REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

SECOND DIVISION

PUBLIC SAFETY MUTUAL BENEFIT FUND, INC., Represented by its President JOSE CHIQUITO M MALAYO,
Petitioner,

vs.

ROSETTE F. LAQUIAN CITY TREASURER, SAN JUAN CITY,
Respondent.

CTA AC NO. 293
(Civil Case No. 75552)

Present:

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

Promulgated:

APR 2 2 2025
9:30 a.m.

x - x

RESOLUTION

FERRER-FLORES, J.:

Before this Court is respondent's **Motion for Reconsideration (of the Decision promulgated on 23 September 2024)** *(MR)* filed on October 14, 2024, with petitioner's **Comment/Opposition (to the Motion for Reconsideration Dated 14 October 2024)** filed on October 31, 2024.

In the assailed Decision, the Court found that petitioner is not subject to local business tax for 1) not being engaged in business, and, 2) not being an insurance company or other financial institution under Section 131 of the Local Government Code (LGC), the dispositive portion of which states as follows:

> **WHEREFORE**, in light of the foregoing considerations, the present *Petition* is PARTIALLY GRANTED. The Decision dated March 6, 2023 and Resolution dated May 8, 2023 in Civil Case No. 75552 of the Regional Trial Court of Pasig City, Branch 160 (San Juan Station) are hereby **SET ASIDE**.

Accordingly, the Tax Orders of Payment dated January 20, 2021 and March 2, 2021 are **CANCELLED.** Petitioner Public Safety Mutual Benefit Fund, Inc. is entitled to a refund of local business tax paid for the year 2021 amounting to ₱14,583,151.24.

SO ORDERED.

In support of her *MR*, respondent forwards the following arguments:

First, petitioner is doing an insurance business or transacting an insurance business. Since petitioner derives income from insurance premiums, it is liable to pay business tax under Article J (Business Tax), Section 2J.02 of the City of San Juan Revenue Code of 2013. Moreover, considering that petitioner is engaged in insurance business akin to an insurance company, it is included in the term "banks and other financial institutions."

Second, petitioner being declared a non-profit entity does not equate to having no intention to earn profit. Given that a mutual benefit association is not established for purposes of earning profit distributable to any of its members or specific persons, it is considered as non-profit entity, but that does not mean that mutual benefit association does not do business. For respondent, "non-profit" and "doing business" are not mutually exclusive, as a non-profit organization can engage in business activities to further its mission. It is the non-distribution of the profits to members of the mutual benefit association or to other specific persons that makes a mutual benefit association non-profit, not its lack of intent to earn profit. Being a non-profit entity does not *per se* exempt petitioner from business tax.

Lastly, taxation is the rule and exemption is the exception. The one who claims an exemption must point out to a specific provision of the law which grants it.

Refuting the *MR*, petitioner echoes the discussion of the Court in the assailed Decision. The definition of insurance companies excepts mutual benefit associations which, although engaged in the same insurance business, are separate and distinct from the general clause because of difference in nature and purpose.

Moreover, petitioner avers that the definition of non-distribution of profits to its members or specific persons separates one from the other businesses habitually engaged in quest for profit. It submits that as long as the profits are actually, directly and exclusively used for the main purpose of the association, the same is still qualifiedly termed as non-profit entity.

Finally, contrary to respondent's argument, petitioner cites that there is no ambiguity as to the tax exemption of petitioner. The National Internal Revenue Code (NIRC) of 1997, as amended, the BIR Tax Exemption Certification, issued by the Bureau of Internal Revenue (BIR) and the Local Finance Circular 2-93 BLGF Letter-Opinion dated January 14, 2016 categorically exempt petitioner from the payment of local business tax.

We resolve.

The Court finds respondent's *MR* bereft of merit. At the outset, a cursory reading of respondent's arguments in her *MR* readily reveals that the same were already addressed and passed upon extensively by the Court in the assailed Decision.

The Court upholds its finding that petitioner is not subject to local business tax for operating as a mutual benefit association for not being engaged in business and is not an insurance company or other financial institution under Section 131 of the LGC.

A "business" connotes a trade or commercial activity regularly engaged in as a means of livelihood or with the view to profit. This definition is diametrically opposed to petitioner's purpose in its Articles of Incorporation, i.e. *not for profit, but for the protection and financial and material aid of its members who are personnel of public safety offices.* Rather, petitioner's operations clearly fall within the purview of a mutual benefit corporation under Section 403 of the Insurance Code of the Philippines (ICP), to wit:

> Section 403. Any society, association or corporation, without capital stock, **formed or organized not for profit but mainly for the purpose of paying sick benefits to members, or of furnishing financial support to members while out of employment, or of paying to relatives of deceased members of fixed or any sum of money, irrespective of whether such aim or purpose is carried out by means of fixed dues or assessments collected regularly from the members, or of providing, by the issuance of certificates of insurance, payment of its members of accident or life insurance benefits out of such fixed and regular dues or assessments**, but in no case shall include any society, association, or corporation with such mutual benefit features and which shall be carried out purely from voluntary contributions collected not regularly and/or no fixed amount from whomsoever may contribute, shall be known as a **mutual benefit association** within the intent of this Code. (Emphasis supplied)

Respondent also cannot extend the definition of "bank and other financial institutions" for the mere reason that petitioner engaged in activities akin to an insurance company. To reiterate, Section 190 of the ICP explicitly excepts mutual benefit associations from the term "insurance company."

At this juncture, the Supreme Court ruling in *Social Justice Society (SJS) Officers, et al. v. Lim*,[1] is instructive:

> The grounds relied on being mere reiterations of the issues already passed upon by the Court, there is no need to "cut and paste" pertinent portions of the Decision or re-write the ponencia in accordance with the outline of the instant motion.
>
> As succinctly put by then Chief Justice Andres R. Narvasa in *Ortigas and Co. Ltd. Partnership v. Judge Velasco* on the effect and disposition of a motion for reconsideration:
>
> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.

All told, there being no new matter or substantial issue raised by respondent in her *MR*, the Court finds no compelling reason to reverse or modify the assailed Decision.

WHEREFORE, premises considered, respondent's **Motion for Reconsideration (of the Decision promulgated on 23 September 2024)** is **DENIED** for lack of merit.

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[1] G.R. Nos. 187836 & 187916, March 10, 2015 (Resolution).

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice