Lit.

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

COMMONWEALTH PACIFIC
CONSULTANTS, LTD.,
Petitioner

- versus - C.T.A. CASE NO. 2953

THE COMMISSIONER OF
INTERNAL REVENUE,
Respondent.

5/15/82

x - - - - - - - - - - - - x

D E C I S I O N

This case comes on petitioner's motion for a summary judgment sustaining its claim for a refund of alleged overpayment of corporate income tax in the amount of ₱8,400.00 on the ground that there is no longer any genuine issue to be resolved.

Inter alia, petitioner corporation organized and existing under the laws of the Philippines contends, that it 1) paid on May 26, 1976 income tax in the amount of ₱28,110.00 on a net income of ₱87,457.44 for the quarter ending March, 1976, shown per copies of return, receipt of payment and tax payment acceptance order (Annexes "A", "B" & "C"); 2) filed in March, 1977 a final corporate annual income tax return showing a tax liability for the calendar year 1976 of only ₱19,709.00 or an overpayment of ₱8,400.00 (Annex "D"); 3) claimed the refund thereof from respondent in a letter dated May 10, 1978 (Annex "E"); but for lack of official action and to hedge against the running of the statutory limitations 4) filed on May 23, 1978 the present petition.

Respondent while not disputing the relatively simple material facts as alleged raises in the usual token of a defense that 1) taxes are presumed to have been paid and collected in accordance with law, 2) the burden of proof rests upon petitioner to show entitlement to the refund sought, and 3) compliance with the requisites prescribed under Sections 306 and 309, both of the Tax Code (before the 1977 recodification) relative to the recovery of erroneously or illegaly collected taxes.

The records, moreover, show that 1) petitioner has complied with the above-mentioned statutory requirements by having filed a written claim for refund with the respondent and a suit on appeal to this Court within the two-year period from the date of payment of the tax; 2) respondent has not issued any deficiency assessment nor disputed the correctness of petitioner's income tax return, to date; and 3) the parties, however, seem to have recognized the legal merit of the claim which "has been favorably recommended for approval in the Bureau of Internal Revenue and that the same is being presently administratively processed or settled." (CTA Resolution, March 26, 1982). Apparently the determination of the precise question of whether or not petitioner's tax return is in order remains dawdled in a traumatic procedural transition.

But as should be expected, the action could be maintained on the basis of the pleadings, admission and affidavit of the parties which neither provokes any unsettling questions nor involves material factual issue genuinely in dispute. The administrative machinery or process employed on the right to the claim seems to have moved barely at idling speed. To be relatively quiescent for some four (4) years on a claim of such a simple nature and not so considerable a stake which no longer incites controversy nor excites a queasy sense of expectation, creates but an unwarranted bureacratic inertia of inaction. Readily, a legal conclusion can safely be reached. Petitioner or any similarly circumstanced taxpayer for that matter deserves a measure of fair dealing in a more expedient and competently responsive action.

Under the circumstances, we are persuaded to extend the relief sought by summary judgment. Petitioner is entitled to the refund of the amount of ₱8,400.00 representing an overpayment of corporate income tax for the calendar year 1976, as a matter of law.

WHEREFORE, respondent is hereby ordered to grant the refund to petitioner without pronouncement as to costs.

SO ORDERED.

Quezon City, Metro Manila, May 15, 1982.

ALEX Z. REYES
Associate Judge

WE CONCUR:

AMANTE FILLER
Presiding Judge

CONSTANTE C. ROAQUIN
Associate Judge