

REPUBLIC OF THE PHILIPPINES  
COURT OF TAX APPEALS  
MANILA

LEONOR DE LA RAMA, for herself  
and in her capacity as Admin-  
istratrix of the Testate  
Estate of the late Natividad  
Aguilar, ESTEFANIA R. PIRO-  
VANO, LOURDES R. OSMENA, DO-  
LORES R. LOPEZ and CONCHITA  
R. ARMS, represented by the  
PHILIPPINE NATIONAL BANK, in  
its capacity as legal guard-  
ian of her properties,  
Petitioners,

- versus -

C.T.A. CASE NO. 421

THE COLLECTOR OF INTERNAL  
REVENUE,  
Respondent.

11/11/57

x - - - - - x

R E S O L U T I O N

On August 21, 1957, the Provincial Revenue Of-  
ficer of Iloilo addressed a letter to Miss Leonor de  
la Rama, 41 Ortigas Street, Pasay City, one of the  
petitioners herein, as follows:

In connection with the investigation  
conducted by Examiners of this Office of  
the transfer taxes due from the estate left  
by the late Doña Natividad Aguilar Vda. de  
la Rama who died on November 11, 1951, please  
be informed of the following assessments:

|                  |                  |             |
|------------------|------------------|-------------|
| Estate Tax ..... | ₱119,563.98      |             |
| 25% Surcharge .. | 29,890.10        |             |
| Interests .....  | <u>71,738.40</u> |             |
| Total .....      |                  | ₱221,192.48 |

|                                 |                  |             |
|---------------------------------|------------------|-------------|
| Inheritance Tax.                | ₱ 18,761.20      |             |
| 25% Surcharge ..                | 4,690.30         |             |
| Interests .....                 | <u>10,683.77</u> |             |
| Total (for five<br>heirs) ..... |                  | ₱170,676.35 |

|                             |  |              |
|-----------------------------|--|--------------|
| ADD: Compromises -          |  |              |
| No Notice of Death .....    |  | 5.00         |
| Late filing of return ..... |  | <u>20.00</u> |

|                                             |  |                    |
|---------------------------------------------|--|--------------------|
| TOTAL Transfer taxes collect-<br>ible ..... |  | <u>₱391,868.83</u> |
|---------------------------------------------|--|--------------------|

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For your information and guidance I am attaching herewith a copy of the Report of Examination submitted by the Investigating Examiners. It is a practiced policy of this Office to give all the opportunities to taxpayers to contest assessments of this nature in an Informal Conference which can be called by you or your duly authorized representative within ten (10) days from receipt of this letter.

The said letter was received by Leonor de la Rama on September 2, 1957. Immediately thereafter, or on September 4, 1957, counsel for petitioners requested a detailed information as to how the properties of the deceased were valued for tax purposes, and receiving no satisfactory reply, the herein petition for review was filed with this Court on October 1, 1957.

Counsel for respondent filed a motion to dismiss on the grounds that (1) the petition for review does not allege a cause of action, and (2) the filing thereof is premature.

During the hearing of the case, counsel for the Government manifested that no assessment has been made nor a decision rendered by respondent in this case, and that the letter of the Provincial Revenue Officer of Iloilo dated August 21, 1957 cannot be considered a decision of respondent, no provincial revenue officer being authorized to make assessments of internal revenue taxes. This being so, the petition for review has been prematurely filed.

Of course, there was ample justification for petitioners to come to this Court for redress. The letter of the Provincial Revenue Officer of Iloilo speaks of



"assessments" having been made, and emphasized that the "practiced policy" of his office is "to give all the opportunities to taxpayers to contest assessments of this nature in an Informal Conference . . ." Assessments of internal revenue taxes, where final in character, being considered decisions of the Collector of Internal Revenue within the meaning of Section 7 (1) of Republic Act No. 1125, and therefore appealable to this Court, petitioners thought it proper for the protection of their interests to appeal. What they failed to consider is the fact that what was meant, although not stated, in the letter of the Provincial Revenue Officer of Iloilo was that no assessment had as yet been made but that a proposed assessment was to be recommended. It was an error that proved to be a little bit costly, but probably less costly than if the case were to be dismissed for failure to appeal on time due to misrepresentation in regard to the period for appeal, as in those cases where taxpayers appealed within the period fixed by certain internal revenue officers only to find to their dismay that the legal period for appeal had lapsed.<sup>1</sup> This state of affairs is certainly regrettable, but for the present we can only sympathize with the taxpayers. Some improvement might be forthcoming in the near future, but the taxpayers should

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<sup>1</sup> Emilio G. Guaycong v. Collector of Internal Revenue, C.T.A. CASE No. 395, October 14, 1957, is the latest case which was dismissed for failure of the Taxpayer to appeal on time, although within the period fixed by a regional director of the Bureau of Internal Revenue.

RESOLUTION -  
C.T.A. CASE NO. 421 .

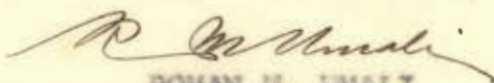
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not expect too much.

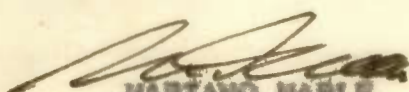
Finding that no final decision has as yet been rendered by respondent on the case of herein petitioners, the petition for review is hereby dismissed without prejudice. No pronouncement as to costs.

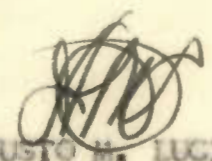
SO ORDERED.

Manila, November 11, 1957.

  
ROMAN M. UMALI  
Associate Judge

WE CONCUR:

  
MARIANO NABLE  
Presiding Judge

  
AUGUSTO M. LUCIANO  
Associate Judge