REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

CITY OF TAGUIG, ATTY. J. VOLTAIRE ENRIQUEZ in his capacity as OIC-City Treasurer - City of Taguig, and ATTY. FANELLA JOY PANGA CRUZ in her capacity as (former) OIC of the Business Permits and Licensing Office (BPLO) - City of Taguig,
Petitioners,

CTA AC No. 320

Members:

MANAHAN, *Chairperson,*
REYES-FAJARDO, and
ANGELES, *JJ.*

- versus -

COSMOS BOTTLING CORPORATION,
Respondent.

Promulgated:

SEP 10 2025
4:32 p.m.

x -x

DECISION

REYES-FAJARDO, *J*.:

THE CASE

The *Petition for Review* filed on May 3, 2024,[1] prays for the reversal of the Decision dated January 2, 2024[2] and Order dated March 8, 2024,[3] both rendered by the Regional Trial Court (RTC) of Taguig City - Branch 153 ("Court *a quo*"), in Civil Case No. 388, entitled "*Cosmos Bottling Corporation, Plaintiff, versus City of Taguig, Atty. J Voltaire Enriquez in his capacity as OIC-City Treasurer – City of*

1 Docket, pp. 29 to 45.
2 Docket, pp. 48 to 61; RTC Docket (Civil Case No. 388), pp. 561 to 574.
3 Docket, pp. 62 to 63; RTC Docket (Civil Case No. 388), pp. 594 to 595.

Taguig, and Atty. Fanella Joy Panga Cruz in her capacity as OIC of the Business Permits and Licensing Office (BPLO) - City of Taguig, Defendants." The dispositive portions of the assailed Decision and Order respectively read:

Decision dated January 2, 2024:

WHEREFORE, premises considered, the instant Complaint for Cancellation of Local Business Tax Assessment is **GRANTED**.

Accordingly, defendant City of Taguig is **ORDERED** to **CANCEL** the Billing Statement dated January 13, 2018 and **ISSUE new Billing Statement** assessing the plaintiff, **COSMOS BOTTLING CORPORATION,** reflecting the correct amount of regulatory fees only, deleting the imposition of local business tax, back taxes, interest and surcharges.

SO ORDERED.

Order dated March 8, 2024:

In light of the foregoing, and for reasons already discussed in the Decision dated 02 January 2024 and since the arguments of the defendants has likewise been fully addressed by this Court in the assailed Decision, defendants' Motion for Reconsideration, is hereby **DENIED**.

SO ORDERED.

THE PARTIES

Petitioner City of Taguig is a local government unit (LGU) created and organized by law.[4] Petitioner Atty. J. Voltaire L. Enriquez is the Officer-in Charge (OIC) - City Treasurer of Taguig City,[5] while petitioner Atty. Fanella Joy Panga Cruz is the former[6] OIC of the Business Licensing and Processing Office (BPLO) of Taguig City.[7]

---

4 Par. 3, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 3 and 88, respectively.

5 Par. 4, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 3 and 88, respectively.

6 Par. 4, *Petition for Review*, Docket, p. 30.

7 Par. 5, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 3 and 88, respectively.

Respondent Cosmos Bottling Corporation is a corporation duly organized and existing under the laws of the Republic of the Philippines, with official address at 27th Floor Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City.[8]

ANTECEDENTS (ADMINISTRATIVE LEVEL)

In January 2018, respondent applied for the renewal of its business permit for its principal office/administrative office in Taguig City. It submitted an application under oath declaring the following:[9]

Floor Area	24.245 sq. m.
Line of Business	Administrative Office
Gross Receipts/Sales (Past Previous)	No income
Gross Receipts/Sales (Previous)	No income
Gross Receipts/Sales (Current)	No income

On January 13, 2018, petitioner OIC-City Treasurer Atty. J. Voltaire L. Enriquez and former OIC of the BPLO Atty. Fanella Joy Panga Cruz issued the *Billing Statement*, assessing respondent of current local business tax (LBT) and regulatory fees as contractor for the 1st quarter of taxable year (TY) 2018 in the amount of ₱1,105,765.76, plus back taxes, fees, surcharge and interest,[10] for the 2nd to 4th quarters of TY 2017 in the total amount of ₱5,647,110.36, for a grand total of ₱6,752,876.12.[11] The same was prepared by a certain Ryan John Dionido Calvario.[12]

---

8 Par. 2, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 2 to 3 and 88, respectively; Exhibits "U" and "U-1", RTC Docket (Civil Case No. 388), pp. 327 to 339.

9 Par. 22, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 6 and 88, respectively; Exhibit "V", RTC Docket (Civil Case No. 388), p. 340.

10 Par. 23, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 6 and 88, respectively.

11 Exhibit "W", RTC Docket (Civil Case No. 388), pp. 341 to 342; Exhibit "1", RTC Docket (Civil Case No. 388), pp. 123 to 124.

12 *Id.*

On January 19, 2018, respondent submitted a letter to the Office of the City Treasurer tendering payment for regulatory fees, only in the total amount of ₱19,471.00, consistent with its contention that it is not liable to pay the current LBT, and back taxes and regulatory fees for the 2nd to 4th quarters of TY 2017.[13]

On February 23, 2018, respondent filed another letter requesting the Office of the City Treasurer to accept payment of the regulatory fee for TY 2018 and issue a business permit.[14]

On March 14, 2018, respondent seasonably filed with the Office of the City Treasurer a letter protesting the *Billing Statement* dated January 13, 2018.[15]

PROCEEDINGS BEFORE THE COURT *A QUO*

On June 13, 2018, respondent filed its *Complaint* with the Court *a quo*,[16] praying that the *Billing Statement* dated January 13, 2018 issued by petitioners imposing LBT and regulatory fees in the total amount of ₱6,752,876.12 be cancelled/withdrawn, and a revised Billing Statement be issued reflecting the correct amount of regulatory fees only. The case was raffled to Branch 153, and was docketed as Civil Case No. 388.

On August 15, 2018, petitioners posted their *Answer*,[17] interposing the following defenses: (1) the assessment and collection of tax by petitioners were proper; and (2) respondent has no cause of action.

---

13 Par. 26, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 7 and 88, respectively; Exhibit "Z", RTC Docket (Civil Case No. 388), pp. 355 to 356.

14 Exhibit "AA", RTC Docket (Civil Case No. 388), pp. 360 to 361.

15 Par. 28, *Complaint*, vis-à-vis par. 2, *Answer*, RTC Docket (Civil Case No. 388), pp. 7 and 88, respectively; Exhibit "BB", RTC Docket (Civil Case No. 388), pp. 362 to 369.

16 RTC Docket (Civil Case No. 388), pp. 2 to 23.

17 RTC Docket (Civil Case No. 388), pp. 88 to 93.

The case was then referred for mediation before the Philippine Mediation Center.[18] It was later returned to the Court *a quo* as petitioners did not appear during the mediation.[19]

Subsequently, the case was set for Judicial Dispute Resolution (JDR).[20] There being no settlement, the JDR was terminated.

On October 12, 2020,[21] the preliminary conference was held, then continued on March 8, 2021.[22]

On February 17, 2022, the pre-trial conference was held.[23]

Trial ensued.

On January 2, 2024, the Court *a quo* promulgated the assailed Decision,[24] granting the *Complaint* for Cancellation of Local Business Tax Assessment and ordering the cancellation of the *Billing Statement.*

In so ruling, the Court *a quo* found that respondent's principal office in Taguig City is a mere administrative office performing only administrative functions over its branches and sales outlet located all over the Philippines and outside the territorial jurisdiction of the City Government of Taguig, and that there are no sales and tolling income recorded in said office. Thus, petitioners are without authority to impose LBT upon respondent.[25]

On February 20, 2024, petitioners filed their *Motion for Reconsideration (Of the Decision dated 02 January 2024).*[26] On February

---

18 RTC Docket (Civil Case No. 388), pp. 94 to 95.

19 Mediator's Report dated December 10, 2018, RTC Docket (Civil Case No. 388), p. 96.

20 Order dated January 9, 2019, RTC Docket (Civil Case No. 388), p. 97.

21 Constancia dated October 12, 2020, RTC Docket (Civil Case No. 388), p. 144.

22 Constancia dated January 25, 2021, RTC Docket (Civil Case No. 388), p. 146; Refer to Minutes of the Preliminary Conference held on March 8, 2021, RTC Docket (Civil Case No. 388), p. 147.

23 Order dated December 2, 2021, RTC Docket (Civil Case No. 388), p. 422; Pre-Trial Order dated February 17, 2022, RTC Docket (Civil Case No. 388), pp. 440 to 446.

24 RTC Docket (Civil Case No. 388), pp. 561 to 574.

25 *Id.*

26 RTC Docket (Civil Case No. 388), pp. 575 to 581.

26, 2024, respondent filed its *Opposition (to the Defendant's Motion for Reconsideration dated February 8, 2024)*.[27]

On March 8, 2024, the Court *a quo* then promulgated the assailed Order[28] denying petitioners' *Motion for Reconsideration*.

PROCEEDINGS BEFORE THIS COURT

On May 3, 2024, petitioners filed the present *Petition for Review*,[29] to which respondent filed its *Comment and Opposition (to the Petition for Review dated May 3, 2024)* on August 12, 2024.[30]

On September 10, 2024, the case was submitted for decision.[31]

THE ISSUES

The issue to be resolved in this case is:

> DID THE COURT *A QUO* COMMITTED REVERSIBLE ERROR IN CANCELLING THE LOCAL BUSINESS TAX ASSESSMENT FOR THE YEAR 2018 CONTAINED IN THE BILLING STATEMENT DATED JANUARY 13, 2018?[32]

Petitioners' arguments:

Petitioners argue that respondent is not entitled to the cancellation of the LBT assessment because: 1) the pieces of evidence presented by respondent are grossly inadequate to prove that its gross sales and receipts were declared and recorded in the city or municipality outside the City of Taguig; and 2) the presumption of correctness of tax assessment, based on the lifeblood doctrine and

---

27 RTC Docket (Civil Case No. 388), pp. 584 to 591.
28 RTC Docket (Civil Case No. 388), pp. 594 to 595.
29 Docket, pp. 29 to 45.
30 Docket, pp. 104 to 114.
31 Minute Resolution dated September 10, 2024, Docket, p. 146.
32 Ground in Support of the Petition, *Petition for Review*, Docket, p. 35.

doctrine of presumption of regularity in the performance of official duty, applies to this case.[33]

Respondent's counter-arguments:

Respondent counters that: 1) the substantial evidence it provided, clearly showing that its income is duly recorded and declared with the respective LGUs where its branches and sales office operate, is far more compelling than the bare allegations made by petitioners; and 2) the presumption of correctness is not a blanket shield that the government can invoke at will to justify a tax assessment.

THE COURT'S RULING

The *Petition for Review* lacks merit.

We first settle the Court's jurisdiction.

The jurisdiction of the Court of Tax Appeals (CTA) as regards to local tax cases is provided under Section 7(a)(3) of Republic Act (RA) No. 1125, as amended by RA No. 9282,[34] *viz*:

> SEC. 7. Jurisdiction. — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> . . .
>
> (3) Decisions, **orders or resolutions of the Regional Trial Courts in local tax cases** originally decided or resolved by them in the exercise of their original or appellate jurisdiction;[35]

---

33 Docket, p. 41.

34 An Act Expanding the Jurisdiction of the Court of Tax Appeals, Elevating Its Rank to the Level of a Collegiate Court with Special Jurisdiction and Enlarging its Membership, Amending for the Purpose Certain Sections or Republic Act No. 1125, as amended, otherwise known as the Law Creating the Court of Tax Appeals, and for Other Purposes, March 30, 2004.

35 Emphasis supplied.

qAL

Section 3(a)(3) of Rule 4 of the Revised Rules of the CTA (RRCTA)[36] clarified that it is the CTA in Division that has exclusive appellate jurisdiction over decisions, resolutions, and orders of the RTC in local tax cases in the exercise of its original jurisdiction:

> SEC. 3. Cases within the jurisdiction of the **Court in Division.** — The Court in Division shall exercise:
>
> (a) Exclusive original over or appellate jurisdiction to review by appeal the following:
>
> . . .
>
> (3) Decisions, resolutions or **orders of the Regional Trial Courts in local tax cases** decided or resolved by them in the exercise of their original jurisdiction;[37]

Under Section 11 of RA No. 1125, as amended by RA No. 9282, a party aggrieved by a decision or ruling of the RTC may file an appeal with the CTA within thirty (30) days from its receipt of said decision or ruling:

> SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. — Any party adversely affected by a **decision, ruling** or inaction of the Commissioner of Internal Revenue, the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the **Regional Trial Courts may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling** or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein.[38]

Here, petitioners received the Court *a quo*'s Order denying their *Motion for Reconsideration*[39] on March 19, 2024.[40] Counting thirty (30) days from March 19, 2024, petitioners initially had until April 18, 2024 to appeal before the Court.

---

[36] A.M. No. 05-11-07-CTA, November 22, 2005.
[37] Emphasis supplied.
[38] Emphasis supplied.
[39] Assailing the Decision dated January 2, 2024.
[40] RTC Docket (Civil Case No. 388), pp. 616 to 617.

On April 18, 2024, however, petitioners filed a *Motion for Extension of Time to File Petition for Review*[41] which the Court granted,[42] thereby giving petitioners an additional period of fifteen (15) days from April 18, 2024, or until May 3, 2024, within which to file the *Petition for Review*. Thereafter, on May 3, 2024, petitioners filed the *Petition for Review*,[43] thus vesting the Court jurisdiction over the case.

We now proceed to the merits.

At the onset, it is noteworthy that both parties are unanimous that the *Billing Statement* dated January 13, 2018 constitutes an LBT assessment for the year 2018. This is bolstered by the fact that respondent filed its *Complaint*[44] seeking the cancellation of said LBT assessment before the Court *a quo* pursuant to Section 195 of the Local Government Code (LGC) of 1991.[45] Petitioners, on the other hand, framed their sole issue[46] before this Court in the same wise. Given both parties' judicial admission,[47] the Court considers said *Billing Statement* as an LBT assessment for the year 2018.

Proceeding from this premise, the Court finds said *Billing Statement* as violative of respondent's right to due process,[48] hence void.

Section 1, Article III of the 1987 Constitution provides that no person shall be deprived of life, liberty, or property without due process of law.

---

41 Docket, pp. 5 to 8.

42 Minute Resolution dated May 10, 2024, Docket, p. 90.

43 Docket, pp. 29 to 45.

44 RTC Docket (Civil Case No. 388), pp. 2 to 23.

45 Republic Act No. 7160, October 10, 1991.

46 Whether or not the Court a quo committed reversible error in cancelling the local business tax assessment for the year 2018 contained in the Billing Statement dated January 13, 2018, Ground in Support of the Petition, *Petition for Review*, Docket, p. 35.

47 Rule 129, Section 4, Rules of Court: An admission, verbal or written, made by a party in the course of the proceedings in the same case, does not require proof. The admission may be contradicted only by showing that it was made through palpable mistake or that no such admission was made.

48 Section 1, Article III of the 1987 Constitution: No person shall be deprived of life, liberty, or property without due process of law.

To implement this constitutional mandate of due process with respect to local tax cases, Section 195 of the LGC of 1991 provides the requisites of a valid local assessment and the taxpayer's remedy of protesting an assessment in local tax cases, to wit:

> SECTION. 195. *Protest of Assessment.* - When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a **notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties.** Within sixty (60) days from the receipt of the notice of assessment, the taxpayer may file a written protest with the local treasurer contesting the assessment; otherwise, the assessment shall become final and executory. The local treasurer shall decide the protest within sixty (60) days from the time of its filing. If the local treasurer finds the protest to be wholly or partly meritorious, he shall issue a notice cancelling wholly or partially the assessment. However, if the local treasurer finds the assessment to be wholly or partly correct, he shall deny the protest wholly or partly with notice to the taxpayer. The taxpayer shall have thirty (30) days from the receipt of the denial of the protest or from the lapse of the sixty (60)-day period prescribed herein within which to appeal with the court of competent jurisdiction otherwise the assessment becomes conclusive and unappealable.[49]

Yamane v. BA Lepanto Condominium Corporation ("Yamane"),[50] and more recently, *National Power Corporation v. The Province of Pampanga ("NPC")*,[51] both condensed the requirements with respect to the content of a local tax, fee, or charge assessment as follows: (1) **nature of the local tax, fee, or charge**; (2) **the amount of deficiency local tax, fee, or charge, including surcharges, interests, and penalties**; and (3) **the period covered by the local tax, fee, or charge assessment.**

Conversely, the lack of any one of these requirements would lead to violation of the taxpayer's right to due process because said local assessment would fail to sufficiently appraise the taxpayer of the legal and factual bases thereof.

---

49 Emphases and underscoring supplied.
50 G.R. No. 154993. October 25, 2005.
51 G.R. No. 230648. October 6, 2021.

Of the three (3) requirements enjoined by *Yamane* and *NPC*, petitioners failed to comply with the first requirement. To be precise, the total LBT and regulatory fees due from respondent in the amount of ₱6,752,876.12, is based on the two-page *Billing Statement* prepared by a certain Ryan John Dionido Calvario, as reproduced below:

Exh "2"
10/12/20

REPUBLIC OF THE PHILIPPINES
CITY OF TAGUIG
Business Permit and Licensing Office
BILLING STATEMENT

LCN:	Account Number:	Tracking Number:	Type of Application:	Tax Year	Billing Date
BT-11700330	019-11012128	[illegible]	Renewal	[illegible]	[illegible]

Trade Name:
COSMOS BOTTLING CORPORATION

Business Name:	Business Address:
COSMOS BOTTLING CORPORATION	[illegible] NET LIMA BLDG. 5th Ave. Cor. 26th, Fort Bonifacio, [illegible]

Tax Payer (Owner):	Owner's Address:
COSMOS BOTTLING CORPORATION	[illegible] NET LIMA BLDG 5TH AVE. COR. 26TH ST. [illegible] CITY OF TAGUIG

Mode of Payment	Area (Sq.M.):	Kind of Ownership:	Period Covered	Quarter Applied
Quarterly	[illegible]	Corporation	1st Qtr	First Quarter

PARTICULARS	BT	SURCHARGE	INTEREST	TOTAL
1st Qtr. Gross [illegible]	BT	Surcharge	Interest [illegible]	[illegible]
Contractor (Admin Office Only)	[illegible]	0.00	0.00	[illegible]
Environmental Impact Fee	[illegible]	0.00	0.00	[illegible]
Mayor's Permit Fee	[illegible]	0.00	0.00	[illegible]
Sanitary Inspection Fee	[illegible]	0.00	0.00	[illegible]
Medical/Health Fee	[illegible]	0.00	0.00	[illegible]
Building Inspection Fee	[illegible]	0.00	0.00	[illegible]
Electrical Inspection Fee	[illegible]	0.00	0.00	[illegible]
Plumbing Inspection Fee	[illegible]	0.00	0.00	[illegible]
Mechanical Inspection Fee	[illegible]	0.00	0.00	[illegible]
Fire Permit Fee	[illegible]	0.00	0.00	[illegible]
[illegible]	150.00	0.00	0.00	[illegible]
Form Fee	150.00	0.00	0.00	[illegible]
Signboard	140.00	0.00	0.00	[illegible]
Fire Code RA 9514	[illegible]	0.00	0.00	[illegible]
Cedula Corporation	10,500.00	0.00	0.00	[illegible]
SubTotal	[illegible]	0.00	0.00	[illegible]
2nd Qtr. Gross 912,514,760.39	BT	Surcharge	Interest 20%	[illegible]
SERVICES(Admin Office Only)	[illegible]	330,084.1[illegible]	330,084.1[illegible]	[illegible]
Environmental Impact Fee	625.00	156.25	156.25	[illegible]
3rd Qtr. Gross 912,514,760.39	BT	Surcharge	Interest 14%	[illegible]
SERVICES(Admin Office Only)	[illegible]	330,084.1[illegible]	231,058.88	[illegible]
Environmental Impact Fee	625.00	156.25	109.38	[illegible]
4th Qtr. Gross 912,514,760.39	BT	Surcharge	Interest 8%	[illegible]
SERVICES(Admin Office Only)	[illegible]	330,084.1[illegible]	132,033.65	[illegible]
Environmental Impact Fee	625.00	156.25	62.50	[illegible]
SubTotal	[illegible]	990,721.11	693,504.78	[illegible]
GRAND TOTAL	5,068,650.23	990,721.11	693,504.78	6,752,876.12

EXHIBIT "1"
DATE: 9-14-23
Transferred marking

Prepared By:
Rynn John Dionido Calvario

Assessment Review and Approved for Payment
Atty. J. Voltaire M. Enriquez
OIC-City Treasurer's Office

Approved By:
Atty. Fanella Joy Panga Cruz
OIC, BPLO

Ref. O.R. No. Date Amount Collector
Please proceed to cashier and present this TOP for Payment on or before
Failure to do so, shall subject the taxdue to 25% Surcharge 2% interest per month
This Statement is valid until 01/20/2013

A perusal of the *Billing Statement* clearly reveals that it does not state the local tax ordinance from which it was based. *Yamane* considered this deficiency as disconcerting and violative of the taxpayer's right to due process:

> Our careful examination of the record reveals a highly disconcerting fact. **At no point has the City Treasurer been candid enough to inform the Corporation, the RTC, the Court of Appeals, or this Court for that matter, as to what exactly is the precise statutory basis under the Makati Revenue Code for the levying of the business tax on petitioner.**
>
> . . .
>
> **Nowhere therein is there any citation made by the City Treasurer of any provision of the Revenue Code which would serve as the legal authority for the collection of business taxes** from condominiums in Makati.
>
> Ostensibly, the notice of assessment, which stands as the first instance the taxpayer is officially made aware of the pending tax liability, should be sufficiently informative to apprise the taxpayer the legal basis of the tax. **Section 195 of the Local Government Code** does not go as far as to expressly require that the notice of assessment specifically cite the provision of the ordinance involved but it does **require that it state the nature of the tax, fee or charge, the amount of deficiency, surcharges, interests and penalties.** In this case, the notice of assessment sent to the Corporation did state that the assessment was for business taxes, as well as the amount of the assessment. There may have been prima facie compliance with the requirement under Section 195. However in this case, the Revenue Code provides multiple provisions on business taxes, and at varying rates. Hence, we could appreciate the Corporation's confusion, as expressed in its protest, as to the exact legal basis for the tax. **Reference to the local tax ordinance is vital, for the power of local government units to impose local taxes is exercised**

> **through the appropriate ordinance enacted by the sanggunian, and not by the Local Government Code alone.** What determines tax liability is the tax ordinance, the Local Government Code being the enabling law for the local legislative body.[52]

In *NPC*,[53] the Supreme Court, citing *Commissioner of Internal Revenue v. Fitness by Design, Inc.*,[54] emphasized the significance of the taxing authority's duty to adequately inform the taxpayer of the factual and legal basis for the assessment and elucidated on the details that must be contained in a notice of assessment, to wit:

> In *Commissioner of Internal Revenue v. Fitness by Design, Inc.*, albeit involving national internal revenue taxes, the Court explained the importance of the notice requirement with due regard to the taxpayers' constitutional rights, to wit:
>
>> **The rationale behind the requirement that taxpayers should be informed of the facts and the law on which the assessments are based conforms with the constitutional mandate that no person shall be deprived of his or her property without due process of law.** Between the power of the State to tax and an individual's right to due process, the scale favors the right of the taxpayer to due process.
>>
>> **The purpose of the written notice requirement is to aid the taxpayer in making a reasonable protest, if necessary. Merely notifying the taxpayer of his or her tax liabilities without details or particulars is not enough.**
>>
>> *Commissioner of Internal Revenue v. United Salvage and Towage (Phils.), Inc.* held that **a final assessment notice that only contained a table of taxes with no other details was insufficient;**
>
> . . .[55]

Here, the lack of factual and legal bases on the *Billing Statement*, renders it simply as a naked table of figures, no more, no less. *Commissioner of Internal Revenue v. United Salvage and Towage (Phils.),*

---

52 Emphases and underscoring supplied.
53 G.R. No. 230648, October 6, 2021.
54 G.R. No. 215957, November 09, 2016.
55 Emphases supplied.

Inc. ("USTI"),[56] considered the tabulation of alleged deficiency taxes, *sans* an explanation from the taxing authority as to how the same was arrived at, as being violative of the taxpayer's right to due process:

> In the present case, a mere perusal of the FAN for the deficiency EWT for taxable year 1994 will show that **other than a tabulation of the alleged deficiency taxes due, no further detail regarding the assessment was provided by [the taxing authority].** Only the resulting interest, surcharge and penalty were anchored with legal basis. **[The taxing authority] should have at least attached a detailed notice of discrepancy or stated an explanation why the amount of P48,461.76 is collectible against [the taxpayer] and how the same was arrived at. Any short-cuts to the prescribed content of the assessment or the process thereof should not be countenanced . . .** [57]

Though *USTI* involves a national internal revenue tax case, the principle just cited equally applies to local tax cases because the taxpayer must be satisfactorily informed of the factual and legal bases of the tax assessment, whether national or local.

It bears emphasis that a notice of assessment in a local tax case is not only a requirement of due process, but also serves as the initial notice to the taxpayer about the pending tax liability. Tax assessments issued in violation of the taxpayer's due process rights are void and of no force and effect.[58]

Besides, during trial before the Court *a quo,* respondent's witness, Mr. Gil T. Lizaso, Jr., categorically stated that the City Treasurer of Taguig did not issue a Letter of Authority (LOA) for TY 2018.[59] This testimony was not controverted by petitioners. As a matter of fact, during cross-examination, petitioners' witness, Mr.

---

56 G.R. No. 197515. July 2, 2014.
57 Emphases supplied.
58 *Jose v. Tigerway Facilities and Resources, Inc.,* G.R. No. 247331, February 26, 2024.
59 Judicial Affidavit of Mr. Gil T. Lizaso, Jr. dated November 29, 2021, RTC Docket (Civil Case No. 388), p. 169.

Gabriel Cultura, Revenue Examiner of Taguig City Treasurer's Office, averred that he is not aware if an LOA was issued in this case.[60]

On these accounts, the *Billing Statement* is void *ab initio* for violating respondent's right to due process. Having reached this conclusion, the Court deems it unnecessary to discuss the other arguments raised by petitioners.

WHEREFORE, in light of the foregoing considerations, the *Petition for Review* is **DENIED**. Accordingly, the Decision dated January 2, 2024 and the Order dated March 8, 2024, both rendered by the RTC of Taguig City – Branch 153, in Civil Case No. 388, are **AFFIRMED**.

SO ORDERED.

Marian Ivy F. Reyes - Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

WE CONCUR:

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

HENRY S. ANGELES
Associate Justice

60 RTC Decision dated January 2, 2024, RTC Docket (Civil Case No. 388), p. 611. / Transcript of the stenographic notes dated September 14, 2023, pp. 19 to 23.

ATTESTATION

I attest 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.

CATHERINE T. MANAHAN
Associate Justice
Chairperson

CERTIFICATION

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

ROMAN G. DEL ROSARIO
Presiding Justice