REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

JETTI PETROLEUM, INC.,
Petitioner,

- versus -

MS. EMERLINDA S. TALENTO, in her capacity as Provincial Treasurer of the Province of Bataan, ENGR. RICARDO C. HERRERA, in his capacity as Provincial Assessor of the Province of Bataan, and ATTY. EFREN C. LIZARDO, in his capacity as Provincial Legal Officer of the Province of Bataan,
Respondents.

CTA AC NO. 211

Members:

CASTAÑEDA, JR., Chairperson, and **MINDARO-GRULLA, _JJ._**

Promulgated:

JUN 03 2019

1:30 p.m.

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RESOLUTION

CASTAÑEDA, JR., _J._:

For resolution of this Court is petitioner's **Motion for Reconsideration (Re: Resolution dated 18 February 2019)** filed on March 7, 2019, with respondent's **Comment/Opposition to Petitioner's Motion for Reconsideration** filed on April 8, 2019.

Meanwhile, petitioner's: (1) **Motion for Early Resolution (Re: Petitioner's Motion for Reconsideration dated 06 March 2019)** filed on April 24, 2019; (2) **Reply (Re: Respondent's Comment dated 05 April 2019) filed on May 9, 2019**; and (3)

Addendum Motion to Admit Reply (Re: Respondents' Comment dated 05 April 2019), are **GRANTED** and **NOTED**.

The core issue presented before this Court is whether petitioner's Real Property Tax (RPT) exemption under Section 9 of Republic Act (RA) No. 8479 is automatically binding upon respondent, without need of compliance with Section 206 of the Local Government Code (LGC). Should the same be automatically binding upon respondent, then petitioner would be correct in elevating its action before the regular court and to this court.

After considering the arguments raised by the parties, the Court finds petitioner's arguments devoid of merit.

Section 206 of the LGC is not inconsistent with Section 9 of RA No. 8479

The Court finds it proper to determine whether Section 9 of RA No. 8479 constitutes an implied repeal of Section 206 of the LGC. If the latter is deemed impliedly repealed by Section 9 of RA No. 8479, then petitioner might be correct in arguing that it need not present proof of exemption from RPT under the LGC.

Pertinent portions of Section 9 of RA No. 8479 provides:

> "**Section 9. *Incentives for New Investments.*** – To the extent applicable, persons with new investments as determined by the DOE and registered with the BOI in refining, storage, marketing and distribution of petroleum products, shall be extended the same incentives granted to BOI-registered enterprises engaged in a preferred area of investments pursuant to Executive Order No. 226, otherwise known as the 'Omnibus Investments Code of 1987'.
>
> xxx xxx xxx
>
> 7) Exemption from the real property tax on production equipment or machineries;
>
> xxx xxx xxx

> Any provision of the law to the contrary notwithstanding, the said incentives may be availed by persons with new investments for a period of five (5) years from registration with the BOI: *Provided, however,* That in the storage, marketing and distribution of petroleum products, only the investments of new industry participants shall be entitled to incentives provided in the said Code. xxx"

Consequently, Section 28 of the same law contains a general repealing clause, which provides:

> "**Section 28. *Repealing Clause.*** – All laws, Presidential decrees, executive orders, issuances, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or immediately modified accordingly."

On the other hand, Section 206 of the LGC provides:

> "SEC. 206. *Proof of Exemption of Real Property from Taxation.* - Every person by or for whom real property is declared, who shall claim tax exemption for such property under this Title shall file with the provincial, city or municipal assessor within thirty (30) days from the date of the declaration of real property sufficient documentary evidence in support of such claim including corporate charters, title of ownership, articles of incorporation, bylaws, contracts, affidavits, certifications and mortgage deeds, and similar documents. If the required evidence is not submitted within the period herein prescribed, the property shall be listed as taxable in the assessment roll. However, if the property shall be proven to be tax exempt, the same shall be dropped from the assessment roll."

Based on the above-quoted provisions, Section 9 of RA No. 8479 grants a taxpayer an incentive in the form of exemption from RPT on production equipment or machineries, among others. On the other hand, Section 206 of the LGC requires a taxpayer to submit proof of exemption from RPT. If the taxpayer fails to do the same, the property shall be listed as taxable in the assessment roll. At any rate, the same may be dropped from the assessment roll if it shall be proven to be tax exempt.

Meanwhile, the repealing clause of RA No. 8479 provides that all laws, Presidential decrees, executive orders, issuances, rules and regulations or parts thereof, which are inconsistent with its provisions, are repealed or immediately modified.

After careful analysis of the said provisions, the Court finds that Section 206 of the LGC is not inconsistent with Section 9 of RA No. 8479.

In *Remman Enterprises, Inc. and Chamber of Real Estate and Builders' Association v. Professional Regulatory Board of Real Estate Service and Professional Regulation Commission*,[1] the Supreme Court reiterated the hornbook rule on implied repeal, as follows:

> "It is a well-settled rule of statutory construction that repeals by implication are not favored. In order to effect a repeal by implication, the later statute must be so irreconcilably inconsistent and repugnant with the existing law that they cannot be made to reconcile and stand together. The clearest case possible must be made before the inference of implied repeal may be drawn, for inconsistency is never presumed. There must be a showing of repugnance clear and convincing in character. The language used in the later statute must be such as to render it irreconcilable with what had been formerly enacted. An inconsistency that falls short of that standard does not suffice. Moreover, the failure to add a specific repealing clause indicates that the intent was not to repeal any existing law, unless an irreconcilable inconsistency and repugnancy exist in the terms of the new and old laws."

Here, Section 9 of RA No. 8479 is not irreconcilably inconsistent and repugnant to Section 6 of the LGC. Section 6 of the LGC seeks to assist concerned Local Government Units (LGUs) in the orderly discharge of their administrative duties, *i.e.*, RPT assessments. Meanwhile, while the LGUs have the duty under the laws to assess and collect local government taxes, taxpayers also have the

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[1] G.R. No. 197676, February 4, 2014, citing *Agujetas v. Court of Appeals*, 329 Phil. 721, 745-746 (1996) and *Secretary of Finance v. Hon. Ilarde*, 497 Phil. 544, 556 (2005).

correlative duty to assist the government by presenting certain documents in relation to the assessment and collection of taxes. More so, when a taxpayer is asserting a right, the government cannot accept hook, line and sinker the taxpayer's claims without presenting proof in support thereof.

Again and as stated in the assailed Resolution, Section 206 of the LGC merely requires the presentation of documentary evidence in support of a claim for RPT exemption, within thirty (30) days from the date of the declaration of real property, in order for the subject property not to be listed in the assessment roll. Should the taxpayer fail to do so, the same law affords the taxpayer an opportunity to still claim for exemption by providing proof in support thereof.

Simply put, Section 206 of the LGC merely calls for the correlative duty of petitioner to present proof of exemption from RPT, to assist respondent in its duty of ascertaining properties that it shall include in or drop from the assessment roll. It does not remove the exempt nature of the subject properties as granted by Section 9 of RA No. 8479.

However, petitioner's omission to perform its correlative duty, *i.e.*, presentation of proof of RPT exemption, is penalized under Section 206 of the LGC by including the subject properties in the assessment roll. At any rate, under the same law, petitioner simply needs to present proof of exemption from RPT so that the subject properties may be dropped therefrom.

Thus, there is no irreconcilable inconsistency between Section 9 of RA No. 8479 and Section 6 of the LGC. Section 9 of RA No. 8479 states the properties exempted from RPT, while Section 206 of the LGC provides for the taxpayer's duty to present proof of its claim for RPT exemption.

There being no irreconcilable inconsistency between the said laws, they should be read or construed together as to harmonize their provisions to avoid a conflict between them. "Time and again, it has been held that every statute must be so interpreted and brought in accord with other laws as to form a uniform system of jurisprudence – *interpretere et concordare legibus est optimus interpretendi*.[25] Thus, if diverse statutes relate to the same thing, they ought to be taken into consideration in construing any one of them, as it is an established rule of law that all acts in *pari materia* are to be taken together, as if they were one law."[2]

The Court committed no error when it ruled that it has no jurisdiction over the instant case

Finally, after finding that Section 9 of RA No. 8479 did not impliedly repeal Section 6 of the LGC, the Court maintains that the instant case merely involves a question of the correctness of the assessment, which is factual in nature. Thus:

> "Considering that the issues involved are merely factual in nature, it necessarily follows that petitioner is merely questioning the correctness of the assessment. Thus, petitioner committed an error when it resorted directly to the lower court. Consequently, this Court has no jurisdiction to entertain the instant Petition because it is the decision of the Central Board of Assessment Appeals which is appealable to this Court. Section 7(a)(5) of the 2005 Revised Rules of the CTA, as amended, provides:
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> 'SEC. 7. *Jurisdiction.* – The CTA shall exercise:
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> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
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> xxx xxx xxx
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> (5) Decisions of the Central Board of Assessment Appeals in the exercise of its appellate jurisdiction over cases involving the assessment and taxation of real property originally decided by the provincial or city board of assessment appeals;'
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> Finally, considering that the Court has no jurisdiction over the Petition, the Court likewise has no jurisdiction to rule over the instant motion. Hence, the

[2] *Philippine International Trading Corporation v. Commission on Audit*, G.R. No. 183517, June 22, 2010, citing *Vda. de Urbano vs. Government Service Insurance System,* 419 Phil. 948, 969-970 (2001).

Court sees no cogent reason to disturb the conclusions reached by the lower court."

To end, petitioner failed to raise meritorious arguments to justify the reconsideration of the assailed Resolution. Hence, the denial of the instant motion is in order.

WHEREFORE, the instant **Motion for Reconsideration (Re: Resolution dated 18 February 2019)** is **DENIED**, for lack of merit. Accordingly, the assailed Resolution dated February 18, 2019 is **AFFIRMED**.

SO ORDERED.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

I CONCUR:

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice