CTA Form No. 8 (For DCC)

22-000470-0061

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10991

BETHLEHEM HOLDINGS, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

NOTICE OF RESOLUTION

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. LEONARDO B. USITA
Bureau of Internal Revenue-Revenue Region No.7B
25th Floor, The Podium West Tower
ADB Avenue, Ortigas Center
Mandaluyong City

SALVADOR LLANILLO & MIJARES
17th Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
1226 Makati City

GREETINGS:

You are hereby notified by these presents that on **February 24, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **February 25, 2026.**

for **Atty. Maria Johoanna F. Chan-Te**
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
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- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10991

Members:

BACORRO-VILLENA, *Acting Chairperson, and*
CUI-DAVID, *JJ.*

Promulgated:

FEB 24 2026
10:36 a.m.

x- -x

RESOLUTION

CUI-DAVID, J.:

This resolves respondent's *Motion for Reconsideration (Decision dated 18 November 2025),*[1] filed via accredited courier on December 11, 2025, with petitioner's *Comment (Re: Motion for Reconsideration dated December 11, 2025),* filed on January 19, 2026.

Respondent seeks reconsideration of the Court's *Decision*[2] promulgated on November 18, 2025 (*assailed Decision*), the dispositive portion of which reads:

> **WHEREFORE,** in light of the foregoing considerations, the present *Petition for Review* and *Supplemental Petition for Review* filed by petitioner Bethlehem Holdings, Inc. are **GRANTED.**
>
> Accordingly, the Formal Letter of Demand and the accompanying Assessment Notices dated January 9, 2015, are hereby **CANCELLED** and **SET ASIDE**.

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[1] Docket – Vol. II, pp. 699-702.
[2] *Id.* at 673-698.

> Likewise, the Final Decision on Disputed Assessment dated December 6, 2021, which assessed petitioner for deficiency income tax in the total amount of ₱86,813,425.77, inclusive of interests for taxable year 2011, is hereby **REVERSED** and **SET ASIDE**.
>
> Respondent Commissioner of Internal Revenue, or any person acting on his behalf, is hereby **ENJOINED** and **PROHIBITED** from instituting, pursuing, or otherwise taking any action for the collection of the foregoing void assessments.
>
> **SO ORDERED.**

Respondent anchors his *Motion* on the sole ground that:

> The Honorable Court erred in ruling that the CIR violated petitioner's right to due process for failure to consider the defenses and arguments raised by petitioner in its reply to pan (via the letter dated December 29, 2014).

According to respondent, the essence of due process is merely the opportunity to be heard or, in administrative proceedings, the opportunity to explain one's side or seek reconsideration of the action or ruling complained of. Respondent further claims that, in the instant case, petitioner was not only given the opportunity to protest the findings of the Revenue Officers (ROs), but that its *Reply* was allegedly considered and found bereft of merit to warrant a revision of the RO's findings. Thus, respondent maintains that no violation of petitioner's right to due process occurred.

In its *Comment*, petitioner submits that respondent failed to realize that the opportunity to be heard becomes a pointless exercise if the administrative tribunal fails to consider the evidence presented. Petitioner invokes *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.* (*Avon* case),[3] where the Supreme Court ruled that providing a fair and reasonable opportunity to be heard is just one aspect of due process in tax assessments. Equally important is that the Bureau of Internal Revenue (BIR) must give proper consideration to the arguments and evidence presented by the affected party. Administrative due process requires that the administrative body thoughtfully evaluate the party's defenses when reaching its conclusions and that the party be clearly informed of the reasons behind the decision.

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[3] G.R. Nos. 201398 *et al.*, October 3, 2018 [Per J. Leonen, Third Division].

Petitioner further avers that both the *Preliminary Assessment Notice* (PAN) and the *Formal Letter of Demand* (FLD) contained identical *Details of Discrepancies,* which, taken together, belie respondent's protestation that he duly considered petitioner's *Reply* to the PAN. Petitioner emphasizes that neither the FLD nor the records contain any discussion explaining why its *Reply* was deemed bereft of merit to warrant a revision of the Revenue Officer's findings. In fact, according to petitioner, its *Reply* was not even mentioned in the FLD. This omission, petitioner contends, clearly belies respondent's convenient assertion that the "*Reply was even considered.*"

The Court resolves.

Respondent's *Motion* must fail.

First, respondent's *Motion for Reconsideration* was filed beyond the 15-day reglementary period to appeal.

In the landmark case of *National Power Corporation v. National Labor Relations Commission*[4] (NAPOCOR), which was later echoed in *Commissioner of Customs v. Court of Tax Appeals,*[5] the Supreme Court aptly declared that service of legal processes to the principal counsel, not the deputized lawyers, is decisive, thus:

> First. Petitioner was represented in the CTA by the Office of the Solicitor General which deputized lawyers in the Legal Service Division of the Bureau of Customs to serve as collaborating counsels. In accordance with this arrangement, lawyers in both offices (Bureau of Customs and the OSG) were served copies of decisions of the CTA. The lawyers at the Bureau received a copy of the decision of the CTA on May 30, 1997, while the OSG received its own on June 5, 1997. As earlier stated, the OSG filed its motion for reconsideration on June 20, 1997. Counted from this date, the motion was seasonably filed, but if the period for appealing or filing a motion for reconsideration were reckoned from the date of receipt of the decision by the lawyers of the Bureau of Customs, then the motion was filed five days late. The Court of Appeals ruled that service of the copy of the CTA decision on the lawyers of the Bureau of Customs was equivalent to service on the OSG, and, therefore, the motion for reconsideration was filed late.
>
> This is error. *In National Power Corp. v. NLRC, it was already settled that although the OSG may have deputized the*

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[4] G.R. Nos. 90933-61, May 29, 1997 [Per J. Romero, Second Division].

[5] G.R. No. 132929, March 27, 2000 [Per J. Mendoza, Second Division].

> *lawyers in a government agency represented by it,* ***the OSG continues to be the principal counsel, and, therefore, service on it of legal processes****, and not that on the deputized lawyers,* ***is decisive.*** (Emphasis and italics supplied)

Clearly, when a party is represented by several counsels, such as when the principal counsel (*e.g.*, the Office of the Solicitor General) deputizes another lawyer from the government agency it represents, **it is the receipt of the principal counsel that is binding and the date from which the 15-day period is counted**.

At bar, records reveal that respondent's principal counsel – the Office of the Solicitor General – received the assailed Decision on November 25, 2025. Counting 15 days from November 25, 2025, respondent had until December 10, 2025 to file a motion for reconsideration.

Hence, the filing of the instant *Motion for Reconsideration (Decision dated 18 November 2025)* on December 11, 2025, is beyond the 15-day prescriptive period to appeal.

Second, even assuming the instant *Motion* is timely filed, the same should still be denied for lack of merit.

A careful perusal of the allegations in the subject *Motion for Reconsideration* shows that the same raises no new or substantial ground that would warrant a departure from the previous conclusion and finding of the Court. All the issues and arguments raised by respondent have already been passed upon, amply discussed, and considered in the *Decision* sought to be reconsidered.

On this point, the Supreme Court's pronouncement in *Social Justice Society (SJS) Officers v. Lim*,[6] is instructive:

> 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

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[6] G.R. No. 187836, March 10, 2015 [Per J. Perez, *En Banc*].

> 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**. (Emphasis supplied)

Considering that the grounds relied upon merely reiterate issues already passed and resolved by the Court, there is neither reason nor justification to set aside or modify the assailed *Decision* of November 18, 2025.

ACCORDINGLY, respondent's *Motion for Reconsideration (Decision dated 18 November 2025)* is hereby **DISMISSED** for having been filed out of time.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice