REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 10439

PETRON CORPORATION,
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. CLARISSA J. VIRTUDES-BABARAN
Bureau of Internal Revenue
Room 703, Litigation Division, BIR National Office Building
Sen. Miriam P. Defensor Santiago Avenue
Diliman, Quezon City

DU-BALADAD & ASSOCIATES
20th Floor, Chatham House Building
Rufino corner Valero Street, Salcedo Village
Makati City

GREETINGS:

You are hereby notified by these presents that on **September 9, 2025,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **September 10, 2025.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court II

REPUBLIC OF THE PHILIPPINES
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PETRON CORPORATION,
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-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10439

Members:

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

Promulgated:

SEP 09 2025 1:05PM

x- -x

RESOLUTION

CUI-DAVID, J.:

For this Court's resolution are the following:

(1) Petitioner's ***Motion for Reconsideration (Re: Decision Promulgated on April 15, 2025),*** filed on May 7, 2025, with respondent's *Opposition (Re: Motion for Reconsideration of the Decision dated 15 April 2025),* filed on June 10, 2025; and

(2) Respondent's ***Motion for Partial Reconsideration (Re: Decision promulgated 15 April 2025),*** filed on May 7, 2025, with petitioner's *Comment/Opposition [To Respondent's Motion for Partial Reconsideration (Re: Decision dated 15 April 2025)],* filed on June 9, 2025.

Both parties seek reconsideration, reversal, or setting aside of the *Decision* dated April 15, 2025[1] (assailed *Decision*), wherein this Court partially granted petitioner's *Petition for Review*. The dispositive portion of the assailed *Decision* reads:

[1] Docket – Vol. III, pp. 1398–1450.

> **WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **PARTIALLY GRANTED**.
>
> Accordingly, respondent is **ORDERED TO REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner for the amount of **₱1,097,563,148.00**, representing excise taxes erroneously paid on its imported and locally-produced Jet A-1 fuel, subsequently sold and delivered to various international carriers from January 1, 2019 to December 31, 2019.
>
> **SO ORDERED.**

In its *Motion for Reconsideration*, petitioner argues that the Court erred in denying its claim for refund of erroneously paid excise taxes in the amount of ₱401,906,516.00, representing a portion of its total claim of ₱1,499,409,664.00. Petitioner submits that: (1) it was able to establish that the excise taxes due on the imported and locally produced Jet A-1 fuel were duly paid, and (2) the said fuel was sold and delivered to various air carriers of Philippine or foreign registry for use or consumption outside the Philippines and to tax-exempt entities.

In his *Opposition,* respondent prays for the denial of petitioner's *Motion for Reconsideration.* Citing the categorical findings of the Court and the Court-commissioned Independent Certified Public Accountant (ICPA), respondent asserts that claims for refund are strictly construed against the claimant, as they partake of the nature of exemption from taxation. As such, such claims cannot be allowed unless granted in the most explicit and categorical language.

Conversely, in his *Motion for Partial Reconsideration,* respondent reiterates his position that a claim for refund of excise taxes is only authorized under Section 130(D) of the National Internal Revenue Code (NIRC) of 1997, as amended. Further, respondent maintains that petitioner cannot anchor its claim for refund on Section 135 of the NIRC of 1997, as amended, since Section 135 can only be invoked by buyers who are exempt entities.

In its *Comment/Opposition*, petitioner contends that the arguments raised in respondent's *Motion for Partial Reconsideration* are mere rehashes of those previously raised in respondent's *Answer*[2] dated March 2, 2021, and which were thoroughly discussed and passed upon by this Court in the

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[2] Docket – Vol. I, pp. 152–160.

assailed *Decision.* Petitioner further emphasizes that the Supreme Court, in *Pilipinas Shell Petroleum Corporation v. Commissioner of Internal Revenue (2021 Pilipinas Shell),*[3] has already settled the issue by ruling that Section 135 of the NIRC of 1997, as amended, confers an impersonal tax exemption, meaning it applies to the tax liability itself, not just to a specific taxpayer. Hence, such a ruling refutes respondent's claim that only buyers may invoke the exemption under Section 135.

The Court resolves.

After a careful and judicious review of the parties' arguments, the Court finds that both petitioner's *Motion for Reconsideration* and respondent's *Motion for Partial Reconsideration* must fail.

Respondent's Motion for Partial Reconsideration

A perusal of respondent's *Motion for Partial Reconsideration* verily shows that the arguments interposed by respondent are mere rehash, almost word-for-word, of those previously raised not only in his *Answer*, as pointed out by petitioner, but also in his *Memorandum.*[4] These arguments were already thoroughly considered and found to be without merit in the assailed *Decision.* Thus, there is no need to revisit or readdress them in resolving the instant motion.

It is well-settled that if the issues raised in a motion for reconsideration are mere reiterations of those already passed upon and adjudged unmeritorious by the Court, these cannot be regarded as substantial and do not require further discussion. Any additional discourse would be unnecessary and repetitive.[5]

Accordingly, there being no new matters and issues advanced by respondent that would merit reconsideration, the Court finds his *Motion for Partial Reconsideration* to be without merit.

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3 G.R. No. 211303, June 15, 2021 [Per J. Perlas-Bernabe, *En Banc*].
4 Docket – Vol. III, pp. 1339–1347.
5 *Social Justice Society (SJS) Officers v. Lim*, G.R. Nos. 187836 & 187916 (Resolution), March 10, 2015 [Per J. Perez, *En Banc*] citing *Ortigas and Company Limited Partnership v. Judge Velasco, et al.*, G.R. No. 109645 & 112564 (Resolution), March 4, 1996 [Per J. Narvasa, Third Division].

Petitioner's Motion for Reconsideration

To recall, petitioner sought a refund of ₱1,499,409,664.00, representing excise taxes allegedly paid from January 1, 2019, to December 31, 2019, on imported and locally produced Jet A-1 fuel subsequently sold and delivered to various international carriers and tax-exempt entities. In the assailed Decision, the Court granted the refund only for **₱1,097,563,148.00**, and denied the remaining **₱401,906,516.00**, which petitioner seeks reconsideration in the present motion.

Petitioner contends that it was able to show that it paid the corresponding excise taxes on imported and locally produced Jet A-1 fuel covering the period January 1, 2019 to December 31, 2019. With respect to imported Jet A-1 fuel, petitioner reiterates its importation process and argues that the ICPA reviewed the supporting documents and verified that petitioner paid the excise taxes on these importations.

Likewise, for locally produced Jet A-1 fuel, petitioner argues that it has duly paid and filed the applicable excise taxes through its advance excise tax deposit scheme, and that the ICPA ascertained these advance excise tax deposits made by petitioner as sufficient to cover the total excise taxes due on the actual removals of locally produced fuel.

Furthermore, petitioner submits that the imported and locally produced Jet A-1 fuel were sold and delivered to various air carriers of Philippine or foreign registry for use or consumption outside the Philippines and to tax-exempt entities, as verified by the ICPA.

At the outset, it must be stressed that the findings and conclusions of the ICPA are only persuasive in nature but are not conclusive upon the Court.[6] As the ICPA's report is but a tool or guide to aid the Court in the resolution of the case, the Court is free to either adopt totally, partially, or entirely

[6] Section 3, Rule 13 of the Revised Rules of the Court of Tax Appeals provides:

SEC. 3. *Findings of independent CPA.* – The submission by the independent CPA of pre-marked documentary exhibits shall be subject to verification and comparison with the original documents, the availability of which shall be the primary responsibility of the party possessing such documents and, secondarily, by the independent CPA. The findings and conclusions of the independent CPA may be challenged by the parties and shall not be conclusive upon the Court, which may, in whole or in part, adopt such findings and conclusions subject to verification.

disregard the ICPA's findings depending on its own appreciation of the documents upon which the ICPA's report is based.[7]

From the foregoing discussion, petitioner cannot rely solely on the ICPA's findings to substantiate its claim. Aside from narrating its importation process and excise tax payment scheme for its imported and locally produced Jet A-1 fuel, petitioner relies on the fact that the ICPA was able to review the supporting documents and verify the entire claim. Such contention is misplaced. As exhaustively discussed and presented in the assailed *Decision*, both the ICPA and the Court identified exceptions that reduced the total substantiated excise taxes to ₱1,097,563,148.00.

Regarding the excise tax payments on both imported and locally produced Jet A-1 fuel under the present claim, the Court disallowed ₱384,895,860.00 as the excise tax payments could not be traced due to unresolved multiple entries identified during the ICPA's verification and the unavailability of original documents. These findings were duly supported by the ICPA's *Report*[8] and *Supplemental Report*.[9]

Moreover, the Court made additional disallowances amounting to ₱16,950,656.00 pertaining to: (1) imported and locally produced Jet A-1 fuel sold to customers without a valid Foreign Air Carrier's Permit (FACP), Certificate of Public Convenience and Necessity (CPCN), or Air Service Agreements; (2) Aviation Delivery Receipts (ADRs) with a local destination, no destination, or with unreadable details; (3) ADRs dated prior to the Authority to Release Imported Goods (ATRIG) dated March 13, 2019; and (4) sales made to tax-exempt entities not substantiated. Notably, petitioner failed to address these matters in the present motion, nor did it present compelling grounds to warrant their reversal.

All told, the Court finds no cogent reason to disturb the assailed *Decision*. The arguments raised by petitioner have already been thoroughly considered, resolved, and addressed in the assailed *Decision*. In the absence of any new or significant grounds in petitioner's plea for reconsideration, the Court maintains its conclusion in the assailed *Decision* that petitioner

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7 *BSM Crew Service Centre Philippines, Inc. v. Commissioner of Internal Revenue*, CTA EB Case No. 2788 (CTA Case No. 10135), March 25, 2025 citing *Tullett Prebon (Philippines), Inc. v. Commissioner of Internal Revenue*, G.R. No. 257219, July 15, 2024 [Per J. Dimaampao, Third Division].

8 Exhibit "P-37" and "P-73" (on separate binder).

9 Exhibit "P-73" (on separate binder).

sufficiently proved its entitlement to a refund of erroneously paid excise taxes, but only in the amount of ₱1,097,563,148.00.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration (Re: Decision Promulgated on April 15, 2025)* and respondent's *Motion for Partial Reconsideration (Re: Decision promulgated 15 April 2025)* are hereby **DENIED** for lack of merit.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice