REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

MANSION MAINTENANCE CO., INC., Petitioner,	**CTA CASE NO. 10535**
	Members:
- versus -	**RINGPIS-LIBAN,** *P.J., Chairperson,* **MODESTO-SAN PEDRO,** *and* **FERRER-FLORES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated:

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RESOLUTION

FERRER-FLORES, J.:

Before this Court is petitioner's **Motion for Reconsideration** filed via accredited courier on August 27, 2025, and received by the Court on August 28, 2025, without respondent's comment per Records Verification dated December 5, 2025.

On July 28, 2025, the Court promulgated a Decision dismissing the *Petition for Review* for lack of jurisdiction due to petitioner's failure to file a valid Protest and, also, denying its prayer to quash the Warrant of Distraint and/or Levy (WDL) No. RR8B-21-02-09-00013 dated March 1, 2021, the dispositive portion of which is quoted as follows:

> **WHEREFORE**, premises considered, the present **Petition for Review** is **DISMISSED** for lack of jurisdiction as regards the Formal Letter of Demand; and, **DENIED** for lack of merit as regards the Warrant of Distraint and/or Levy No. RR8B-21-02-09-00013 dated March 1, 2021.
>
> **SO ORDERED.**

In its *Motion*, petitioner asserts that the Court erred in concluding that its Protest failed to comply with the form and manner prescribed by law.

Petitioner argues that, despite its failure to state the nature of its protest – whether it is a request for reconsideration or reinvestigation– the same should nonetheless be treated as a request for reconsideration pursuant to paragraph II(9) of Revenue Memorandum Order (RMO) No. 26-2016,[1] which states that "[a]ll protest shall be considered a request for reconsideration, unless said protest clearly indicates that the request is for reinvestigation." As such, petitioner asserts that, since a protest was timely filed in the present case, regardless of its nature, the Court should assume jurisdiction over the same.

Petitioner also argues that respondent's deficiency assessments have already prescribed. Petitioner expounds that it was only on July 21, 2020 that respondent served the Formal Letter of Demand/Final Assessment Notice (FLD/FAN) dated July 14, 2020 against petitioner, finding it liable for deficiency income tax, value-added tax (VAT), expanded withholding tax (EWT) and documentary stamp tax (DST). Petitioner points out that under Section 203 of the National Internal Revenue Code (NIRC) of 1997, as amended, respondent only had three years to issue the said deficiency assessments against petitioner. Considering that the taxable year (TY) involved in the present case is 2016, petitioner contends that the prescriptive period within which respondent may assess it for income tax was only until April 15, 2020, for the fourth quarter VAT only until January 25, 2020, and for the December EWT only until January 10, 2020. Petitioner, thus, submits that respondent clearly failed to timely issue the subject deficiency tax assessments within the mandated three-year period.

Petitioner likewise insists that the WDL dated March 1, 2021 was prematurely issued because there was no Final Decision on Dispute Assessment (FDDA) to speak of yet when the same was issued. Citing the case of *Light Rail Transit Authority vs. Bureau of Internal Revenue* (*LRTA* case),[2] petitioner argues that, in view of its pending protest against respondent's FLD/FAN, the latter therefore cannot be considered respondent's final decision as contemplated by law, to warrant tax collection thereof via the issuance of a WDL. Petitioner, thus, avers that since the WDL dated March 1, 2021 emanated from a non-demandable assessment, *i.e.*, not yet final and executory, the same should be considered void and of no force and effect for being issued prematurely.

After due consideration, the Court finds petitioner's *Motion for Reconsideration* bereft of merit.

At the outset, it should be stressed that the subject FLD/FAN dated July 14, 2020, only assessed petitioner for deficiency income tax for TY 2016 in

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[1] SUBJECT: Policies and Guidelines in Handling Disputed Assessments, June 13, 2016.

[2] G.R. No. 231238, June 20, 2022.

the total amount of ₱1,884,806.34.[3] There was no deficiency VAT, EWT, or DST assessments therein as claimed by petitioner.

Nonetheless, with regard to petitioner's protest or the letter dated July 23, 2020 (with the subject Request to Respect Immunity Granted by the Tax Amnesty Law),[4] the Court still holds that the same failed to comply with Section 228 of the NIRC of 1997, as amended, in relation to Section 3 of Revenue Regulations (RR) No. 12-99,[5] as amended.

Again, Section 228 of the NIRC of 1997, as amended, provides that a tax assessment issued by the Bureau of Internal Revenue (BIR) may be protested administratively, within 30 days from receipt thereof, **by filing either a request for reconsideration or request for reinvestigation, in such <u>form and manner</u> as may be prescribed by implementing rules and regulations.**[6] Relatively, RR No. 12-99, as amended, requires that the protest must state the following: (1) the nature thereof (whether reconsideration or reinvestigation, and in case of the latter, it must specify the newly discovered or additional evidence the taxpayer intends to present); (2) date of the assessment notice; and, (3) the applicable law, rules and regulations, or jurisprudence on which its protest is based; otherwise, the protest shall be considered void, and without force and effect.

Herein, a careful reading of petitioner's letter dated July 23, 2020 (with the subject Request to Respect Immunity Granted by the Tax Amnesty Law) reveals that there is no clear indication that it protests the deficiency tax assessment. Even the subject matter of the said letter does not readily show that it is a protest.

Similarly, assuming petitioner's protest is considered as a *request for reconsideration*, pursuant to paragraph II(9) of RMO No. 26-2016, the same still failed to address the subject matter of the FLD/FAN dated July 14, 2020,

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[3] Exhibit "P-6", Docket – Vol. I, pp. 252 to 256; Exhibit "R-6", BIR Records, pp. 320 to 324.

[4] Exhibit "P-7", Docket – Vol. I, pp. 257 to 272; Exhibit "R-7", BIR Records, pp. 325 to 351.

[5] SUBJECT: IMPLEMENTING THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1997 GOVERNING THE RULES ON ASSESSMENT OF NATIONAL INTERNAL REVENUE TAXES, CIVIL PENALTIES AND INTEREST AND THE EXTRA-JUDICIAL SETTLEMENT OF A TAXPAYER'S CRIMINAL VIOLATION OF THE CODE THROUGH PAYMENT OF A SUGGESTED COMPROMISE PENALTY, dated on September 6, 1999.

[6] **SEC. 228.** ***Protesting of Assessment.*** - When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: Provided, however, That a pre-assessment notice shall not be required in the following cases: x x x.

Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations. Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; otherwise, the assessment shall become final.

x x x.

i.e., the deficiency income tax assessment. To stress, there were two adjustments/disallowances stated in the said FLD/FAN, to wit: (1) Undeclared Income from Unaccounted Purchases; and, (2) Undeclared Income from Unaccounted Salaries and Wages. Petitioner's letter dated July 23, 2020, however, failed to question the aforementioned items of assessments, provide arguments in assailing the said items, and state the applicable law, rules and regulations, or jurisprudence on which its protest is based, as required by RR No. 12-99; instead, the subject of the letter merely request to respect the immunity granted to petitioner by the Tax Amnesty Act.

Delving further, petitioner's letter dated July 23, 2020 (with the subject Request to Respect Immunity Granted by the Tax Amnesty Law), primarily discussed the applicability of Republic Act (R.A.) No. 11213, otherwise known as the Tax Amnesty Act,[7] specifically Section 17 thereof,[8] in the present case. It should be noted, however, that the said Act covers delinquencies and assessments, which have already become **final and executory**. As such, if petitioner insists that it filed a valid protest, then, correspondingly, the assessment has not yet become final and executory at the time he supposedly availed of the said tax amnesty. Simply put, petitioner's own argument shows that the *Tax Amnesty Act* cannot apply to its current predicament for not being qualified under the conditions provided thereof. Also, worth noting is that the said Act can only be availed of for internal revenue tax liabilities covering TY 2017 and prior years, which became delinquent on or before **April 24, 2019**.[9] For the said purpose, tax

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7 AN ACT ENHANCING REVENUE ADMINISTRATION AND COLLECTION BY GRANTING AN AMNESTY ON ALL UNPAID INTERNAL REVENUE TAXES IMPOSED BY THE NATIONAL GOVERNMENT FOR TAXABLE YEAR 2017 AND PRIOR YEARS WITH RESPECT TO ESTATE TAX, OTHER INTERNAL REVENUE TAXES, AND TAX ON DELINQUENCIES, approved on February 14, 2019.

8 SEC. 17. *Coverage.* — There is hereby authorized and granted a tax amnesty herein called the Tax Amnesty on Delinquencies, which shall cover all national internal revenue taxes such as, but not limited to, income tax, withholding tax, capital gains tax, donor's tax, value-added tax, other percentage taxes, excise tax and documentary stamp tax collected by the Bureau of Internal Revenue, including value-added tax and excise taxes collected by the Bureau of Customs for taxable year 2017 and prior years.

For purposes of this Act, the **Tax Amnesty on Delinquencies may be availed** of in the following instances:

(a) **Delinquencies and assessments, which have become final and executory**, including delinquent tax account, where the application for compromise has been requested on the basis of: (1) doubtful validity of the assessment; or (2) financial incapacity of the taxpayer, but the same was denied by the Regional Evaluation Board or the National Evaluation Board, as the case may be, on or before the Implementing Rules and Regulations take effect;

(b) Pending criminal cases with the Department of Justice or the courts for tax evasion and other criminal offenses under Chapter II of Title X and Section 275 of the National Internal Revenue Code of 1997, as amended, with or without assessments duly issued;

(c) Tax cases subject of final and executory judgment by the courts on or before the Implementing Rules and Regulations take effect; and

(d) Withholding tax agents who withheld taxes but failed to remit the same to the Bureau of Internal Revenue. *(Emphases added)*

9 Refer to Q&A No. 1, RMC No. 57-2019.

delinquency commences when a taxpayer fails to pay the tax due on the return, or fails to pay a deficiency tax assessment within the period stated in the FLD issued by the BIR. Herein, the subject FLD/FAN were only issued on July 14, 2020 which was already beyond the April 24, 2019 cut-off period by the Tax Amnesty Act.

Furthermore, a scrutiny of "Annex 2" of petitioner's letter dated July 23, 2020,[10] shows that petitioner's request to respect the immunity granted by the Tax Amnesty Act via a Notice of Issuance of Authority to Cancel Assessment pertains to TY **2012** and not TY 2016. Under Section 20 of R.A. No. 11213,[11] as implemented and clarified by Section 8 of RR No. 4-2019,[12] the tax delinquency of those who avail of the Tax Amnesty on Delinquencies, upon full compliance with all the conditions, shall be considered settled, and the criminal case in connection therewith and its corresponding civil or administrative case, if applicable, shall be terminated. The taxpayer shall be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal and administrative cases, and penalties under the NIRC of 1997, as amended, **as such relate to the internal revenue taxes for taxable years that are subject of the tax amnesty availed of.**

Evidently, the immunities and privileges being availed of by petitioner shall only apply to the particular tax type and taxable period indicated in the Tax Amnesty Return and paid under duly approved Acceptance Payment

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[10] Exhibit "P-7", Docket – Vol. I, pp. 266 to 272.

[11] SEC. 20. *Immunities and Privileges.* — **The tax delinquency of those who avail of the Tax Amnesty on Delinquencies and have fully complied with all the conditions set forth in this Act and upon payment of the amnesty tax shall be considered settled** and the criminal case under Section 18(c) and its corresponding civil or administrative case, if applicable, be terminated, and the **taxpayer shall be immune from all suits or actions, including the payment of said delinquency or assessment, as well as additions thereto, and from all appurtenant civil, criminal, and administrative cases, and penalties under the National Internal Revenue Code of 1997, as amended, as such relate to the taxpayer's assets, liabilities, net worth, and internal revenue taxes that are subject of the tax amnesty, and from such other investigations or suits insofar as they relate to the assets, liabilities, net worth and internal revenue taxes that are subject of the tax amnesty:** *Provided*, That any notices of levy, attachments and/or warrants of garnishment issued against the taxpayer shall be set aside pursuant to a lifting of notice of levy/garnishment duly issued by the Bureau of Internal Revenue or its authorized representative: *Provided, further*, That the Authority to Cancel Assessment shall be issued by the Bureau of Internal Revenue in favor of the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission to the Bureau of Internal Revenue of the Acceptance Payment Form and the Tax Amnesty on Delinquencies Return. Otherwise, the duplicate copies, stamped as received, of the Acceptance Payment Form, and the Tax Amnesty on Delinquencies Return shall be deemed as sufficient proof of availment: *Provided, furthermore*, That the Tax Amnesty on Delinquencies Return and the Acceptance Payment Form shall be submitted to the Revenue District Office after complete payment. The completion of these requirements shall be deemed full compliance with the provisions of this Act.

Upon full compliance with all the conditions set forth in this Title and payment of the corresponding tax on delinquency, the tax amnesty granted under this Title shall become final and irrevocable. *(Emphases added)*

[12] SUBJECT: Implementing Rules and Regulations of Republic Act No. 11213, Otherwise Known as the '*Tax Amnesty Act,*' Providing for the Guidelines on the Processing of Tax Amnesty Application on Tax Delinquencies, dated April 5, 2019.

Form,[13] which as shown clearly in "Annex 2" of petitioner's letter dated July 23, 2020, was for TY 2012 and not for the subject TY 2016.

As to petitioner's other argument that respondent's deficiency assessment has already prescribed, the Court is not swayed.

Verily, Section 203 of the NIRC of 1997, as amended, reads as follows:

> SEC. 203. *Period of Limitation upon Assessment and Collection.* — **Except as provided in Section 222, internal revenue taxes shall be assessed within three (3) years after the last day prescribed by law for the filing of the return,** and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: *Provided*, That **in a case where a return is filed beyond the period prescribed by law, the three (3)-year period shall be counted from the day the return was filed. For purposes of this Section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day**. *(Emphases added)*

Based on the above, internal revenue taxes must be assessed within three years counted from the period fixed by law for the filing of the tax return or the actual date of filing, whichever is later. This mandate governs the question of prescription of the government's right to assess internal revenue taxes primarily to safeguard the interests of taxpayers from unreasonable investigation.[14] An assessment notice issued after the three-year prescriptive period is not valid and effective.[15]

Relatively, in *AFP General Insurance Corporation vs. Commissioner of Internal Revenue*,[16] the Supreme Court explained that prescription is a matter of defense and the taxpayer has the burden of proving that the prescriptive period has indeed lapsed, to wit:

> Prescription is a matter of defense. The taxpayer has the burden of proving that the prescriptive period has lapsed, including positively identifying when the prescriptive period began to run and exactly when it expired. Consequently, AGIC **cannot avail itself of the defense of prescription inasmuch as they failed to present proof of actual filing of their DST returns**. *(Emphasis added)*

Here, petitioner did not offer in evidence its Annual Income Tax Return (AITR) for TY 2016, which would have shown the actual date of filing of the

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13 Refer to Q&A No. 19, RMC No. 57-2019; and RMC No. 135-2019.

14 *Commissioner of Internal Revenue vs. FMF Development Corporation*, G.R. No. 167765, June 30, 2008.

15 *Commissioner of Internal Revenue vs. Next Mobile, Inc. (formerly Nextel Communications Phils., Inc.)*, G.R. No. 212825, December 7, 2015.

16 G.R. No. 222133, November 4, 2020.

return and payment of tax thereof.[17] The filing date of the AITR is significant as it would have been the reckoning date in determining whether the prescriptive period to assess has actually prescribed. Without which, the Court cannot determine if respondent's right to assess petitioner for deficiency tax has indeed prescribed.

Likewise, the Court does not agree with petitioner's argument that the issuance of the WDL was premature considering there was no FDDA that was issued in this case.

It should be stressed that the *LRTA* case relied on by petitioner is not in all fours with the present case. In the said case, there was an FDDA issued by the BIR Regional Director, which was appealed by LRTA to the Commissioner of Internal Revenue (CIR). However, pending its appeal to the CIR, a Preliminary Collection Letter, Final Notice Before Seizure, and WDL were issued against LRTA. Thus, the Supreme Court held as follows:

> Contrary to the ruling of the Court of Tax *Appeals En Banc*, the Final Decision on Disputed Assessment cannot be considered as the decision appealable to the Court of Tax Appeals under Section 7(a)(1) of Republic Act No. 1125, as amended. **This interpretation will render nugatory the remedy of appeal to the Office of the Commissioner of Internal Revenue of the denial of protest issued by his or her duly authorized representative, a remedy which was properly and timely availed of by petitioner. <u>Subsection 3.1.5 of Revenue Regulations No. 12-99, in effect when the assessment against petitioner was issued, provides:</u>**
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>> SECTION 3. *Due Process Requirement in the Issuance of a Deficiency Tax Assessment.* –
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>> 3.1 Mode of procedures in the issuance of a deficiency tax assessment:
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>> . . . .
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>> 3.1.5 *Disputed Assessment.* – The taxpayer or his duly authorized representative may protest administratively against the aforesaid formal letter of demand and assessment notice within thirty (30) days from date of receipt thereof. . . .
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>> In general, if the protest is denied, in whole or in part, by the Commissioner or his duly authorized representative, the taxpayer may appeal to the Court of Tax Appeals within thirty (30) days from date of receipt of the said decision, otherwise, the assessment: <u>Provided, however, that if the taxpayer elevates his protest to the Commissioner within thirty (30) days from date of receipt of the</u>

[17] Refer to petitioner's *Formal Offer of Evidence*, Docket – Vol. II, pp. 560 to 565.

> final decision of the Commissioner's duly authorized representative, the latter's decision shall not be considered final, executory and demandable, in which case, the protest shall be decided by the Commissioner.
>
> If the Commissioner or his duly authorized representative fails to act on the taxpayer's protest within one hundred eighty (180) days from date of submission, by the taxpayer, of the required documents in support of his protest, the taxpayer may appeal to the Court of Tax Appeals within thirty (30) days from the lapse of the said 180-day period, otherwise, the assessment shall become final, executory and demandable. (Underscoring provided)

> **Subsection 3.1.5 of Revenue Regulations No. 12-99 is clear that if the protest is elevated to the respondent Commissioner of Internal Revenue, 'the latter's decision shall not be considered final, executory and demandable, in which case, the protest shall be decided by the Commissioner.'** The Final Decision on Disputed Assessment was timely elevated to the Commissioner, hence, it never became final, executory, and demandable.
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> **Neither can the 30-day period for filing a petition for review be reckoned from petitioner's receipt of the following issuances: the Preliminary Collection Letter, the Final Notice Before Seizure, the Warrant of Distraint and/or Levy, the April 4, 2013 Letter reconsidering the issuance of the Warrant of Distraint and/or Levy, and the June 9, 2014 Letter dropping the request for reconsideration of the Warrant of Distraint and/or Levy. Like the Final Decision on Disputed Assessment, all of these were not final decisions on the appeal by the Commissioner of Internal Revenue. They remained tentative given the pendency of the petitioner's appeal with the Office of the Commissioner. More importantly, all of these were issued on the premise that 'delinquent taxes' exist, an incorrect premise. To repeat, the assessment was still pending appeal with the Office of the Commissioner when these issuances were made.** The Preliminary Collection Letter, the Final Notice Before Seizure, the Warrant of Distraint and/or Levy, the April 4, 2013 Letter reconsidering the issuance of the Warrant of Distraint and/or Levy, and the June 9, 2014 Letter denying the request for reconsideration all emanated from a non-demandable assessment. As such, all were void and should be of no force and effect. *(Emphases and underscoring supplied)*

Notably, while the *LRTA* case was promulgated in 2022, the case nonetheless gave due recognition to what was stated under Subsection 3.1.5 of RR No. 12-99, which was then in effect when the assessment against petitioner was issued. Specifically, the Supreme Court underscored the provision therein that *"if the taxpayer elevates his protest to the Commissioner within thirty (30) days from date of receipt of the final decision of the Commissioner's duly authorized representative, the latter's decision shall not be considered final, executory and demandable, in which case, the protest shall be decided by the Commissioner."* And on the basis thereof, the Supreme Court declared that the WDL, *inter alia*, in the *LRTA* case, was tentative and not yet demandable given the pendency of the taxpayer's appeal with the CIR, and therefore void.

As already discussed in the assailed Decision, petitioner failed to validly protest the assessment; hence, the assessment became final, executory and demandable, and civil remedies for collection are already applicable to respondent.

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by petitioner in its *Motion for Reconsideration*, the Court finds no compelling reason to reverse or modify the Decision promulgated on July 28, 2025.

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

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

We Concur:

ON LEAVE
MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice