REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

****

THE TREASURER OF THE CITY OF MANILA, Petitioner,	**C.T.A. AC NO. 33**
	Members:
- versus -	**ACOSTA,** *Chairperson* **BAUTISTA,** and **CASANOVA,** *JJ.*
UNILEVER PHILIPPINES, INC., Respondent.	**Promulgated:** MAY 21 2008; 1:35 pm

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DECISION

CASANOVA, *J.*:

STATEMENT OF THE CASE

Before us is Petition for Review seeking the reversal the Decision rendered by Honorable Judge Cesar M. Solis of Branch 14, Regional Trial Court, Manila promulgated on December 29, 2006 in Civil Case No. 05-113087; the dispositive portion reads as follows:

> "WHEREFORE, and in view of the foregoing considerations, judgment is hereby rendered in favor of petitioner Unilever Phils., Inc. and against the respondent Treasurer of the City of Manila. Accordingly, petitioner is hereby DECLARED as not liable for business taxes under Section 21 of the Manila Revenue Code having already paid business taxes under Section 14 thereof. And as a consequence thereof, respondent is hereby ordered to REFUND to the petitioner the taxes the latter paid thereunder for the third quarter of the year 2003 in the amount of Thirteen Million Seven Hundred Twenty Four Thousand Four Hundred Forty Six pesos (Php13,724,446.00)
>
> Since the parties neither alleged nor prayed for payment of damages, or litigation expenses, no award therefore is in order.
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> No pronouncement as to costs.
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> SO ORDERED."[1]

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[1] Rollo, p. 217.

Likewise, the petition seeks the reversal of the Order promulgated on March 30, 2007 issued by the same Honorable Court, denying petitioner's Motion for Reconsideration of the abovementioned Decision on the ground that the source of the City of Manila's power to tax (Tax Ordinance No. 7988, as amended by Tax Ordinance No. 8011), has been declared null and void by the Supreme Court; the dispositive portion reads as follows:

> "WHEREFORE, and in view of the foregoing considerations, the Motion for Reconsideration of the respondent is hereby DENIED for lack of merit.
>
> SO ORDERED."[2]

FACTS

Petitioner, Ms. Liberty M. Toledo, is filing this petition in her capacity as Treasurer of the City of Manila, with office address at the Ground Floor, Manila City Hall, Taft Avenue, Manila.

Respondent Unilever Philippines, Inc. is a manufacturer and a domestic corporation duly registered and existing by virtue of the laws of the Philippines, with principal address at 1351 United Nations Avenue, Manila.

On July 18, 2005, respondent filed a Petition for Refund with the Regional Trial Court (RTC) of Manila against herein petitioner, docketed as Civil Case No. 05-113087; and raffled to Branch 14 of RTC Manila.[3]

After trial on the merits, the Honorable Trial Court rendered the Decision[4] on December 29, 2006. A copy of it was received by the petitioner on January 12, 2007.

A Motion for Reconsideration was filed by herein respondent to the assailed Decision on January 26, 2007. However, the same was denied through an Order promulgated on March 30, 2007; a copy of which was received by the petitioner on April 10, 2007.

On May 9, 2007, petitioner moved for an extension of time to file an appeal.

Hence, this Petition for Review filed on March 25, 2007.

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[2] Rollo, p. 220.
[3] Annex A, Petition for Review.
[4] Annex G, Petition for Review.

Respondent failed to submit its Comment within the prescribed period it asked through its motions for extensions, thus the Opposition (re: Petition for Review, dated May 25, 2007) it submitted on August 2, 2007 to this Court was excluded from the records of the above captioned case.

This Court, after receipt of the parties' respective Memorandum submitted this case for decision on January 7, 2008.

ISSUES

The following issues were raised by the petitioner Treasurer of Manila in its Petition for Review:

> "i. Whether or not the Honorable Regional Trial Court gravely erred in holding that there is double taxation in the imposition of Section 21 of the Manila Revenue Code, as amended. [;]
>
> ii. Whether or not the Honorable Regional Trial Court gravely erred in holding that Sections 14 and 21 are founded under Section 143 of the Local Government Code. [;]
>
> iii. Whether or not the Honorable Regional Trial Court gravely erred in holding that Sections 195 and 187 of the Local Government Code do not apply in the instant case. [; and]
>
> iv. Whether or not the Honorable Regional Trial Court gravely erred in relying with the case of Coca-Cola Bottlers Philippines, Inc. vs. City of Manila, et. al., G.R. No. 156252, June 27, 2006."[5]

THE COURT'S RULING

To begin with, the authority of the City of Manila to impose taxes as well as its limitations thereof is provided for in the Philippine Constitution under Section 5, Article X, "LOCAL GOVERNMENT", to wit:

> "Sec. 5. Each local government unit shall have the power to create its sources of revenues and to levy taxes, fees, and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy. Such fees, taxes, and charges shall accrue exclusively to the local governments."

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[5] Issues, Petition for Review, Rollo, p. 234.

Pursuant to the constitutional mandate, Congress enacted the Local Government Code of 1991 (LGC) that set forth the guidelines and limitations on the power to tax of local governments like City of Manila, to wit:

> "Sec. 128. Scope. – The provisions herein shall govern the exercise by provinces, cities, municipalities, and barangays of their taxing and other revenue-raising powers.
>
> Sec. 129. Power to Create Sources of Revenue. - Each local government unit shall exercise its power to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions herein, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local government units."

The City of Manila, through the Revised Revenue Code of the City of Manila (RRCCM), otherwise known as Tax Ordinance No. 7988, as amended by Ordinance No. 8011, imposes and collects taxes on people, transactions and businesses found within its jurisdiction.

Whether or not the Honorable Regional Trial Court gravely erred in holding that there is double taxation in the imposition of Section 21 of the Manila Revenue Code, as amended.

Respondent in the instant case is a manufacturer and pays taxes to the City of Manila by virtue of Sections 14 and 21 of the Tax Ordinance No. 7988, as amended. A manufacturer is defined by the LGC as:

> SEC. 131. *Definition of Terms.* - When used in this Title, the term:
>
> xxx
>
> (o) "Manufacturer" includes every person who, by physical or chemical process, alters the exterior texture or form or inner substance of any raw material or manufactured or partially manufactured product in such manner as to prepare it for special use or uses to which it could not have been put in its original condition, or who by any such process alters the quality of any such raw material or manufactured or partially manufactured products so as to reduce it to marketable shape or prepare it for any of the use of industry, or who by any such process combines any such raw material or manufactured or partially manufactured products with other materials or products of the same or of different kinds and in such manner that the finished products of such process or manufacture can be put to a special use or uses to which such raw material or manufactured or partially manufactured products in their original

> condition could not have been put, and who in addition alters such raw material or manufactured or partially manufactured products, or combines the same to produce such finished products for the purpose of their sale or distribution to others and not for his own use or consumption;

Based on the above definition, a manufacturer is any person that changes, modifies or combines any product to take the form of another product or finished product for the purpose of selling or distributing them to others for a fee.

Section 14 of Ordinance No. 7988, as amended, imposes a percentage tax on manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers and compounders of liquors, distilled spirits, and wines, or manufacturers of any article of commerce of whatever kind or with the gross sales or receipts for the preceding calendar year in accordance with the schedule provided therein. Section 21 on the other hand is entitled "Tax on Businesses Subject to the Excise, Value Added or Percentage Taxes under the NIRC" and it provides for the imposition of a tax of fifty percent (50%) of one percent (1%) per annum on the gross sales or receipts on the business and articles of commerce subject to excise, value added or percentage taxes under the National Internal Revenue Code (NIRC).

Petitioner avers that a manufacturer's tax under Section 14 is distinct and different from the imposition under Section 21 of tax on businesses subject to the excise, value-added or percentage taxes under the NIRC.

Petitioner's argument is not correct.

In the case at bench, respondent is being taxed as a manufacturer of goods in Section 14 of the ordinance. Likewise, it is taxed under Section 21 (a) on its business of selling manufactured goods. Hence, both Sections 14 and 21 of the MRC are business taxes based on respondent's sales as a manufacturer.

Petitioner states that the residual power of the City of Manila to tax is plenary and explicit, as provided for in Section 186 of the LGC.[6]

It must be noted that among the limitations contained in the LGC on local government units like the City of Manila is specified in Section 143 (h) thereof, which reads as follows:

> "Sec. 143. Tax on Business- The municipality may impose taxes on the following businesses:
> xxx
>
> (h) On any business, not otherwise specified in the preceding paragraphs, which the sanggunian concerned may deem proper to tax: Provided, That on any business subject to the excise, value-added or percentage tax under the National Internal Revenue Code, as amended, the rate of tax shall not exceed two percent (2%) of gross sales or receipts of the preceding calendar year.
>
> The sanggunian concerned may prescribe a schedule of graduated tax rates but in no case to exceed the rates prescribed herein."

From the above provision, paragraph (h) explicitly provides that the taxes therein may no longer be imposed on businesses subjected to tax under paragraphs (a) to (g) of the same section, which reads as follows:

> "SEC. 143. *Tax on Business.* - The municipality may impose taxes on the following businesses:
>
> (a) On manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers, and compounders of liquors, distilled spirits, and wines or manufacturers of any article of commerce of whatever kind or nature, in accordance with the following schedule: With gross sales or receipts for the Amount of Tax preceding calendar year in the amount of:
>
> x x x
>
> (b) On wholesalers, distributors, or dealers in any article of commerce of whatever kind or nature in accordance with the following schedule: With gross sales or receipts for the Amount of Tax preceding calendar year in the amount of:
>
> x x. x
>
> (c) On exporters, and on manufacturers, millers, producers, wholesalers, distributors, dealers or retailers of essential commodities enumerated hereunder at a rate not exceeding one-half (1/2) of the rates prescribed under subsections (a), (b) and (d) of this Section:

[6] "Local Government Units may exercise the power to levy taxes, fees, or charges on any base or subject not otherwise specifically enumerated herein or taxed under the provisions of the National Internal Revenue Code as amended or other applicable laws; Provided, that any taxes, fees, or other charges shall not be unjust, excessive, oppressive, confiscatory or contrary to declared national policy; Provided, further, that the ordinance levying such taxes, fees, or charges shall not be enacted without any prior public hearing conducted for the purpose."

(1) Rice and corn;
(2) Wheat or cassava flour, meat, dairy products, locally manufactured, processed or preserved food, sugar, salt and other agricultural, marine, and fresh water products, whether in their original state or not;
(3) Cooking oil and cooking gas;
(4) Laundry soap, detergents, and medicine;
(5) Agricultural implements, equipment and post- harvest facilities, fertilizers, pesticides, insecticides, herbicides and other farm inputs;
(6) Poultry feeds and other animal feeds;
(7) School supplies; and
(8) Cement.

(d) On retailers, With gross sales or receipts Rate of tax for the preceding calendar year of:

x x x

Provided, however, That barangays shall have the exclusive power to levy taxes, as provided under Section 152 hereof, on gross sales or receipts of the preceding calendar year of Fifty thousand pesos (P=50,000.00) or less, in the case of cities, and Thirty thousand pesos (P=30,000.00) or less, in the case of municipalities.

(e) On contractors and other independent contractors, in accordance with the following schedule:

With gross receipts for the preceding calendar year in the amount of:

x x x

(f) On banks and other financial institutions, at a rate not exceeding fifty percent (50%) of one percent (1%) on the gross receipts of the preceding calendar year derived from interest, commissions and discounts from lending activities, income from financial leasing, dividends, rentals on property and profit from exchange or sale of property, insurance premium.

(g) On peddlers engaged in the sale of any merchandise or article of commerce, at a rate not exceeding Fifty pesos (P50.00) per peddler annually. "

From the foregoing, paragraph (h) states that a tax may only be imposed on "any business, not otherwise specified in the preceding paragraphs", i.e. paragraphs (a) to (g). This clearly indicates the intention of the framers of LGC to include in subsection (h) those businesses or persons not covered in subsections (a) to (g). Respondent in the instant case has already been taxed on business tax on manufacturers under Sec. 14 of the RRCCM or Tax Ordinance No. 7988. Thus, subjecting the respondent to the business tax of manufacturers subject to excise tax, value-added tax or percentage tax under NIRC again under Sec. 21 of the same code is an apparent violation of Sec. 143 (h) of the LGC, which is tantamount to double taxation. Note that Section 14 of the Tax Ordinance is derived from Section 143 (a) of the Local Government Code.

Double taxation as defined by the Supreme Court means:

> "Taxing the same property twice when it should be taxed only once; that is, "x x x taxing the same person twice by the same jurisdiction for the same thing." It is obnoxious when the taxpayer is taxed twice, when it should be but once. Otherwise described as "direct duplicate taxation," the two taxes must be imposed on the same subject matter, for the same purpose, by the same taxing authority, within the same jurisdiction, during the same taxing period; and they must be of the same kind or character." [7]

Moreover, in Pepsi-Cola, the Supreme Court likewise said:

> "Double taxation in general, is not forbidden by our fundamental law, since We have not adopted as part thereof the injunction against double taxation found in the Constitution of the United States and some states of the Union. Double taxation becomes obnoxious only where the taxpayer is taxed twice for the benefit of the same governmental entity or by the same jurisdiction for the same purpose, but not in a case where one tax is imposed by the State and the other by the city or municipality."[8]

Petitioner submits to this Court that there was no double taxation in the instant petition as the taxes imposed in Sections 14 and 21 are of two different kinds or characters, being taxed on two different entities (i.e. to respondent and its customers respectively) and for different purposes.

This Court rules otherwise.

In the long line of cases[9] decided by this Court, it was consistently held that the imposition of business taxes under Sections 14 and 21(a) of the MRC as amended, upon a manufacturer like the respondent constitutes double taxation as there was taxation twice, for the same activity (i.e. manufacturing), by the same public authority within the same taxing jurisdiction (City of Manila) for the same purpose (i.e. to generate revenue for the City of Manila) for the same taxable period, which is in the case at bar, 2003. Thus, We agree with the court a quo that the imposition of the petitioner of business tax against the

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[7] Commissioner of Internal Revenue vs. Solidbank Corporation, G.R. No. 148191, November 25, 2003.

[8] Pepsi-Cola Bottling Co. of the Philippines, Inc. vs. Municipality of Tanauan, Leyte, No. L-31156, February 27, 1976, 69 SCRA 466-467.

[9] Unilever Philippines, Inc. vs. The Treasurer of Manila, CTA AC No. 25, July 18, 2007; Liberty M. Toledo, in her capacity as the Treasurer of the City of Manila vs. Unilever Philippines, Inc. , CTA A.C. No. 21, May 10, 2007; Alcan Packaging Starpack Corporation (formerly Starpack Philippines Corporation) vs. The Treasurer of the City of Manila, CTA AC No. 17, September 11, 2006; Swedish Match Philippines, Inc. vs. The Treasurer of the City of Manila, CTA AC No. 15, July 21, 2006;

respondent under Sections 21 of the RRCCM when the latter had already paid the same tax under Section 14 of the same code constituted obnoxious double taxation, as defined in the cited Pepsi-Cola case.

Whether or not the Honorable Court gravely erred in holding that Sections 14 and 21 are founded under Section 143 of the Local Government Code

This Court submits that Sections 14 and 21 of the Ordinance No. 7988, as amended are founded under Section 143 of the LGC. A comparison of their contents reveals that Sections 14 and 21 of Ordinance No. 7988 has semblance with Section 143 (a) and (h) respectively of the LGC, to wit:

LGC	Ordinance No. 7988
"Section. 143. *Tax on Business.* - The municipality may impose taxes on the following businesses: (a) **On manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers, and compounders of liquors, distilled spirits, and wines or manufacturers of any article of commerce of whatever kind or nature, in accordance with the following schedule:**	Section 14. "Tax on Manufacturers, Assemblers, and Other Processors - There is hereby imposed a graduated tax **on manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers, and compounders of liquors, distilled spirits, and wines or manufacturers of any article of commerce of whatever kind or nature, in accordance with the following schedule:**
Section 143. Tax on Business – The municipality may impose taxes on the following businesses: xxx (h) On any business, not otherwise specified in the preceding paragraphs, which the sangguniain concerned may deem proper to tax: Provided, **That on any business subject to the excise, value-added or percentage tax under the National**	Section 21. Tax on Businesses Subject to Excise, Value-Added or Percentage Taxes Under the NIRC. – **On any of the following businesses and articles of commerce subject to the excise, value-added or percentage taxes under the National Internal Revenue Code hereafter referred to as NIRC, as amended,** a tax of fifty percent (50%) of one percent (1%) per annum on the gross

Internal Revenue Code, as amended, the rate of tax shall not exceed two percent (2%) of gross sales or receipts of the preceding calendar year. The sanggunian concerned may prescribe a schedule of graduated tax rates by in no case to exceed the rates prescribed herein. (Emphasis Ours)	sales or receipts of the preceding calendar year is hereby imposed: (A) On persons who sell goods and services in the course of trade or business or otherwise, as provided for in Sections 100 to 103 of the NIRC as administered and determined by the Bureau of Internal Revenue pursuant to the pertinent provisions of said code. (Emphasis Ours)

Clearly, the enumerated businesses in the aforementioned provisions in the LGC and the MRC are the same. Hence, the court a quo's decision in holding that Sections 14 and 21 are founded under Section 143 of the Local Government Code is correct. The Court finds no reason to reverse its decision.

<u>Whether or not the Honorable Regional Trial Court gravely erred in holding that Sections 195 and 187 of the Local Government Code do not apply in the instant case.</u>

Petitioner avers that respondent's case is legally impermissible because it has no cause of action as it was already barred to seek redress for its failure to observe Section 187 of the LGC, which reads as follows:

> "Sec. 187. Procedure for Approval and Effectivity of Tax, Ordinances and Revenue Measures; Mandatory Public Hearings. – The procedure for approval of local tax ordinances and revenue measures shall be in accordance with the provisions of this Code: Provided, That the public hearings shall be conducted for the purpose prior to the enactment thereof: Provided further, That any question on the constitutionality or legality of tax ordinances or revenue measures may be raised on appeal within thirty (30) days from the effectivity thereof to the Secretary of Justice who shall render a decision within sixty (60) days from the date of receipt of the appeal: Provided, however, That such appeal shall not have the effect of suspending the effectivity of the ordinance and the accrual and payment of the tax, fee or charge levied therein: Provided, finally, That within thirty (30) days after the receipt of the decision or the lapse of the sixty day period without the Secretary of Justice acting upon the appeal, the aggrieved party may file appropriate proceedings with a court of competent jurisdiction."

Petitioner alleges that respondent failed to appeal the revenue measure within thirty (30) days from its enactment; therefore, it is barred from filing the complaint in the court a quo. Petitioner further said that Section 187 is a condition sine qua non before resort to the court may be had. Moreover, petitioner said respondent is estopped to file a claim for refund for its failure to appeal the assessment she made in utter disregard of Section 195 of the LGC, which reads as follows:

> "Sec. 195. – Protest of Assessment. – When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties. Within sixty (60) days from receipt of the notice of assessment, the taxpayer may file a written protest with the local treasurer contesting the assessment shall become final and executory. The local treasurer shall decide the protest within sixty (60) days from the time of its filing. If the local treasurer finds the protest to be wholly or partly meritorious, he shall issue a notice canceling wholly or partially the assessment. However, if the local treasurer finds the assessment to be wholly or partly correct, he shall deny the protest wholly or partly with notice to the taxpayer. The taxpayer shall have thirty (30) days from the receipt of the denial of protest or from the lapse of sixty (60) day period prescribed herein within which to appeal with the court of competent jurisdiction otherwise the assessment becomes conclusive and unappelalable."

Petitioner further contends that for failure of the respondent to contest the assessment, it can no longer validly claim for a tax refund or credit.

We are not persuaded.

The foregoing provisions of the LGC cover the protest of assessment and the procedure for approval and effectivity of tax ordinances and revenue measures. It must be noted that the present case involves a claim for refund under the RRCCM. Clearly, a refund is not the same as case of disputed assessment which is referred to in Section 195 of the LGC. Respondent in the instant case did not raise any issue regarding incorrect assessment since there was no notice of assessment issued by herein petitioner to respondent requiring the latter to pay its taxes. There was no assessment to protest to.

Moreover, Section 187 of the LGC specifically provides that "any question on the constitutionality or legality of tax ordinances or revenue measures may be raised on appeal within thirty (30) days from the effectivity thereof to the Secretary of Justice who shall render a decision within sixty (60) days..." In the present case, respondent did not question the legality of Sections 14 and 21. It only posits the enforcement thereof, as it already paid business taxes under Section 14 of the RRCCM as well as Section 21 of the same code. Thus, Section 187 has no application in the instant case.

From the foregoing, Sections 195 and 187 of the LGC finds no application in this case. Hence, we affirm the ruling of the court a quo on this issue raised by the petitioner.

Whether or not the Honorable Regional Trial Court gravely erred in relying with the case of Coca-Cola Bottlers Philippines, Inc. vs. City of Manila, et. al., G.R. No. 156252, June 27, 2006.

The court a quo, in an Order dated March 30, 2007 denied the motion for reconsideration filed by the petitioner on the assailed decision subject of the present petition on the ground that Tax Ordinance 7988 as amended by Tax Ordinance No. 8011 from which the City of Manila based its power to tax respondent Unilever has been declared null and void by the Supreme Court in the case of Coca Cola Bottlers Philippines, Inc. vs. City of Manila, et. al. G.R. No. 156252, June 27, 2006 for failure to comply with the publication requirements of ordinances as prescribed by the LGC, to wit:

> "Section 188. Publication of Tax Ordinances and Revenue Measures. – Within ten (10) days after their approval, certified true copies of all provincial, city and municipal tax ordinances or revenue measures shall be published in full for three (3) consecutive days in a newspaper of local circulation; Provided, however, that in provinces, cities, and municipalities where there are no newspapers or local circulations the same may be posted in at least two (2) conspicuous and publicly accessible places."

Petitioner states that the declaration of the Supreme Court in G.R. No. 156252 has no doctrinal effect inasmuch as the pronouncement that "Ordinance Nos. 7988 and 8011 null and void and in legal contemplation do not exist" was made in G.R. No. 156252 only in order to determine the propriety of the dismissal of the petition for injunction filed by Coca Cola on the ground that the case was mooted by the enactment of Ordinance No. 8011 by the trial court. Petitioner further states that there is no stare decisis attached to the Coca Cola case as there is a pending Motion for Reconsideration filed by herein petitioner against Coca Cola Bottlers Philippines, Inc. in Civil Case No. 01-99848.

Petitioner's arguments are untenable.

The Supreme Court defined stare decisis in its previous rulings, to wit:

> "*Stare decisis et non quieta movere.* Stand by the decision and disturb not what is settled. *Stare decisis* simply means that for the sake of certainty, a conclusion reached in one case should be applied to those that follow if the facts are substantially the same, even though the parties may be different. It proceeds from the first principle of justice that, absent any powerful countervailing considerations, like cases ought to be decided alike. Thus, where the same questions relating to the same event have been put forward by parties similarly situated as in a previous case litigated and decided by a competent court, the rule of *stare decisis* is a bar to any attempt to relitigate the same issue.[10]"
>
> "Under the doctrine of *stare decisis*, once a point of law has been established by the court, that point of law will, generally, be followed by the same court and by all courts of lower rank in subsequent cases where the same legal issue is raised.[i] *Stare decisis* proceeds from the first principle of justice that, absent powerful countervailing considerations, like cases ought to be decided alike.[11]"

The Coca Cola case is a stare decisis in the case at bench. The subjects of the instant petition are Sections 14 and 21 of Ordinance No. 7988, as amended by Ordinance No. 8011. As stated by the Supreme Court, Ordinance No. 7988, as amended by Ordinance 8011 is null and void. An invalid ordinance does not, in legal contemplation, exist. A municipal tax ordinance empowers a local government unit to impose taxes. The power to tax is the most effective instrument to raise needed revenues to finance and support the myriad activities of local government units for the delivery of basic services essential to the promotion of the general welfare and enhancement of peace, progress, and prosperity of the people.[12] In the present case, petitioner gets its authority to tax the respondent from the invalid ordinance. The authority of the City of Manila to impose taxes by virtue of the Local Government Code of 1991 is not absolute. It cannot impose taxes that constitute a violation of the constitutional principle of uniformity and equal protection in taxation.

Moreover, jurisprudential rule states that only decisions of the Supreme Court are authoritative and precedent setting. Since the Coca Cola case is a stare decisis in the instant case, the ruling of the High Court, will, generally, be followed by the same court and by all courts of lower rank in subsequent cases where the same legal issue is raised. Thus,

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[10] Grand Placement and General Services Corporaton vs. Court of Appeals, et. al., G.R. NO. 142358,January 31, 2006.
[11] Ayala Corporation vs. Rosa-Diana Realty Corporation, G.R. No. 134284, Deceember 1, 2000.
[12] Reyes vs. Court of Appeals, 320 SCRA 486.

petitioner is not correct in stating that it has no doctrinal effect in the instant petition. We affirm the court a quo's decision in relying with the case of Coca Cola Bottlers Philippines, Inc. vs. City of Manila, et. al.

All the foregoing considered, this Court finds no reversible error committed by the Regional Trial Court in Manila, Branch 14 that would merit the reversal of the assailed Decision and Order rendered in Civil Case No. 05-113087.

The instant Petition for Review is hereby **DENIED** as there is no law authorizing the petitioner's act of taxing the respondent in the instant petition. The assailed Decision promulgated on December 29, 2006 and the Order dated March 30, 2007 are hereby **AFFIRMED**.

Accordingly, petitioner Treasurer of the City of Manila is **ORDERED TO REFUND** to respondent Unilever Philippines, Inc. the amount of **THIRTEEN MILLION SEVEN HUNDRED TWENTY FOUR THOUSAND FOUR HUNDRED FORTY SIX PESOS (Php 13,724,446.00)** representing respondent's erroneously paid local business taxes for the third quarter of taxable year 2003.

SO ORDERED.

CAESAR A. CASANOVA
Associate Justice

WE CONCUR:

ERNESTO D. ACOSTA
Presiding Justice

LOVELL R. BAUTISTA
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ERNESTO D. ACOSTA
Presiding Justice
Chairman, First Division