delivered to Quality Securities. On August 12, 1999, the Account Ledger of Lucio L. Co with Quality Securities[22] shows that 4,500,000 BW shares were transferred to the account of Lucio L. Co. Accordingly, Quality Securities issued In Receipt No. 46838 dated August 12, 1999[23] showing that 4,500,000 BW shares were received from PCCI Securities for the account of Lucio L. Co. The Letter of Instruction may show that the BW shares should be

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[17] BIR Records, p. 83.
[18] Exhibit "1".
[19] Exhibits "6" and "6-1".
[20] Exhibit "3".
[21] Exhibit "4".
[22] Exhibit "2".
[23] Exhibit "5".

transferred to the Account of Dante T. Tan with Quality Securities; however, upon verification from the receiving broker, it was discovered that the shares were actually transferred to the account of Lucio L. Co. In spite of this circumstance, petitioner is still liable for deficiency capital gains tax.

This Court finds no cogent reason to disturb the findings of respondent and Ad Hoc Committee, which is quoted hereunder for ready reference:

> "There is no question that the BW shares were actually transferred in view of the fact that this was clearly established by the examiners. Proper documentation was done for over-the-counter transactions by securing duly certified true copies of Out Receipt attached with Letter of Instruction, In Receipt of the contra broker and Ledger or Statement of Account. Out Receipt No. 967 was used to transfer the 4,500,000 BW shares from PCCI Securities Brokers account of Irene Salud to Quality Investments Securities for the account of Lucio Co with In Receipt No. 46838 and Customer Ledgers/Statement of Account of Ms. Irene Salud and Mr. Lucio Co. On August 11, 1999, Ms. Irene Salud authorized PCCI Securities Brokers Corporation to transfer her 4,500,000 BW shares to Quality Investment Securities for the account of Dante Tan. However, upon verification from the receiving broker, it was disclosed that the shares were not transferred or credited to the account of Mr. Dante Tan rather to the account of Mr. Lucio Co. Based on the aforementioned documents, it is crystal clear that there was a transfer of shares and there was a change in beneficial ownership. The resultant tax consequence of the said transfer is expressly provided under Section 24(C) of the Tax Code of 1997, xxx"

Basic is the rule that factual findings of administrative officials and agencies who have acquired expertise in the performance of their official duties and the exercise of their primary jurisdiction are generally accorded not only respect but at times, even finality if such findings are supported by substantial evidence as in this case.[24]

Documentary Stamp Tax

Section 173 of the NIRC of 1997, as amended, provides:

> "SEC. 173. *Stamp Taxes Upon Documents, Loan Agreements, Instruments and Papers.* – Upon documents, instruments, loan agreements and papers, and upon acceptances, assignments, sales and transfers of the obligation, right or property incident thereto, there shall be levied, collected

[24] *Eastern Overseas Employment Center, Inc. v. Bea,* G.R. No. 143023, November 29, 2005.

and paid for, and in respect of the transaction so had or accomplished, the corresponding documentary stamp taxes prescribed in the following Sections of this Title, by the person making, signing, issuing, accepting, or transferring the same wherever the document is made, signed, issued, accepted or transferred when the obligation or right arises from Philippine sources or the property is situated in the Philippines, and the same time such act is done or transaction had: *Provided*, That whenever one party to the taxable document enjoys exemption from the tax herein imposed, the other party thereto who is not exempt shall be the one directly liable for the tax."

In relation thereto, Sec. 176 of the same Code provides:

"SEC. 176. *Stamp Tax on Sales, Agreements to Sell, Memoranda of Sales, Deliveries or Transfer of Due-bills, Certificates of Obligation, or Shares of Certificates of Stock.* – On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of due-bills, certificates of obligation, or shares or certificates of stock in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such due-bills, certificates of obligation or stock, or to secure the future payment of money, or for the future transfer of any due-bill, certificate of obligation or stock, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50) on each Two hundred pesos (P200), or fractional part thereof, of the par value of such due-bill, certificate of obligation or stock: *Provided*, That only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock or obligation is issued, indorsed, or delivered in pursuance of such sale or transfer: and *Provided, further,* That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to twenty-five percent (25%) of the documentary stamp tax paid upon the original issue of said stock."

In ***Michel J. Lhuillier vs. Commissioner of Internal Revenue***[25], the Supreme Court has already settled the issue and ratiocinated:

"It is clear from the foregoing provisions that the subject of a DST is not limited to the document embodying the enumerated transactions. A DST is an excise tax on the exercise of a right or privilege to transfer obligations, rights or properties incident thereto. In *Philippine Home Assurance Corporation v. Court of Appeals*, it was held that:

In general, documentary stamp taxes are levied on the exercise by persons of certain privileges conferred by law for the creation, revision, or termination of specific legal relationships

[25] G.R. No. 166786, May 3, 2006.

through the execution of specific instruments. Examples of such privileges, the exercise of which, as effected through the issuance of particular documents, are subject to the payment of documentary stamp taxes are **leases of lands, mortgages, pledges and trusts, and conveyances of real property**. (Emphasis added)

Pledge is among the privileges, the exercise of which is subject to DST. A pledge may be defined as an accessory, real and unilateral contract by virtue of which the debtor or a third person delivers to the creditor or to a third person movable property as security for the performance of the principal obligation, upon the fulfillment of which the thing pledged, with all its accessions and accessories, shall be returned to the debtor or to the third person. xxx

xxx xxx xxx

The settled rule is that tax laws must be construed in favor of the taxpayer and strictly against the government; and that a tax cannot be imposed without clear and express words for that purpose. Taking our bearing from the foregoing doctrines, we scrutinized Section 195 of the NIRC, but there is no way that said provision may be interpreted in favor of petitioner. Section 195 **unqualifiedly subjects all pledges** to DST. It states that "[o]*n every x x x pledge x x x there shall be collected a documentary stamp tax x x x.*" It is clear, categorical, and needs no further interpretation or construction. The explicit tenor thereof requires hardly anything than a simple application.

xxx. In establishing tax exemptions, it should be borne in mind that taxation is the rule, exemption is the exception. Accordingly, statutes granting tax exemptions must be construed *in strictissimi juris* against the taxpayer and liberally in favor of the taxing authority. One who claims an exemption from tax payments rests the burden of justifying the exemption by words too plain to be mistaken and too categorical to be misinterpreted.

xxx It cannot be over-emphasized that tax exemption represents a loss of revenue to the government and must, therefore, not rest on vague inference. Exemption from taxation is never presumed. For tax exemption to be recognized, the grant must be clear and express; it cannot be made to rest on doubtful implications."

Clearly, there is no exemption from such payment of documentary stamp tax is specified.[26]

While petitioner alleges that she pledged her shares of stock to Dante T. Tan and not to Lucio L. Co, she is still liable to pay the documentary stamp tax due upon her execution

[26] *Compagnie Financiere Sucres Et Denrees vs. Commissioner of Internal Revenue,* G.R. No. 133834, August 28, 2006.

of the contract of Pledge. The absence of authority to transfer the pledged shares of stock by Dante T. Tan to Lucio L. Co is not a valid defense or circumstance to exempt her from paying the tax due.

To recapitulate, the Court finds that petitioner failed to build a strong case that will warrant the setting aside of the assessments issued against her. Her evidence is merely replete with denials. Even her pleadings failed to raise strong arguments against the assessments. The taxpayer has the duty of proving the assessment to be erroneous. In the absence of proof of any irregularities in the performance of official duties or error in the assessment, an assessment will not be disturbed.[27] Thus, the Court has no other recourse but to dismiss the Petition.

Surcharge

The Court, however, does not agree with respondent that a fifty percent (50%) surcharge should be imposed against petitioner. The surcharge of 50% is imposed by Sec. 248(B) only in two instances. First, in case of willful neglect to file the return within the period prescribed; and second, in case a false or fraudulent return is willfully made. It was not shown that petitioner willfully failed to file return, and pay the taxes due or committed fraud. Hence, petitioner is liable to pay a surcharge of only twenty-five percent (25%) pursuant to Sec. 248(A) of the NIRC of 1997, as amended.

WHEREFORE, for lack of merit, this instant Petition for Review is hereby **DISMISSED**. Accordingly, petitioner is ordered to pay her deficiency capital gains and documentary stamp taxes in the amount of P7,249,991.00 and P53,250.74, respectively; computed as follows:

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[27] *Cagayan Robina Sugar Milling Co. vs. Court of Appeals, et al.*, G.R. No. 122451, October 12, 2000.

Deficiency Capital Gains Tax

Sales	P128,250,000.00
Less: Cost	82,250,000.00
Net Taxable Gains	P46,000,000.00
Capital Gains Tax Due (Sec. 24C)	P4,595,000.00
Less: Capital Gains Tax Paid	0.00
Basic Deficiency Capital Gains Tax Due (Dec. 24C)	P4,595,000.00
Add: 25% surcharge (non-filing/non-payment) (Sec.248A)	1,148,750.00
20% interest from 9-10-99 up to 4-15-00 (Sec. 249) (11.95%)	549,102.50
20 % interest from 4-16-00 to 4-30-01 (20.83%)	957,138.50
Total Deficiency Capital Gains Tax Due	**P7,249,991.00**

Deficiency Documentary Stamp Tax

Total Volume of BW Shares Transferred Via EQ Trade of PCDI with Change in Beneficial Ownership	4,500,000.00
Par Value	1.00
Taxable Base	P4,500,000.00
DST Rate Applicable (Sec.176)	P1.50/P200.00
DST Due	P33,750.00
DST Paid	0.00
Basic Deficiency Documentary Stamp Tax	P33,750.00
Add: 25% surcharge (non-filing/non-payment) (Sec. 248A)	8,437.50
20% interest from 9-10-99 up to 4-15-00 (Sec. 249) (11.95%)	4,033.12
20% interest from 4-16-00 to 4-30-01 (20.83%) (Sec. 249)	7,030.12
Total Deficiency Documentary Stamp Tax Due	**P53,250.74**

In addition, petitioner is hereby **ORDERED TO PAY** delinquency interest of twenty percent (20%) per annum on the total amount of P7,303,241.74 from April 9, 2004 until fully paid, pursuant to Sections 248 and 249 of the NIRC of 1997, as amended.

SO ORDERED.

LOVELL R. BAUTISTA
Associate Justice

WE CONCUR:

ERNESTO D. ACOSTA
Presiding Justice

CAESAR A. CASANOVA
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, 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's Division.

ERNESTO D. ACOSTA
Presiding Justice
Chairperson, First Division