REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

TAGUM AGRICULTURAL DEVELOPMENT COMPANY, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 8917

Members:

BAUTISTA, *Chairperson*
FABON-VICTORINO, and
RINGPIS-LIBAN, *JJ.*

Promulgated:

OCT 13 2017
3:26 p.m.

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DECISION

Fabon-Victorino, J.:

In this Petition for Review[1] filed on October 30, 2014, petitioner Tagum Agricultural Development Company, Inc. prays for the refund or issuance of a tax credit certificate (TCC) in its favor the amount of ₱119,607,569.28, allegedly representing its unutilized or unapplied creditable input value-added tax (VAT) for taxable year (TY) 2012.

Petitioner is a domestic corporation registered with the Securities and Exchange Commission (SEC), with principal business address at Barangay Antonio O. Floirendo, Panabo City, Davao del Norte. It is primarily engaged in the business of processing agricultural products such as fruits, poultry, livestock, and other similar products for sale for local consumption and for export.[2] It is a registered taxpayer with

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1 Docket, pp. 6 to 24.
2 Par. 3(a), Joint Stipulation of Facts and Issues (JSFI), docket, p. 810; Exhibits "P-1" and "P-1-a", docket, pp. 1084 and 1087, respectively.

Tax Identification No. (TIN) 000-255-682-000.[3] It is also a registered Board of Investments (BOI) entity, and is included in the 2012 BOI VAT Masterlist of Registered Companies qualified for VAT zero-rated transactions on their purchases of raw materials and supplies.[4]

Respondent, on the other hand, is the Commissioner of the Bureau of Internal Revenue (BIR), with the authority to grant or deny claims for refund/TCC of internal revenue taxes. He holds office at the BIR National Office Building, Agham Road, Diliman, Quezon City.

Petitioner avers that for the 1st, 2nd, 3rd, and 4th quarters of TY 2012, it has excess input VAT credits arising from local purchases of goods and services and importation of goods attributable to its zero-rated sales in the aggregate amount of ₱119,607,569.28, which was declared in its Quarterly VAT Returns as follows:

Taxable Quarter (2012)	Date of Filing of Original Quarterly VAT Return[5]	Date of Filing of Amended Quarterly VAT Return[6]	Amount of Excess/Unutilized Input VAT
1st	April 25, 2012	November 19, 2013	₱ 28,086,330.20
2nd	July 25, 2012	November 20, 2013	24,204,578.96
3rd	October 25, 2012	November 22, 2013	36,247,976.55
4th	January 25, 2013	November 22, 2013	31,068,683.57
Total			₱119,607,569.28

On February 18, 2014, petitioner filed its administrative claims for issuance of TCC,[7] with supporting documents.[8]

On even date, respondent released a Checklist of Mandatory Requirements for VAT Credit/Refund Claims,[9] for which petitioner obliged to submit within five working days its

3 Exhibit "P-3", docket, p. 1095.
4 Exhibits "P-7" and "P-8", docket, pp. 1099 and 1102, respectively.
5 Exhibits "P-17", "P-19", "P-21", and "P-23", docket, pp. 1202 to 1203, pp. 1206 to 1207, pp. 1210 to 1211, and pp. 1214 to 1215, respectively.
6 Exhibits "P-18" and "P-20", docket, pp. 1204 to 1205 and pp. 1208 to 1209, respectively, Exhibits "P-22" and "P-24", docket, pp. 1212 to 1213 and pp. 1216 to 1217, respectively.
7 Par. 3(b), JSFI, docket, pp. 810 to 811; Exhibits "P-31-a", "P-31-b", "P-31-c", and "P-31-d", docket, pp. 1592, 1593, 1594, and 1595, respectively.
8 Exhibit "P-32", docket, pp. 1596 to 1597.
9 Exhibit "P-42", docket, p. 1615.

VAT Return showing the amount of TCC applied, authority to print, and copy of import entry and internal revenue declaration duly validated by the bank with official receipt.[10]

On the following day, February 19, 2014, respondent issued Letter of Authority No. LOA-411-2014-000000001,[11] authorizing Revenue Officers (ROs) Jimmy de Luis, Norine Cruz, and Ruth Gimenez and Group Supervisor Alvin Batausa to examine petitioner's books of accounts and other accounting records for VAT covering the period January 1, 2012 to December 31, 2012, pursuant to the mandatory audit-claim for VAT credit certificates.[12]

Petitioner then submitted additional supporting documents on April 28, 2014 and May 19, 2014,[13] and finally on June 6, 2014[14] to complete the documents in substantiation of its administrative claims.

Due to inaction of respondent, petitioner filed the instant Petition for Review before the Court on October 30, 2014.

In his Answer,[15] respondent submits that petitioner failed to establish its right to a refund. He argues that it is incumbent upon petitioner to prove that it is entitled to the refund sought for a claim for refund is not ipso facto granted upon filing of the claim. A taxpayer-claimant has the burden of proof to establish that he has complied with and satisfied all the statutory and administrative requirements to be entitled to a tax refund, failure to do so is fatal.

After the pre-trial conference, the parties filed their Joint Stipulation of Facts and Issues[16] (JSFI). The Pre-Trial Order[17] was issued on May 25, 2015.

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[10] Exhibit "P-43", docket, p. 1617.
[11] Exhibit "P-39", docket, p. 1610.
[12] Par. 3(c), docket, p. 811.
[13] Exhibits "P-44", "P-44-a", "P-44-b", and "P-45", docket, p. 1618, p. 1619, pp. 1620 to 1621, and p. 1622, respectively.
[14] Exhibits "P-46", "P-46-a" and series, docket, pp. 1623, 1632, and 1641, respectively.
[15] Docket, pp. 144 to 158.
[16] Docket, pp. 807 to 821.
[17] Docket, pp. 823 to 835.

To prove its claim, petitioner presented its (1) Assistant Vice President (AVP) for Finance, Pamela T. Pasinabo; (2) Senior Finance Manager, Rosalia D. Crauwels; (3) Tax Supervisor Marilou C. Molano; (4) Tax/VAT Staff Ronie S. Bandilao; and (5) the Court-commissioned Independent Certified Public Accountant (ICPA) Myra Celeste O. Dabalos.

Witness **Pamela T. Pasinabo** testified[18] that as petitioner's AVP for Finance, she sees to it that petitioner is compliant with pertinent laws, rules and regulations, and pays taxes, licenses and fees due.

She further declared that petitioner is primarily engaged in the processing of agricultural products like fruits, livestock and other similar products, sold locally or for exportation. As a BOI-registered company, it is authorized to export cavendish bananas. These bananas are shipped to their customers in Japan, Korea, Middle East, Hong Kong, Singapore and New Zealand, which they bill by issuing VAT commercial invoices at zero-rate. These customers pay in foreign currency duly remitted and accounted for following Bangko Sentral ng Pilipinas (BSP) rules and regulations.

She further declared that petitioner filed its quarterly VAT Returns, as well as Amended Quarterly VAT Returns, for the four (4) quarters of TY 2012. Per its quarterly VAT Returns for TY 2012, petitioner has an excess input VAT in the aggregate amount of ₱119,607,569.28 resulting from its local purchases and importations attributable to its export sales.

On February 18, 2014, petitioner filed with the BIR through its VAT Credit Audit Division of Revenue Region No. 40, an administrative claim for issuance of TCC (BIR Form 1914) in the total amount of ₱119,607,569.28, representing its excess input VAT attributable to its zero-rated sales for the four (4) quarters of TY 2012. On even date, petitioner submitted, as an attachment to the BIR Forms 1914, a Transmittal Letter of Supporting Documents dated February 18, 2014 signed by petitioner's VP-Finance Rufino F. Mutuc,

[18] Docket, pp. 191 to 203.

Jr. addressed to the Chief of the VAT Credit Audit Division, Amparo Duque to substantiate its claim for issuance of TCC.

Thereafter, the BIR issued LOA No. LOA-411-2014-000000001, authorizing ROs Jimmy De Luis, Norine Cruz, and Ruth Gimenez and Group Supervisor (GS) Alvin Batausa to examine petitioner's books of accounts and other accounting records covering the period January 1, 2012 to December 31, 2012. After the audit, petitioner was furnished with a copy of VAT Credit Claim Evaluation Report prepared and signed by Jimmy De Luis and Group Head Alvin C. Batausa and Amparo M. Duque, recommending the issuance of TCC in favor of petitioner in the amount of ₱105,455,254.09 for the period January to December 2012, and the endorsement of the claim for VAT on importation of ₱763,102.90 copy furnished the Commissioner of Customs (COC).

It appears however that the VAT Credit Claim Evaluation Report lacked the signature and approval of Deputy Commissioner Nelson Aspe. Per her understanding, the 120-day period was about to expire when the VAT Credit Claim Evaluation Report was endorsed to the Office of Deputy Commissioner Aspe. Hence, petitioner elevated its claim to the Court.

Petitioner's Senior Finance Manager **Rosalia D. Crauwels** testified[19] that her responsibility includes liaison works with regard to Accreditation, Permit to Operate, Importation documents, clearances and filing and monitoring of VAT claims. She is also responsible for the submission of additional requirements, monitoring the processing until approval and release of TCCs.

She personally filed petitioner's administrative claims for TCC for the four (4) quarters of TY 2012 with the BIR - VAT Credit Audit Division, which were all received by RO Jimmy De Luis on February 18, 2014. RO De Luis checked their submission and accomplished a form captioned "Checklist of Mandatory Requirements for VAT Credit/Refund Claim. Per his

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[19] Docket, pp. 204 to 210.

instruction, she affixed her signature on the "copy received by" portion of the form. As required by RO De Luis, she executed a hand-written undertaking to submit the following documents: (1) VAT Returns showing TCC applied; (2) Authority to Print; (3) copy of Import Entry and Internal Revenue Declaration (IEIRD) duly validated by the bank with O.R. The said letter of undertaking was received and signed by RO De Luis on the same date.

Petitioner submitted its Authority to Print *via* electronic mail (e-mail) to RO De Luis on May 19, 2014 and its IEIRD duly validated by the bank with official receipt on June 6, 2014.

Audit was conducted and thereafter, petitioner was furnished with a copy of the report captioned as VAT Credit Claim Evaluation Report prepared and signed by RO De Luis and Group Head Alvin C. Batausa with the approval of the Chief of the VAT Credit Audit Division Amparo M. Duque. The said Report contains the group's recommendation for the issuance of TCC in favor of petitioner amounting to ₱105,455,254.09 for the period January to December 2012 and the endorsement of the claim for VAT on importation of ₱763,102.90, copy furnished the Commissioner of Customs.

Petitioner was forced to file its judicial claim for refund on October 30, 2014, as the 30-day period to file an appeal from the expiration of the 120-day period will expire on November 3, 2014.

As Tax Supervisor of petitioner, **Marilou C. Molano** declared[20] that she is tasked to prepare and collate documents for the purpose of supporting petitioner's claim for refund/issuance of TCC in connection to its 2012 excess input VAT.

Per instruction of petitioner's Senior Finance Manager Rosalia Crauwels, she forwarded through e-mail certain documents to RO De Luis pertaining to petitioner's application

[20] Docket, pp. 211 to 213.

for TCC in TY 2012. On April 28, 2014, she sent an e-mail with the following documents attached: (1) Certification from Large Taxpayers District Office-Cebu of No Similar Claims and Verification of Delinquent Accounts and Non-Availment from Revenue District Office; (2) VAT Returns showing the amount of TCC applied; and (3) 2012 Revised Schedule of Purchases, while on May 19, 2014, she sent an e-mail attaching petitioner's Authority to Print.

Witness **Ronie S. Bandilao** testified[21] that he is the Tax/VAT Staff of petitioner. He took part in the preparation of the documents requested by the BIR pertaining to petitioner's administrative claim for TCC. Allegedly, not all documents were submitted when petitioner filed its administrative claim (BIR Form 1914) with the BIR. On one occasion, he was instructed by petitioner's Accounting Manager Mariel Jade L. Pello to send to RO Jimmy De Luis *via* e-mail scanned copies of the IEIRDs and Statement of Settlement of Duties and Taxes (SSDT) in lieu of official receipt. He sent the e-mail with attachments on June 6, 2014.

ICPA **Myra Celeste O. Dabalos** declared in her Judicial Affidavit[22] that per her examination and evaluation of the voluminous documents supporting petitioner's claim for refund, the amount of excess/unutilized input taxes being claimed by petitioner is validly substantiated.

Petitioner rested its case *via* its Formal Offer of Documentary Evidence[23] filed on April 4, 2016, which the Court admitted, *albeit* partially, in the Resolutions dated June 13, 2016[24] and August 16, 2016[25].

During presentation of respondent's evidence, his counsel manifested that he has no evidence to present. Thus, the parties were granted thirty (30) days from June 13, 2016,

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[21] Docket, pp. 215 to 217.
[22] Docket, pp. 1006 to 1023.
[23] Docket, pp. 1057 to 1082.
[24] Docket, pp. 1668 to 1673.
[25] Docket, pp. 1692 to 1694.

or until July 13, 2016, to submit their respective memoranda.[26]

The instant case was deemed submitted for decision on November 2, 2016, with petitioner's filing of its Memorandum on October 24, 2016 and respondent's filing of a Manifestation on October 25, 2016 that he is adopting the arguments raised in his Answer dated January 12, 2015 as his Memorandum.[27]

THE ISSUES

The parties stipulated the following issues for the Court's resolution:

Main Issue:[28]

> Whether petitioner is entitled for the issuance of tax credit certificates in the total amount of ₱119,607,569.28 representing its excess and/or unutilized input VAT for the 1st to 4th quarters of TY 2012.

Corollary Issues:[29]

1. Whether petitioner failed to file a written claim requesting for refund;

2. Whether petitioner failed to substantiate its claim for failure to prove compliance with the prescribed checklist of requirements, pursuant to Revenue Memorandum Order (RMO) No. 53-98; and

3. Whether or not petitioner failed to follow the period prescribed under Sec. 112(D) of the NIRC, as amended.

[26] Order dated June 13, 2016, docket, p. 1666.
[27] Resolution, docket, p. 1737.
[28] Par. 4.1, JSFI, docket, p. 811.
[29] Par. 4.2, JSFI, docket, p. 811.

THE COURT'S RULING

The Court shall first determine its jurisdiction over the instant case given the issue raised by the parties, i.e., whether petitioner failed to follow the prescriptive period provided in Section 112 of the NIRC of 1997, as amended.

Section 112(A) and (C) of the National Internal Revenue Code (NIRC) of 1997, as amended, provides:

> "SEC. 112. *Refunds or Tax Credits of Input Tax.* –
>
> (A) *Zero-Rated or Effectively Zero-Rated Sales.* – Any VAT-registered person, whose sales are zero-rated or effectively zero-rated may, within two (2) years after the close of the taxable quarter when the sales were made, apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales, except transitional input tax, to the extent that such input tax has not been applied against output tax: *Provided, however,* That in the case of zero-rated sales under Section 106(A)(2)(a)(1), (2) and (b) and Section 108(B)(1) and (2), the acceptable foreign currency exchange proceeds thereof had been duly accounted for in accordance with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP): *Provided, further,* That where the taxpayer is engaged in zero-rated or effectively zero-rated sale and also in taxable or exempt sale of goods of properties or services, and the amount of creditable input tax due or paid cannot be directly and entirely attributed to any one of the transactions, it shall be allocated proportionately on the basis of the volume of sales: *Provided, finally,* That for a person making sales that are zero-rated under Section 108(B)(6), the input taxes shall be allocated ratably between his zero-rated and non-zero-rated sales.

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(C) *Period within which Refund or Tax Credit of Input Taxes shall be Made.* - In proper cases, the Commissioner shall grant a refund or issue the tax credit certificate for creditable input taxes within one hundred twenty (120) days from the date of submission of complete documents in support of the application filed in accordance with Subsection (A) hereof.

In case of full or partial denial of the claim for tax refund or tax credit, or the failure on the part of the Commissioner to act on the application within the period prescribed above, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim or after the expiration of the one hundred twenty day-period, appeal the decision or the unacted claim with the Court of Tax Appeals."

The subject claim covers the four (4) quarters of TY 2012 each ending as follows:

PERIOD COVERED (TY 2012)	CLOSE OF TAXABLE QUARTER
1st Quarter	March 31, 2012
2nd Quarter	June 30, 2012
3rd Quarter	September 30, 2012
4th Quarter	December 31, 2012

Section 112(A) of the NIRC of 1997, as amended, expressly provides that the application for the issuance of a TCC or refund of creditable input tax due or paid attributable to zero-rated or effectively zero-rated sales must be filed within two (2) years after the close of the taxable quarter when the relevant sales were made.

Counting from the close of said taxable quarters, petitioner had until the following dates to file its administrative claim for issuance of TCC or refund of unutilized input VAT attributable to its alleged zero-rated sales:

QUARTER	CLOSE OF TAXABLE QUARTER	END OF THE 2-YEAR PRESCRIPTIVE PERIOD
1st	March 31, 2012	March 31, 2014
2nd	June 30, 2012	June 30, 2014
3rd	September 30, 2012	September 30, 2014
4th	December 31, 2012	December 31, 2014

Evident from the foregoing table that the administrative claim covering the 1st to 4th quarters of TY 2012 was seasonably filed on February 18, 2014.[30]

On the other hand, the timeliness of petitioner's judicial claim is governed by Section 112(C) of the NIRC of 1997, as amended. It provides that the Commissioner of Internal Revenue (CIR) has one hundred twenty (120) days from the date of the submission of the complete documents in support of the application for tax refund/credit within which to grant or deny the claim. In case of full or partial denial by the CIR, the taxpayer's recourse is to file an appeal before the Court of Tax Appeals within thirty (30) days from receipt of the adverse decision of the CIR. However, if after the 120-day period the CIR fails to act on the application for tax refund/credit, the remedy of the taxpayer is to appeal the inaction of the CIR to the Court of Tax Appeals within 30 days.

Petitioner avers the mandatory 120+30 days for filing a Petition for Review must start from the date of submission of complete documents in support of the administrative claim for refund pursuant to Section 112(C) of the NIRC of 1997, as amended. For petitioner, the complete documents should be construed as those documents necessary to support the legal basis of the taxpayer's application for input VAT refund/credit as may be determined by the taxpayer, bearing in mind that the burden of proving entitlement to a refund lies with the taxpayer-claimant.

[30] Exhibits "P-31-a", "P-31-b", "P-31-c", and "P-31-d", docket, pp. 1592, 1593, 1594, and 1595, respectively.

Petitioner further submits that it is the taxpayer that has the power to determine whether or not the documents it submitted are sufficient to support its administrative claim and it is upon that time that the 120-day period under Section 112(C) of the NIRC of 1997, as amended, shall commence.

In the instant case, petitioner admitted that it submitted additional documents in support of its application for issuance of TCC, in compliance with its signed letter undertaking on April 28, 2014, on May 19, 2014, and on June 6, 2014.

Petitioner asserts that the 120-day period for respondent to act on its administrative claim for refund commenced on June 6, 2014, hence, it lapsed on October 4, 2014. Thereafter, it had 30 days from October 4, 2014, or until November 4, 2014, to file an appeal before the Court of Tax Appeals. *A fortiori,* it timely filed its Petition for Review on October 30, 2014.

The Court does not agree.

Based on the above-cited provision of Section 112(C) of the NIRC of 1997, as amended, respondent has 120 days from the date of submission of complete supporting documents to act on petitioner's administrative claim, while petitioner has 30 days to appeal the decision or the unacted claim with this Court.

Paramount at this point is the determination of the reckoning period of the 120 days. On this regard, the Supreme Court's decision in the case of *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue*[31] is highly instructive, to wit:[32]

> "Thus, the question must be asked: In an administrative claim for tax credit or refund of creditable input VAT, from what

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[31] G.R. No. 207112, December 8, 2015.

[32] See *Emerson Electric (Asia) Limited-ROHQ vs. Commissioner of Internal Revenue*, CTA Case Nos. 8583 and 8584, February 23, 2017 and *Zuellig Pharma Asia Pacific Ltd. Phils. ROHQ vs. Commissioner of Internal Revenue*, CTA Case No. 8899, March 9, 2017.

point does the law allow the CIR to determine when it should decide an application for refund? Or stated differently: *Under present law, when should the submission of documents be deemed 'completed' for purposes of determining the running of the 120-day period?*

Ideally, upon filing his administrative claim, a taxpayer should complete the necessary documents to support his claim for tax credit or refund or for excess utilized VAT. After all, should the taxpayer decide to submit additional documents and effectively extend the 120-period, it grants the CIR more time to decide the claim. Moreover, it would be prejudicial to the interest of a taxpayer to prolong the period of processing of his application before he may reap the benefits of his claim. Therefore, *ideally*, the CIR has a period of 120 days from the date an administrative claim is filed within which to decide if a claim for tax credit or refund of excess unutilized VAT has merit.

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With the amendments only with respect to its place under Section 112, the Court finds that RMC No. 49-2003 should still be observed. Thus, taking the foregoing changes to the law altogether, it becomes apparent that, for purposes of determining ***when*** the supporting documents have been completed - *it is the taxpayer who ultimately determines when complete documents have been submitted for the purpose of commencing and continuing the running of the 120-day period*. After all, he may have already completed the necessary documents the moment he filed his administrative claim, in which case, the 120-day period is reckoned from the date of filing. The taxpayer may have also filed the complete documents on the 30th day from filing of his application, pursuant to RMC No. 49-2003.

He may very well have filed his supporting documents on the first day he was notified by the BIR of the lack of the necessary documents. In such cases, the 120-day period is computed from the date the taxpayer is able to submit the complete documents in support of his application.

Then, except in those instances where the BIR would require additional documents in order to fully appreciate a claim for tax credit or refund, in terms ***what*** additional document must be presented in support of a claim for tax credit or refund - it is the taxpayer who has that right and the burden of providing any and all documents that would support his claim for tax credit or refund. After all, in a claim for tax credit or refund, it is the taxpayer who has the burden to prove his cause of action. As such, he enjoys relative freedom to submit such evidence to prove his claim.

The foregoing conclusion is but a logical consequence of the due process guarantee under the Constitution. Corollary to the guarantee that one be afforded the opportunity to be heard, it goes without saying that the applicant should be allowed reasonable freedom as to when and how to present his claim within the allowable period.

Thereafter, whether these documents are *actually* complete as required by law- is for the CIR and the courts to determine. Besides, as between a taxpayer-applicant, who seeks the refund of his creditable input tax and the CIR, it cannot be denied that the former has greater interest in ensuring that the complete set of documentary evidence is provided for proper evaluation of the State.

Lest it be misunderstood, the benefit given to the taxpayer to determine when it should complete its submission of documents is not unbridled. Under RMC No. 49-2003, if in the course of the investigation and processing of the claim, additional documents are required for the proper determination of the legitimacy of the claim, the taxpayer-claimants shall submit such documents within thirty (30) days from request of the investigating/processing office. **Again, notice, by way of a request from the tax collection authority to produce the complete documents in these cases, is essential.**

Moreover, under Section 112(A) of the NIRC, as amended by RA 9337, a taxpayer has two (2) years, after the close of the taxable quarter when the sales were made, to apply for the issuance of a tax credit certificate or refund of creditable input tax due or paid attributable to such sales. Thus, before the administrative claim is barred by prescription, the taxpayer must be able to submit his complete documents in support of the application filed. This is because, it is upon the complete submission of his documents in support of his application that it can be said that the application was, 'officially received' as provided under RMC No. 49-2003.

To summarize, for the just disposition of the subject controversy, the rule is that from the date an administrative claim for excess unutilized VAT is filed, a taxpayer has thirty (30) days within which to submit the documentary requirements sufficient to support his claim, unless given further extension by the CIR. Then, upon filing by the taxpayer of his complete documents to support his application, or expiration of the period given, the CIR has 120 days within which to decide the claim for tax credit or refund. Should the taxpayer, on the date of his filing, manifest that he no longer wishes to submit any other addition documents to complete his administrative claim, the 120-

> day period allowed to the CIR begins to run from the date of filing.
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> **In all cases, whatever documents a taxpayer intends to file to support his claim must be completed within the two-year period under Section 112(A) of the NIRC. The 30-day period from denial of the claim or from the expiration of the 120-day period within which to appeal the denial or inaction of the CIR to the CTA must also be respected.**
>
> It bears mentioning at this point that the foregoing summation of the rules *should only be made applicable to those claims for tax credit or refund filed prior to June 11, 2014*, such as the claim at bench."

Considering that petitioner's administrative claim for issuance of TCC was filed on February 18, 2014, the foregoing pronouncement in the case of *Pilipinas Total Gas, Inc.* is applicable.

A review of the record shows that the BIR provided the taxpayer with a Checklist, which was acknowledged by petitioner through its written undertaking. The said checklist enumerated the additional documents that respondent wanted from petitioner to submit to aid him in his determination of petitioner's claim for refund.

Under the last paragraph of A-18 of RMC No. 49-03, the taxpayer should submit the additional documents requested by the BIR if the latter requires the same in the course of its investigation and processing of the claims. The period granted to the taxpayer to file the additional documents pursuant to the last paragraph of A-18 is 30 days from notice, which shall be construed as within the one hundred twenty (120)-day period.

Applying the foregoing in the instant case, the 120-day period commenced on February 18, 2014, the day of the filing of the administrative claims for refund as no additional documents was filed within the 30-day period and petitioner was not given further extension for the submission.

Thus, counting 120 days from February 18, 2014, respondent had until June 18, 2014 to act on the said claims. Thereafter, petitioner had 30 days from June 18, 2014, or until July 18, 2014, within which to appeal respondent's inaction.

Since petitioner filed this Petition for Review only on October 30, 2014, the judicial claim was filed beyond the prescriptive period provided in Section 112(C) of the NIRC of 1997, as amended.

Well-settled is the rule that a claim for tax refund or credit, like a claim for tax exemption, is construed strictly against the taxpayer. One of the conditions for a judicial claim of refund or credit under the VAT System is compliance with the 120+30 day mandatory and jurisdictional periods. In other words, strict compliance with the 120+30 day periods is necessary for such a claim to prosper.[33]

WHEREFORE, the instant Petition for Review filed by Tagum Agricultural Development Company, Inc. is **DENIED,** on jurisdictional ground.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

[33] *Commissioner of Internal Revenue vs. Mirant Pagbilao Corporation (Now TeaM Energy Corporation)*, G.R. No. 180434, January 20, 2016.

We concur:

	ON LEAVE
LOVELL R. BAUTISTA Associate Justice	MA. BELEN M. RINGPIS-LIBAN Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

LOVELL R. BAUTISTA
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13 of Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Acting Presiding Justice