CTA Form No. 8 (For DCC)

23-000158-0086

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 11134

HOPKINS INTERNATIONAL PARTNERS, INC.,
Petitioner,

- versus -

NOTICE OF RESOLUTION

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

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

ATTY. ALBERT C. ARPON
ATTY. JOEL VINCENT D. SALAZAR
Bureau of Internal Revenue - Revenue Region No. 8A - Makati City
36th Floor, Export Bank Plaza Building
Sen. Gil Puyat corner Don Chino Roces Avenue
Makati City

THE LAW FIRM OF QUIASON MAKALINTAL
21st Floor, Robinsons-Equitable Tower
4 ADB Avenue corner Poveda Street
1605 Ortigas Center, Pasig City

GREETINGS:

You are hereby notified by these presents that on **July 1, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **July 2, 2026.**

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

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

HOPKINS INTERNATIONAL PARTNERS, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11134

Members:

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

Promulgated:

JUL 01 2026 3:50 PM

x - x

RESOLUTION

CUI-DAVID, J.:

This resolves respondent's *Motion for Reconsideration* filed on January 28, 2026; petitioner's *Comment/Opposition* to the *Motion for Reconsideration dated January 28, 2026 with Motion to Lift Warrant of Garnishment and Return the Collected Deposit*, filed on February 18, 2026; and respondent's *Comment/Opposition (to Petitioner's Motion to Lift Warrant of Garnishment and Return the Collected Deposit)*, filed on April 20, 2026.

Respondent assails the *Decision* dated January 7, 2026 (assailed *Decision*), which disposed of the case as follows:

> **WHEREFORE**, the instant *Petition for Review* is **GRANTED**.
>
> Accordingly, the Formal Letter of Demand and the corresponding Assessment Notices dated November 24, 2022, assessing petitioner for deficiency Income Tax, Value-Added Tax, Final Withholding Tax, Final Withholding of VAT, and Improperly Accumulated Earnings Tax for taxable year 2019 in the aggregate amount of ₱19,560,158.30, inclusive of surcharge and interest, are **CANCELLED** 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 argues that the Court erred in granting the *Petition for Review* and in declaring the subject assessments void. Respondent maintains that the Court had no jurisdiction over the case, as there was allegedly no "disputed assessment" to speak of because petitioner failed to timely protest the Formal Letter of Demand/Final Assessment Notice (FLD/FAN) within the prescribed 30-day period, thereby rendering the assessments final, executory, and demandable.

Respondent also contends that the service of the FLD/FAN on December 6, 2022 through substituted service upon a barangay official, in the presence of witnesses, fully complied with the requirements of the Tax Code and pertinent regulations; hence, such service was valid and binding. Consequently, respondent insists that the assessments remain enforceable and prays that the Court reconsider its *Decision*, uphold the validity of the assessments, and order petitioner to pay the deficiency taxes.

Petitioner, on the other hand, counters that respondent's arguments merely reiterate matters already passed upon by the Court in the assailed *Decision*. It asserts that the *Petition for Review* was timely filed, given that it seasonably protested the FLD/FAN after it acquired actual knowledge thereof on January 12, 2023. Thus, petitioner argues that the period to protest should be reckoned from said date.

Petitioner further maintains that respondent's substituted service of the FLD/FAN was invalid, since respondent was aware that petitioner had already transferred to a new business address, yet still caused service at a demolished address, in violation of the rules on proper service and of petitioner's right to due process. Thus, petitioner submits that the Court correctly ruled that it had jurisdiction over the case and that the subject assessments are void.

In its *Motion to Lift Warrant of Garnishment and Return the Collected Deposit*, petitioner argues that, in light of the Court's *Decision* declaring the deficiency tax assessments void, respondent no longer has any legal basis to enforce collection through garnishment. Petitioner stresses that collection remedies under Section 205 of the Tax Code may be employed only against delinquent taxes, *i.e.*, those that have become final, executory, and demandable. Petitioner likewise invokes jurisprudence to the effect that the pendency of an appeal before the CTA precludes the BIR from instituting collection measures. Accordingly, petitioner contends that the continued garnishment of its bank accounts is improper and prays that the warrant of garnishment be lifted and the amounts already collected be returned.

Respondent opposes the *Motion to Lift Warrant of Garnishment and Return the Collected Deposit*, arguing that there is no basis to lift the warrant of garnishment or to return the amounts collected. Respondent contends that the lifting of a warrant of garnishment is allowed only under specific circumstances under Revenue Memorandum Order (RMO) No. 41-2019, such as full payment, cancellation of assessments, or the issuance of a final and executory court order directing such lifting. Respondent further points out that petitioner's earlier motion to suspend collection was already denied by the Court, and that the *Decision* has not yet attained finality due to the timely filing of the present Motion for Reconsideration. Thus, absent a final and executory ruling, respondent maintains that the garnishment remains valid and should not be disturbed.

After due consideration, the Court finds no merit in respondent's *Motion for Reconsideration.*

The issues raised therein, namely, the Court's jurisdiction and the alleged validity of the substituted service of the FLD/FAN—were already resolved in the assailed *Decision.* A motion for reconsideration is filed to convince the Court that its ruling is erroneous and improper, contrary to the law or the evidence, affording the court ample opportunity to rectify the same.[1] Since no substantial matter has been presented by respondent to warrant a reversal or modification of the assailed *Decision*, the Court finds no compelling reason to disturb its ruling that the FLD/FAN was improperly served, resulting in a violation of petitioner's right to due process.

---

[1] *Spouses Abayon v. Bank of the Philippine Islands*, G.R. No. 249684, March 29, 2023 [Per J. Dimaampao, Third Division].

With respect to the *Motion to Lift Warrant of Garnishment and Return the Collected Deposit*, petitioner seeks to lift the warrant of garnishment and recover the amounts already collected on the ground that the assessments, having been declared void, cannot serve as a basis for collection.

At the outset, the Court holds that petitioner's request for the lifting of the warrant of garnishment has been rendered moot by the assailed *Decision* enjoining and prohibiting respondent, or any person acting on his behalf, from instituting, pursuing, or otherwise taking any action for the collection of the void assessments.

Under Section 205[2] of the National Internal Revenue Code of 1997, as amended, summary remedies such as distraint and levy may be availed of only for the collection of delinquent taxes, *i.e.*, taxes that have become final, executory, and demandable. Here, **the assessments were declared void**; hence, they never attained finality and cannot be considered delinquent obligations.[3] Consequently, any continued implementation of the warrant of garnishment is without legal basis.

As jurisprudence teaches, when an assessment is void *ab initio* for want of due process, it produces no legal effect and may be assailed at any time, even if no protest was filed.[4] It cannot serve as the basis for any mode of collection. Thus, the enforcement of garnishment based on such void assessment cannot be sustained.

Anent petitioner's prayer for refund of the garnished amounts, the Court notes that it was only through the present motion that petitioner informed the Court of the garnishment.

The records show that petitioner neither alleged nor prayed for the refund of any garnished amounts in its prior pleadings. Although the alleged garnishment occurred after the

---

2 SEC. 205. *Remedies for the Collection of Delinquent Taxes.* - The civil remedies for the collection of internal revenue taxes, fees or charges, and any increment thereto resulting from delinquency shall be:
(a) By distraint of goods, chattels, or effects, and other personal property of whatever character, including stocks and other securities, debts, credits, bank accounts and interest in and rights to personal property, and by levy upon real property and interest in rights to real property; and
(b) By civil or criminal action.
Either of these remedies or both simultaneously may be pursued in the discretion of the authorities charged with the collection of such taxes: Provided, however, That the remedies of distraint and levy shall not be availed of where the amount of tax involve is not more than One hundred pesos (P100).

3 *Ortiz Memorial Chapel, Inc. v. Commissioner of Internal Revenue*, G.R. No. 278483, December 3, 2025 [Per J. Singh, Third Division].

4 *Id.*

filing of the *Petition for Review*, petitioner disclosed such fact and sought restitution only through this motion. As a rule, "courts cannot grant a relief not prayed for in the pleadings or in excess of what is being sought by the party."[5] This rule is grounded on due process, as the opposing party must be given an opportunity to contest the claim.[6]

While petitioner prayed for such "other reliefs just and equitable under the premises" in its *Petition for Review* and *Memorandum*, which justifies the grant of a relief not otherwise specifically prayed for,[7] this is applicable when it is supported by the complaint or other pleadings, by the facts admitted at the trial, and by the evidence adduced by the parties.[8]

In this case, however, the illegality of the collection has been established, and respondent does not dispute the amounts collected in his *Comment/Opposition (to Petitioner's Motion to Lift Warrant of Garnishment and Return the Collected Deposit).* Thus, the Court is not precluded from ordering the refund of the garnished amounts in order to avoid a multiplicity of suits and to fully resolve the controversy between the parties.[9] Following this rule, the validity of the assessments necessarily entails determining whether amounts collected pursuant thereto may be lawfully retained. Otherwise, the nullification of the assessments would be rendered inutile.

Accordingly, the continued enforcement of the garnishment, or the retention of funds already collected, would operate as a continuing violation of petitioner's right to due process, as it would allow the government to benefit from an invalid exercise of its taxing power.

hr

---

5 *Chinatrust (Phils.) Commercial Bank v. Turner*, G.R. No. 191458, July 3, 2017 [Per J. Leonen, Second Division], citing *Diona v. Balangue, et al.*, G.R. No. 173559, January 7, 2013 [Per J. Del Castillo, Second Division].

6 *Chinatrust (Phils.) Commercial Bank v. Turner*, G.R. No. 191458, July 3, 2017 [Per J. Leonen, Second Division], citing *Development Bank of the Philippines v. Teston*, G.R. No. 174966, February 14, 2008 [Per J. Carpio Morales, Second Division].

7 *Ombudsman v. Capulong*, G.R. No. 201643, March 12, 2014 [Per J. Reyes, First Division], citing *Primelink Properties & Development Corporation v. Lazatin-Magat*, G.R. No. 167379, June 27, 2006 [Per J. Callejo, Sr., First Division].

8 *Egmalis-Ke-eg v. Republic*, G.R. No. 249178, July 13, 2022 [Per J. Inting, Third Division]; *Ombudsman v. Capulong*, G.R. No. 201643, March 12, 2014 [Per J. Reyes, First Division], citing *Banco Filipino Savings & Mortgage Bank v. The Hon. Court of Appeals, et al.*, G.R. No. 129227, May 30, 2000 [Per J. Gonzaga-Reyes, Third Division].

9 See Sec. 1, Rule 14 of the Revised Rules of the Court of Tax Appeals, which states:
SEC. 1. *Rendition of judgment.* – . . . .
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.

WHEREFORE, respondent's *Motion for Reconsideration* is **DENIED** for lack of merit. Meanwhile, petitioner's *Motion to Lift Warrant of Garnishment and Return the Collected Deposit* is **GRANTED**.

Accordingly, respondent is **ORDERED** to return the amounts garnished and collected pursuant to the warrant of garnishment.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice