REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

ITHIEL CORPORATION, Petitioner,	**CTA EB No. 1672** (CTA Case No. 8872)
- versus -	
COMMISSIONER OF INTERNAL REVENUE, Respondent.	

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COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA EB No. 1675** (CTA Case No. 8872)
	Present:
- versus -	**DEL ROSARIO,** *P.J.*, **CASTAÑEDA, JR., UY, RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA,** and **MODESTO-SAN PEDRO,** *JJ.*
ITHIEL CORPORATION, Respondent.	***Promulgated:*** FEB 10 2021 4:12 p.m.

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RESOLUTION

UY, J.:

For resolution is Ithiel Corporation's ***Motion to Consider Case as Closed and Terminated*** filed on September 15, 2020, without comment from the Commissioner of Internal Revenue, despite notice as per Records Verification dated January 5, 2021.[1]

[1] Records Verification dated January 5, 2021 issued by Records Officer I Leocadia D. Victoria and Chief Judicial Staff Officer Benjamin D. Pineda, Jr. of the Judicial Records Division.

In the said Motion, Ithiel Corporation alleges that this Court rendered a Decision on March 13, 2019, which has become final and executory on April 11, 2019, as per the Entry of Judgment issued in this case.

Thereafter, Ithiel Corporation applied with the Revenue District Office (RDO) No. 51 – Pasay City for tax amnesty under Republic Act (R.A.) No. 11213, otherwise known as the Tax Amnesty Act. Pursuant thereto, Ithiel Corporation submitted the following documents:

1) Certificate of Tax Delinquencies/Tax Liabilities dated June 26, 2019;

2) Tax Amnesty Return (BIR Form No. 2118-DA) dated July 26, 2019;

3) Acceptance Payment Forms (BIR Form No. 0621-DA) dated July 26 2019 and July 24, 2019;

4) Deposit Slips issued by the authorized agent bank July 26, 2019 and July 24, 2019;

5) Decision dated February 23, 2017 issued by the Court in Division;

6) Decision dated March 13, 2019 issued by the Court *En Banc*; and

7) Entry of Judgment issued in this case.

Subsequently, on August 28, 2019, RDO No. 51 – Pasay City granted Ithiel Corporation's application through the issuance of a Notice of Issuance of Authority to Cancel Assessment (NIATCA), wherein the tax liabilities covered by the Tax Amnesty Return have been cancelled.

In its motion, petitioner avers that its tax liabilities have been cancelled pursuant to the provisions of the Tax Amnesty Act, or R.A. No. 11213. Thus, Ithiel Corporation prays for the cancellation and setting aside of the Final Decision on Disputed Assessment (FDDA) dated July 14, 2014, as well as the Assessment Notices for income tax (IT), Value-Added Tax (VAT), and Expanded Withholding Tax (EWT), all dated December 5, 2012, and to consider the instant case closed and terminated.

Taking into consideration the provisions of R.A. No. 11213 or the Tax Amnesty Act, We find petitioner entitled to the relief prayed for in the instant motion.

A tax amnesty operates as a general pardon or intentional overlooking by the State of its authority to impose penalties on persons otherwise guilty of evasion or violation of a revenue or tax law. It is an absolute forgiveness or waiver by the government of its right to collect what is due it and to give tax evaders who wish to relent a chance to start with a clean slate. A tax amnesty, much like a tax exemption, is never favored nor presumed in law. The grant of a tax amnesty is akin to a tax exemption; thus, it must be construed strictly against the taxpayer and liberally in favor of the taxing authority.[2]

On 14 February 2019, the Tax Amnesty Act or R.A. No. 11213 was passed with the aim of enhancing revenue collection, minimizing administrative costs in pursuing tax cases, and the unclogging of dockets of the Bureau of Internal Revenue (BIR) and the courts.[3]

The Tax Amnesty on Delinquencies under Title IV of R.A. No. 11213, covers the settlement of all national internal revenue taxes such as, but not limited to, income tax, withholding tax, capital gains tax, donor's tax, value-added tax, other percentage taxes, excise tax and documentary stamp tax collected by the BIR, including vat and excise taxes collected by the Bureau of Customs (BOC) for taxable year 2017 and prior years.[4]

To be specific, the Tax Amnesty on Delinquencies may be availed of by taxpayers whose tax cases are subject of final and executory judgment by the courts on or before the Implementing Rules and Regulations took effect[5] on April 24, 2019.[6]

Pertinent to petitioner's motion are the provisions of Sections 18 and 19, of Title IV of the Tax Amnesty Act, regarding the

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[2] *Commissioner of Internal Revenue vs. Transfield Philippines, Inc.*, G.R. No. 211449, January 16, 2019.
[3] Section 2 (c), Title I of R.A. No. 11213.
[4] Section 17, Title IV of R.A. No. 11213.
[5] Section 17 (c), Title IV of R.A. No. 11213.
[6] Revenue Regulations No. 4-2019 took effect on April 24, 2019, fifteen (15) days after it was published in Malaya Business Insight on April 9, 2019. *See:* <https://www.bir.gov.ph/index.php/revenue-issuances/revenue-regulations/2019-revenue-regulations.html>, last accessed on January 28, 2021.

guidelines on how to avail of the Tax Amnesty on Delinquencies, to wit:

> "**Section 18. *Entitlement of Tax Amnesty on Delinquencies***. – Any person may enjoy the immunities and privileges of the Tax Amnesty on Delinquencies and pay the following tax amnesty rates:
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> xxx xxx xxx
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> (b) Tax cases subject of final and executory judgment by the courts – 50% of the basic tax assessed;
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> xxx xxx xxx
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> **Section 19. *Availment of the Tax Amnesty on Delinquencies; When and Where to File and Pay***. - Any person, natural or juridical, who wishes to avail of the Tax Amnesty on Delinquencies shall, within one (1) year from the effectivity of the Implementing Rules and Regulations of this Act, file with the appropriate office of the Bureau of Internal Revenue, which has jurisdiction over the residence or principal place of business of the taxpayer, a sworn Tax Amnesty on Delinquencies Return accompanied by a Certification of Delinquency. The payment of the amnesty tax shall be made at the time the Return is filed:
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> Provided, That the Revenue District Officer shall issue and endorse an Acceptance Payment Form, in such form as may be prescribed in the Implementing Rules and Regulations of this Act authorizing the authorized agent bank, or in the absence thereof, the revenue collection agent or municipal treasurer concerned, to accept the amnesty tax payment:
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> Provided, further, That the availment of the Tax Amnesty on Delinquencies and the issuance of the corresponding Acceptance Payment Form do not imply any admission of criminal, civil or administrative liability on the part of the availing taxpayer."

Corollary thereto, Revenue Regulations (RR) No. 4-2019, or the *"Implementing Rules and Regulations of Republic Act No. 11213, Otherwise Known as the 'Tax Amnesty Act,' Providing for the Guidelines on the Processing of Tax Amnesty Application on Tax*

Delinquencies," provides for the manner of availment of tax amnesty on tax delinquencies, to wit:

> "**SECTION 5.** ***Manner of Availment of Tax Amnesty on Tax Delinquencies.*** — Any person, whether natural or juridical, who wishes to avail of the Tax Amnesty on Delinquencies shall file, within one (1) year from the effectivity of these Regulations, an application therefor in accordance with the procedures set forth below.
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> A. **DOCUMENTARY REQUIREMENTS** — The taxpayer shall submit the following:
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> 1. Tax Amnesty Return (TAR) (BIR Form No. 2118-DA, Annex "A"), completely and accurately accomplished and made under oath;
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> 2. Acceptance Payment Form (APF) (BIR Form No. 0621-DA, Annex "B") duly validated by the Authorized Agent Banks (AABs) or APF duly stamped "received" with accompanying bank deposit slip duly validated by the concerned AABs or Revenue Official Receipt (ROR) issued by the Revenue Collection Officers (RCOs);
>
> 3. Certificate of Tax Delinquencies/Tax Liabilities issued by concerned BIR offices (Annex "C"); and
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> xxx xxx xxx
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> B. **PLACE OF FILING** — The Tax Amnesty Return and other documentary requirements shall be filed with the following BIR offices:

Classification	Place of Filing
Non-Large Taxpayers	Revenue District Office (RDO) where applicant-taxpayer is registered
Large Taxpayers— Cebu or Davao	Large Taxpayers Division (LTD) Office where applicant-taxpayer is registered
Large Taxpayers — Excise and Regular	Large Taxpayers Collection Enforcement Division (LTCED)

> C. **PROCEDURES** — The taxpayer-applicant shall:

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Step 1. Secure the Certificate of Delinquencies/Tax Liabilities from the concerned BIR Office as specified below:

Nature of Tax Liabilities	Large Taxpayer	Non-Large Taxpayer
Tax cases subject of final and executory judgment by the courts	Litigation/Prosecution Division of the National Office, which handled the case	a. Legal Division of the Regional Office — For taxpayer-applicants under the jurisdiction of Revenue Regions (RR) Nos. 5, 6, 7 and 8 (Caloocan, Manila, Quezon City and Makati, respectively); b. Legal Division of the Regional Office or Litigation / Prosecution Division in the National Office which handled the case — For taxpayer-applicants under the jurisdiction of Revenue Regions other than the RRs mentioned under (a) hereof.

Step 2. Present the duly accomplished TAR made under oath and APF, together with the other required documents, to the concerned RDO/LTD/LTCED for endorsement of the APF and pay the tax amnesty amount with the AABs or RCOs, whichever is applicable, by presenting the RDO/LTD/LTCED-endorsed or approved APF: Provided, that if no payment is required as in the case when assessment consists only of unpaid penalties due to either late filing or payment, the phrase "no payment required" shall be indicated in the APF.

Step 3. Submit/file immediately to the RDO/LTD/LTCED where the taxpayer is registered, in triplicate copies, the duly accomplished TAR, made under oath, together with the complete documentary requirements and proof of payment, which in no case shall be beyond the one (1) year availment period. The taxpayer/applicant shall be furnished with a copy, stamped as received, of said TAR and APF.

Availment of Tax Amnesty on Delinquencies shall be considered fully complied with upon completion of the above enumerated steps within the one (1) year availment period."

Once the aforementioned procedures have been complied with, the BIR will issue the NIATCA within fifteen (15) calendar days from the submission of the APF and TAR. Otherwise, the stamped-received duplicate copies of the APF and TAR will be deemed as sufficient proof of availment.[7]

Upon full compliance with all the conditions set forth in the Tax Amnesty Act, as well as, those enumerated in RR No. 04-19, the taxpayer's alleged tax liability is considered settled, and the civil case in connection with said tax liability is deemed terminated, as provided under *Section 20 of the Tax Amnesty Act,* to wit:

> "**Section 20. *Immunities and Privileges*.** - The tax delinquency of those who avail of the Tax Amnesty on Delinquencies and have fully complied with all the conditions set forth in this Act and upon payment of the amnesty tax shall be **considered settled** and the criminal case under Section 18(c) and its corresponding civil or administrative case, if applicable, be **terminated**, and the taxpayer shall be **immune from all suits or actions**, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal, and administrative cases, and penalties under the National Internal Revenue Code of 1997, as amended, as such relate to the taxpayer's assets, liabilities, networth, and internal revenue taxes that are subject of the tax amnesty, and from such other investigations or suits insofar as they relate to the assets, liabilities, networth and internal revenue taxes that are subject of the tax amnesty: Provided, That any notices of levy, attachments and/or warrants of garnishment issued against the taxpayer shall be set aside pursuant to a lifting of notice of levy/garnishment duly issued by the Bureau of Internal Revenue or its authorized representative: Provided, further, That the Authority to Cancel Assessment shall be issued by the Bureau of Internal Revenue in favor of the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission to the Bureau of Internal Revenue of the Acceptance Payment Form and the Tax Amnesty on Delinquencies Return. Otherwise, the duplicate copies, stamped as received, of the Acceptance Payment Form, and the Tax Amnesty on Delinquencies Return shall be deemed as sufficient proof of availment: Provided, furthermore, That the Tax Amnesty on

[7] Section 6 of Revenue Regulation No. 04-19, April 5, 2019.

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> Delinquencies Return and the Acceptance Payment Form shall be submitted to the Revenue District Office after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of this Act.
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> Upon full compliance with all the conditions set forth in this Title and payment of the corresponding tax on delinquency, the tax amnesty granted under this Title shall become final and irrevocable." *(Emphasis supplied.)*

Applying the foregoing provisions in the case at bench, the Court finds that Ithiel Corporation has sufficiently complied and proven its entitlement and availment of the Tax Amnesty on Delinquencies.

First, the subject taxes in this case are IT, VAT, and EWT, which are internal revenue taxes covered by the Tax Amnesty on Delinquencies.

Second, the case is subject of a final and executory judgment by the courts on or before April 24, 2019, under Section 17 (c) of Title IV of R.A. No. 11213, as evidenced by an Entry of Judgment[8] as of April 11, 2019.

Third, Ithiel Corporation was able to present the original copies of the following documents to prove its payment and availment of the provisions of the Tax Amnesty Act, to wit:

1) Certificate of Tax Delinquencies/Tax Liabilities dated June 26, 2019;

2) Tax Amnesty Return (BIR Form No. 2118-DA) dated July 26, 2019;

3) Acceptance Payment Forms (BIR Form No. 0621-DA) dated July 26, 2019 and July 24, 2019;

4) Deposit Slips issued by the authorized agent bank dated July 26, 2019 and July 24, 2019;

5) NIATCA dated August 28, 2019 issued by RDO No. 51 – Pasay City.

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[8] Docket, pp. 202 to 204.

Clearly therefore, Ithiel Corporation has properly availed of the Tax Amnesty on Delinquencies, and has sufficiently proven its compliance with the guidelines and procedures laid down in the Tax Amnesty Act and RR No. 04-19. As a result, Ithiel Corporation's tax delinquencies subject matter of the instant cases are considered *settled*, and this case shall be considered *terminated*. Moreover, it shall be *immune from all suits or actions*, including the payment of said delinquencies or assessments, pursuant to Section 20 of the Tax Amnesty Act.

WHEREFORE, in light of the foregoing considerations, the ***Motion to Consider Case as Closed and Terminated*** is hereby **GRANTED**.

In view of Ithiel Corporation's successful availment of the provisions of the Tax Amnesty Act, its tax delinquencies subject of the instant cases are considered **SETTLED.**

Accordingly, the Commissioner of Internal Revenue or any person duly acting on his behalf is hereby **ENJOINED** from taking any further action against Ithiel Corporation, arising from the FDDA dated July 14, 2014, as well as the Assessment Notices for IT, VAT, and EWT, all dated December 5, 2012.

Finally, the instant case is considered **CLOSED and TERMINATED**, pursuant to Section 20 of R.A. No. 11213, otherwise known as the Tax Amnesty Act.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice