REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA EB NO. 2895** (CTA Case No. 10056)
	Present:
- versus -	**RINGPIS-LIBAN,** *P.J.*, **BACORRO-VILLENA,** **MODESTO-SAN PEDRO,** **REYES-FAJARDO,** **CUI-DAVID,** **FERRER-FLORES,** *and* **ANGELES,** *JJ.*
AYALA CORPORATION, Respondent.	Promulgated: JAN 16 2026 3:25 P

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RESOLUTION

***BACORRO-VILLENA, J.*:**

For the Court's resolution is petitioner Commissioner of Internal Revenue's (**petitioner**'s/**CIR**'s) "Motion for Reconsideration (Re: Decision promulgated on 18 June 2025)"[1] (**MR**), filed and emailed[2] on 07 July 2025 and 08 July 2025, respectively, with respondent Ayala Corporation's (**respondent**'s) "Comment/Opposition"[3] (**Comment**), filed and emailed[4] on 12 August 2025.

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[1] *Rollo*, pp. 102-115.
[2] See email submission, id., p. 118.
[3] Id., pp. 122-124.
[4] Id., p. 121.

In the MR, petitioner contests the ruling made on the *En Banc* Decision of 18 June 2025 (**assailed Decision**), which denied his or her previous Petition for Review:

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> **WHEREFORE**, premises considered, the present Petition for Review filed by petitioner Commissioner of Internal Revenue on 11 April 2024 is hereby **DENIED** for lack of merit. The Special First Division's Decision dated 11 December 2023 and Resolution dated 08 March 2024, respectively, in CTA Case No. 10056 entitled *Ayala Corporation v. Commissioner of Internal Revenue*, are hereby **AFFIRMED.**
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> **SO ORDERED.**
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> ...

In the MR, petitioner alleges that respondent failed to exhaust the administrative remedies before filing its judicial appeal before this Court. He or she asserts that respondent only filed the administrative claim on 28 March 2019. Immediately, without giving petitioner the opportunity to act on the said claim, it filed the judicial claim on 03 April 2019. According to respondent, a party aggrieved with a decision of an administrative official should first appeal (the said decision) with a higher administrative authority to give the agency the chance to correct the error or amend their decision. Failure to exhaust the administrative remedy would certainly render the court action dismissible for prematurity.

In the same MR, petitioner went on to reiterate his or her previous arguments and submits that respondent failed to prove that the income from which the creditable withholding taxes (**CWTs**) were withheld form part of the gross income reported in respondent's Annual Income Tax Returns (**ITRs**) for calendar years (**CYs**) 2016 and 2017.

Petitioner also vehemently insists that respondent did not comply with the prescribed checklist as set forth in Revenue Memorandum Order (**RMO**) No. 53-98[5] and Revenue Regulation (**RR**) No. 2-2006.[6]

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[5] Checklist of Documents to be Submitted by a Taxpayer upon Audit of his Tax Liabilities as well as of the Mandatory Reporting Requirements to be Prepared by a Revenue Officer, all of which Comprise a Complete Tax Docket.

[6] Mandatory Attachments of the Summary Alphalist of Withholding Agents of Income Payments Subjected to Tax Withheld at Source (SAWT) to Tax Returns With Claimed Tax Credits due to

Hence, its non-submission of supporting documents in the administrative level renders its judicial refund without any solid mooring.

Relative thereto, petitioner posits that before the Court of Tax Appeals (**CTA**) conducts a *trial de novo* over the appealed refund cases, it should be proven first that taxpayer-claimant had complied with all the procedural requirements; particularly, the submission of supporting documents in the administrative level. Citing the case of *Atlas Consolidated Mining and Development Corporation v. Commissioner of Internal Revenue*[7], respondent echoes that the taxpayer-claimant's obligation is to prove that it had satisfied all evidentiary requirements when it filed its prior application for refund before the Bureau of Internal Revenue (**BIR**).

Petitioner further avers that respondent did not present the withholding agents to authenticate BIR Forms No. 2307 (Certificate of Creditable Tax Withheld at Source) which it claimed it submitted to the BIR. Neither did respondent submit proof of withholding. Furthermore, petitioner maintains that actual proof of remittance is indispensable in a claim for refund.

On the other hand, respondent counters that petitioner did not raise any new matter to contest the assailed Decision. The arguments are recycled and, thus, had already been passed upon and resolved by this Court in the assailed Decision.

Respondent also counters that petitioner's contention of non-exhaustion of administrative remedies is unfounded and baseless. According to it, cases under Sections 204(c)[8] in relation to Section 229[9] of the National Internal Revenue Code (**NIRC**) of 1997, as amended, only mandate the filing of both administrative and judicial claims within the two (2)-year prescriptive period as the Supreme Court had ruled in

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Creditable Tax Withheld At Source and of the Monthly Alphalist of Payees (MAP) Whose Income Received Have Been Subjected to Withholding Tax to the Withholding Tax Remittance Return Filed by the Withholding Agent/Payor of Income Payments.

[7] G.R. No. 145526, 16 March 2007.

[8] **SEC. 204.** ***Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.*** –

...

(C) Credit or refund taxes erroneously or illegally received[.]

[9] **SEC. 229.** ***Recovery of Tax Erroneously or Illegally Collected.***

Commissioner of Internal Revenue v. Carrier Air Conditioning Philippines, Inc.[10] (**Carrier Air Conditioning**).

We resolve.

Before We delve into the arguments of the parties, We shall first determine whether the MR was filed within the prescribed reglementary period.

PETITIONER'S MOTION FOR RECONSIDERATION (MR) WAS TIMELY FILED.

Section 1, Rule 15 of the Revised Rules of Court of Tax Appeals[11] (**RRCTA**) provides that an aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court by filing an MR or new trial within fifteen (15) days from the date he or she received the notice of the decision, resolution, or order of the Court in question.

In the instant case, the Office of the Solicitor General (**OSG**) received the assailed Decision of 18 June 2025 on **26 June 2025**.[12] Counting 15 days therefrom, petitioner had until **11 July 2025** to file his or her MR. As the records bore, the MR was filed on 07 July 2025, thus it was timely filed.

After an examination of the pleadings, We are constrained to deny petitioner's MR for lack of merit.

TAX REFUNDS UNDER SECTION 204 (C) IN RELATION TO SECTION 229 OF THE NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1991, AS AMENDED, ONLY REQUIRES THE FILING OF BOTH ADMINISTRATIVE AND JUDICIAL CLAIMS OF REFUND WITHIN THE TWO (2) YEAR PRESCRIPTIVE PERIOD.

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[10] G.R. No. 226592, 27 July 2021.
[11] A.M. No. 05-11-07-CTA.
[12] See Notice of Decision, *rollo*, p. 74.

Petitioner insists that the judicial appeal is prematurely filed for respondent's failure to await the CIR's action on the administrative claim. He or she adds that it is violative of the doctrine of exhaustion of administrative remedies.

We disagree.

The issue is not novel. As respondent correctly forwards, in *Carrier Air Conditioning*[13], the Supreme Court quoted the earlier pronouncement in *CBK Power Company Limited v. Commissioner of Internal Revenue*[14] and ruled that Section 229 does not require the taxpayer-claimant to await CIR's action on the administrative claim as long as the same is filed prior to the judicial claim and that both claims are filed within the two (2)-year prescriptive period from the payment of tax, to wit –

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> In this case, petitioner assails respondent's filing of the judicial claim before the Court of Tax Appeals sans any ruling by them on the administrative claim.
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> This same issue has been squarely passed upon in *CBK Power Company Limited v. Commissioner of Internal Revenue*. The Commissioner argued that since the judicial claim was filed merely five days after the administrative claim had been filed, they were not given a reasonable time to act on the claim. The Commissioner contended that the taxpayer's filing of the judicial claim violates the doctrines of exhaustion of administrative remedies and primary jurisdiction.
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> This Court rejected the Commissioner's argument. It ruled that Sections 204 and 229 of the 1997 National Internal Revenue Code require only that the administrative claim be filed before the judicial claim and that both claims be filed within two years from the payment of the tax. Hence, the taxpayer properly filed its judicial claim without awaiting the Commissioner's action on its administrative claim, as long as the judicial claim was filed within the two-year prescriptive period. Thus:
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>> Section 204 applies to administrative claims for refund, while Section 229 to judicial claims for refund. In both instances, the taxpayer's claim must be filed within two (2) years from the date of payment of the tax or penalty. However, Section

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[13] Supra at note 10.

[14] G.R. Nos. 193383-84, 14 January 2015.

> 229 of the [1997] NIRC further states the condition that a judicial claim for refund may not be maintained until a claim for refund or credit has been duly filed with the Commissioner. . . .
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> . . .
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> With respect to the remittance filed on March 10, 2003, the Court agrees with the ratiocination of the CTA En Banc in debunking the alleged failure to exhaust administrative remedies. Had CBK Power awaited the action of the Commissioner on its claim for refund prior to taking court action knowing fully well that the prescriptive period was about to end, it would have lost not only its right to seek judicial recourse but its right to recover the final withholding taxes it erroneously paid to the government thereby suffering irreparable damage.
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> Also, while it may be argued that, for the remittance filed on June 10, 2003 that was to prescribe on June 10, 2005, CBK Power could have waited for, at the most, three (3) months from the filing of the administrative claim on March 4, 2005 until the last day of the two-year prescriptive period ending June 10, 2005, that is, if only to give the BIR at the administrative level an opportunity to act on said claim, the Court cannot, on that basis alone, deny a legitimate claim that was, for all intents and purposes, timely filed in accordance with Section 229 of the NIRC. There was no violation of Section 229 since the law, as worded, only requires that an administrative claim be priorly filed. (Citation omitted)

Still in *CBK Power Company*, this Court further held that Section 229 does not require that the Commissioner first act on the taxpayer's claim, and that the taxpayer cannot go to court without the Commissioner's action. Citing *P.J. Kiener Company, Ltd. v. David*, this Court held that the administrative claim filed before the Commissioner was intended "primarily as a notice of warning that unless the tax or penalty alleged to have been collected erroneously or illegally is refunded, court action will follow[.]"

Hence, applying the ruling in *CBK Power Company*, this Court finds proper respondent's filing of judicial claim 10 days after it had filed its administrative claim, even without petitioner's ruling. The judicial claim was timely filed within the two-year prescriptive period based on the plain language of Section 229 of the 1997 National Internal Revenue Code.[15]

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[15] Italics in the original text, citations omitted and emphasis supplied.

As for the other issues raised, it must be emphasized that these circled around the same allegations in petitioner's prior Petition for Review[16], specifically: (1) failure to exhaust administrative remedies; (2) failure to submit all the documents provided for under RMO No. 53-98 and RR No. 02-2006; and, (3) failure to prove actual remittance of the CWTs to the BIR. However, these were already addressed both in the Division Decision of 11 December 2023[17] and assailed Decision. Clearly, petitioner failed to raise any new argument or present novel matter which the Court *En Banc* has not previously scrutinized, studied, and discussed.

As a mere reiteration of Our previous findings would be an exercise in futility, the Court *En Banc* is also inclined to deny summarily the instant motion. In the case of *Licomcen Incorporated v. Foundation Specialists, Inc.*[18], the Supreme Court, citing *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al.*[19], held that –

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> 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, x x x 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.
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16 *Rollo*, pp. 7-19.
17 Id., pp. 27-59.
18 G.R. No. 167022, 31 August 2007.
19 G.R. No. 109645, 04 March 1996.

Having failed to present his or her arguments in a new light, the same time having been squarely addressed in the assailed Decision of 18 June 2025, petitioner's MR must necessarily fail as nothing contained therein warrants further consideration by the Court *En Banc*.

WHEREFORE, in view of the foregoing, petitioner Commissioner of Internal Revenue's "Motion for Reconsideration (Re: Decision promulgated on 18 June 2025)", filed on 07 July 2025, is **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice