REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

REGUS PLT CENTRE, INC., *Petitioner,*

-*versus*-

COMMISSIONER OF INTERNAL REVENUE, *Respondent.*

CTA CASE NO. 10778

Members:

MANAHAN, *Chairperson,*
REYES-FAJARDO, *and*
ANGELES, *JJ.*

Promulgated:

JUL 30 2025
10:56 a.m.

x- -x

RESOLUTION

MANAHAN, J.:

For this Court's resolution is respondent's *Motion for Reconsideration* personally filed on April 2, 2025 and electronically filed on April 3, 2025 with petitioner's *Opposition (To Respondent's Motion for Reconsideration dated 2 April 2025)* personally and electronically filed on April 10, 2025.

Respondent prays for the reversal of the Court's Decision (assailed Decision) dated March 11, 2025, the dispositive portions of which, read as follows:

> **WHEREFORE**, in light of the foregoing considerations, the present Petition for Review is **GRANTED**.
>
> Accordingly, the WDL dated October 28, 2021 and the **undated** WOG issued against petitioner are **WITHDRAWN** and **SET ASIDE**.
>
> Moreover, the PAN dated December 14, 2020 and the FLD/FAN dated January 12, 2021 issued against petitioner, for TY 2017, are **CANCELLED** and **SET ASIDE**.

Accordingly, respondent is **ENJOINED** and **PROHIBITED** from collecting or taking further action on the subject deficiency taxes against petitioner for TY 2017.

SO ORDERED.

Respondent's Arguments

Respondent's arguments challenge the jurisdiction of the Court over the instant Petition for Review in the face of a final and executory tax deficiency assessment and maintain that the failure of petitioner to file a timely protest against the Formal Letter of Demand and Final Assessment Notice (FLD/FAN) by way of a request for reconsideration or reinvestigation made the same final and unappealable, thus, depriving the Court of the requisite jurisdiction to take cognizance of the case.

On the issue of valid service of the subject FAN/FLD to petitioner at its former business address, respondent asserts that the Court correctly ruled that substituted service under the relevant regulations was justified considering that petitioner failed to inform the Bureau of Internal Revenue (BIR) of the supposed closure of its office located at the Philamlife Tower in Paseo de Roxas, Makati. However, respondent disagrees with the Court's conclusion that there was failure to follow the proper procedures in serving the Preliminary Assessment Notice (PAN) and FLD/FAN by substituted service. Citing Section 2 of Revenue Memorandum Order (RMO) No. 40-2019, respondent claims that records show that the revenue officer substantially followed the proper steps in accomplishing substituted service and that the alleged defects mentioned in the assailed Decision are mere procedural lapses that do not impair the proper service of the assessment notice. Contrary to the ruling of the Court in the assailed Decision, respondent avers that the BIR did not violate its own rules and regulations.

Petitioner's Counter-Arguments

Petitioner submits that the Court correctly assumed jurisdiction over the case and that the filing of its Petition for Review on February 21, 2022 was done within the prescribed period counted from its receipt of the Warrant of Garnishment (WOG) on January 26, 2022. Citing the case of *Commissioner of Internal Revenue vs. Manila Medical Services*[1], petitioner

[1] G.R. No. 255473, February 13, 2023.

contends that the jurisdiction of the Court of Tax Appeals (CTA) is not limited to cases involving decisions of the Commissioner of Internal Revenue but covers other cases that arise out of the 1997 National Internal Revenue Code (NIRC), as amended, or related laws administered by the BIR.

Petitioner likewise agrees with the Court that the official notices such as the PAN and the FLD/FAN were not properly served even by substituted service in accordance with Revenue Regulations (RR) No. 12-99, as amended by RR No. 18-2013, thereby rendering them void and without any effect.

Overall, petitioner dismisses the arguments of respondent as mere repetitions of the issues raised during trial and which have already been considered and ruled upon in the assailed Decision.

RULING OF THE COURT

Records show that respondent timely filed the Motion for Reconsideration pursuant to Section 1 of Rule 15 of the Revised Rules of the Court of Tax Appeals (RRCTA) where a party dissatisfied with a Decision of the Court must file a motion for reconsideration or new trial within fifteen (15) days from receipt thereof, and we quote:

> **Rule 15**
> **Motion for Reconsideration or New Trial**
>
> **Section 1**. *Who may and when to file motion.* – Any aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court by filing a motion for reconsideration or new trial within fifteen days from the date of receipt of notice of the decision, resolution or order of the Court in question.

Further, as gleaned from the records, respondent received on March 17, 2025 a copy of the assailed Decision, thus, providing a fifteen (15)-day period therefrom or until April 1, 2025 to file the Motion for Reconsideration pursuant to the afore-quoted provision of the RRTCA. The present motion having been filed on April 2, 2025,[2] was well-within the prescribed period.

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[2] April 1, 2025 was declared a non-working Holiday.

As regards the merits of respondent's arguments, this Court does not find any compelling reason to reverse or modify the assailed Decision.

On the issue of jurisdiction, the Court reiterates its ruling that the appellate jurisdiction of the CTA is not limited to cases involving decisions of respondent on matters relating to assessments or refunds but may cover other cases that arise out of the 1997 NIRC, as amended, or **related laws administered by the BIR**. As found by the Court, the primordial issue in this case is the validity of the assessment and whether the taxes subject of this case may be collected in accordance with Sections 207 and 208 of the said 1997 NIRC, as amended, hence, within the jurisdiction of the Court.

On the other argument of respondent that the FAN has become final and executory thus depriving the Court of its jurisdiction, the Court likewise finds this to be without merit. Herein petitioner denies ever having received the FLD/FAN and went to Court after receiving the WOG, thus, the reckoning of the thirty (30)-day period is from its receipt thereof on January 26, 2022. Therefore, the filing of the present Petition for Review on February 21, 2022 was well-within the prescribed period.

For emphasis, the Court also affirms its ruling in the assailed Decision that representatives of respondent failed to follow the proper procedures in serving the PAN, FLD/FAN via substituted service, thus rendering them void and without any effect. The assailed Decision stated in detail the dearth of evidence of petitioner leading to this conclusion and the Court will no longer belabor the discussion considering that no new evidentiary matters nor arguments have been raised.

WHEREFORE, premises considered, respondent's *Motion for Reconsideration* is **DENIED** for lack of merit.

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice