19-000337-0062

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CASE NO. 10123

FRIENDLYCARE FOUNDATION, INC.,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

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

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845 A. Arnaiz Avenue, Legazpi Village
1229 Makati City

GREETINGS:

You are hereby notified by these presents that on **December 2, 2024,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **December 3, 2024.**

Atty. Margarette Y. Guzman
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
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FIRST DIVISION

FRIENDLYCARE FOUNDATION, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10123

Members:

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

Promulgated:
DEC 02 2024, 9:00AM

x - x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is petitioner Friendlycare Foundation, Inc.'s (**petitioner**'s) "Motion for Reconsideration (Re: Decision dated May 30, 2024)"[1] (**MR**) filed on 20 June 2024, *sans* respondent Commissioner of Internal Revenue's (**respondent**'s/**CIR**'s) comment.[2]

The MR seeks the cancellation of this Court's Decision dated 30 May 2024[3] (**assailed Decision**), dismissing petitioner's Petition for Review[4] filed on 19 July 2019, for lack of jurisdiction. Petitioner further asks that a new decision be instead rendered, cancelling its deficiency tax assessment for taxable year (**TY**) 2014. The dispositive portion of the assailed Decision reads, thus:

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1 Division Docket, Volume II, pp. 951-957.
2 See Records Verification dated 30 July 2024, id., p. 974.
3 Id., pp. 929-950.
4 Id., Volume I, pp. 10-25.

> ...
>
> **WHEREFORE**, the foregoing premises considered, the present Petition for Review filed by petitioner Friendlycare Foundation, Inc. on 19 July 2019 is hereby **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED.**
>
> ...

In its MR, petitioner asserts that the applicable rule at the time it filed its Petition for Review in the instant case was misleading, confusing, and unclear. Petitioner echoes the assailed Decision, stating that the pertinent policy can be found in Revenue Regulations (**RR**) No. 12-99[5], as amended by RR No. 18-2013[6], issued on 28 November 2013.

Petitioner points out that it is illogical to reckon the counting of the 180-day period mentioned in the above-cited issuances. According to petitioner, assuming its administrative protest was acted upon, it is more apt to count 180 days from its latest remedy of administrative appeal. Upon such premise, petitioner avers that it timely filed its Petition for Review. Moreover, it believes that the vagueness in the applicable regulations warrants the relaxation of rules of procedure. Relatedly, petitioner argues that the issue on jurisdiction was not a matter raised over the course of the proceedings before this Court.

As stated above, respondent was unable to timely file a comment or opposition against petitioner's MR.

We resolve.

We preface our discussions by clarifying that this Court can rule on all relevant issues for the orderly disposition of a case. Although the issue of jurisdiction is not raised by the parties themselves, this Court's prerogative to dismiss the case if it is devoid of jurisdiction is not dependent on their assertions. It is likewise beyond dispute that jurisdiction is provided by law and is not subject to the parties' agreement or stipulation, or the lack of objection thereto.

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[5] Implementing the Provisions of the National Internal Revenue Code of 1997 Governing the Rules on Assessment of National Internal Revenue Taxes, Civil Penalties and Interest and the Extra-Judicial Settlement of a Taxpayer's Criminal Violation of the Code Through Payment of a Suggested Compromise Penalty.

[6] Amending Certain Sections of Revenue Regulations No. 12-99 Relative to the Due Process Requirement in the Issuance of a Deficiency Tax Assessment.

Similarly, well-settled is the rule that the Court of Tax Appeals (**CTA**) can rule on issues that are not stipulated by the parties for the orderly disposition of the case. In *Republic of the Philippines, represented by the Bureau of Internal Revenue v. First Gas Power Corporation*[7], the Supreme Court emphasized this principle:

> ...
>
> In the case of *Commissioner of Internal Revenue v. Lancaster Philippines, Inc.*, this Court categorically ruled that the Revised Rules of the CTA clearly allowed it to rule on issues not stipulated by the parties to achieve an orderly disposition of the case, thus:
>
> > On whether the CTA can resolve an issue which was not raised by the parties, we rule in the affirmative.
> >
> > Under Section 1, Rule 14 of A.M. No. 05-11-07-CTA, or the Revised Rules of the Court of Tax Appeals, the CTA is not bound by the issues specifically raised by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case. The text of the provision reads:
> >
> > SECTION 1. *Rendition of judgment.* — x x x
> >
> > In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.
>
> ...

Moving forward, as exhaustively laid out in the assailed Decision, the relevant rules under RR No. 12-99[8], as amended, were detailed and clarified in the cases of *Philippine Amusement and Gaming Corporation v. Bureau of Internal Revenue, et al.*[9], *Commissioner of Internal Revenue v. V.Y. Domingo Jewellers, Inc.*[10], then most recently in *Nueva Ecija II Electric Cooperative, Inc. Area II (NEECO II Area II) v. Commissioner of Internal Revenue.*[11] Contrary to petitioner's contentions, the Supreme Court had shed light on the matter as early as 2016.

Revisiting the assailed Decision, it appears that petitioner had erroneously perceived that a fresh, separate 180-day period is allocated for the CIR to act on an administrative appeal. A plain reading of Section

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7 G.R. No. 214933, 15 February 2022. Italics in the original; citation omitted.
8 Supra at note 5.
9 G.R. No. 208731, 27 January 2016.
10 G.R. No. 221780, 25 March 2019, citing *Commissioner of Internal Revenue v. Burmeister and Wain Scandinavian Contractor Mindanao, Inc.*, G.R. No. 190021, 22 October 2014.
11 G.R. No. 258101 (Resolution), 19 April 2022.

228[12] of the National Internal Revenue Code (**NIRC**) of 1997, as amended, and RR No. 12-99, as amended, discloses that there is only a singular 180-day period to speak of.

In any case, the Court has thoroughly explained the matter in the assailed Decision, thus, We find little or no need to reiterate our disquisitions on the legal and factual basis of petitioner's claim. The remainder of petitioner's arguments in its MR consist of those already raised and considered by this Court.

As the Supreme Court held in *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*[13]:

> ...
>
> 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.
>
> ...

Furthermore, the Supreme Court in *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*[14] ruled:

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12 SEC. 228. Protesting of Assessment.

13 G.R. No. 109645, 04 March 1996.

14 G.R. No. 159938, 22 January 2007; Citation omitted and emphasis supplied.

> ...
>
> The bulk of the aforementioned grounds is a mere rehash of movant's previous arguments. While DGCI is correct in stating that a motion for reconsideration, by its very nature, may tend to dwell on issues already resolved in the decision sought to be reconsidered and that this should not be an obstacle for a reconsideration, the hard reality is that movant has failed to raise matters substantially plausible or compellingly persuasive to warrant the desired course of action.
>
> Considering that the grounds presently raised have been sufficiently considered, if not squarely addressed, in the subject Decision, it behooves movant to convince the Court that certain findings or conclusions in the Decision are contrary to law. **As it is, however, the instant motion does not raise any new or substantial legitimate ground or reason to justify the reconsideration sought.**
>
> ...

Clearly, it is the movant's duty to convincingly show grounds for a reconsideration of an assailed judgment or order, or at the least give its previous arguments a fresh perspective in such a way that would warrant a re-examination of the case. Unfortunately, in the instant case, petitioner had failed to do so.

Lastly, addressing petitioner's clamor for the Court to relax the rules of procedure, We wish to emphasize that the suspension of the application of procedural rules must remain as the exception to the well-settled principle that an appeal within the statutory period is a jurisdictional requirement.[15] It is only upon strong considerations of substantive justice manifest in a party's case that courts may relax the strict application of the rules of procedure in the exercise of its equity jurisdiction.[16]

WHEREFORE, the foregoing premises considered, petitioner's "Motion for Reconsideration (Re: Decision dated May 30, 2024)" filed on 20 June 2024 is hereby **DENIED** for lack of merit.

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15 See *Misnet, Inc. v. Commissioner of Internal Revenue*, G.R. No. 210604, 03 June 2019.
16 Id.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

LANEE S. CUI-DAVID
Associate Justice