REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

En Banc

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA *EB* NO. 2812** (CTA Case No. 10484)
	Present:
-versus-	**DEL ROSARIO, P.J.,** **RINGPIS-LIBAN,** **MANAHAN,** **BACORRO-VILLENA,** **MODESTO-SAN PEDRO,** **REYES-FAJARDO,** **CUI-DAVID,** **FERRER-FLORES,** *and* **ANGELES,** *JJ.*
BOAST, INC., Respondent.	Promulgated: SEP 16 2025 4:05 p.m.

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DECISION

MODESTO-SAN PEDRO, J.:

The Case

Before the Court is a *Petition for Review*, filed via registered mail on November 8, 2023, without any comment from respondent.[1] Petitioner seeks the cancellation and setting aside of the Decision, dated May 26, 2023 ("Assailed Decision"), and Resolution, dated October 4, 2023 ("Assailed Resolution"), both rendered by this Court's First Division and Special First Division, respectively ("Court in Division"), which granted the Petition for Review filed by respondent.

[1] *See* Resolution, dated August 5, 2024, *Rollo*, pp. 70-72.

The Parties[2]

Petitioner is the duly appointed Commissioner of Internal Revenue ("CIR") vested under the appropriate laws with the authority to carry out the functions, duties, and responsibilities of said office, including, *inter alia*, the power to decide disputed assessments and to cancel and abate tax liabilities.

Respondent is a corporation duly organized and existing under the laws of the Republic of the Philippines.

The Facts

Sometime before July 21, 2011, a Warrant of Distraint and/or Levy ("WDL") was issued and served to collect the tax deficiencies of S.S. Ventures International, Inc. ("SSVI") for the year 2007.[3] The WDL was apparently issued and served on May 26, 2011.[4]

On July 21, 2011, the Bureau of Internal Revenue ("BIR") caused the annotation of notices of tax lien and levy ("NOTL") on three tax declarations of real property, then owned by SSVI. These were Tax Declarations No. 30127, 30128, and 30129.[5]

SSVI and respondent later executed a deed of absolute sale on March 12, 2013, with SSVI conveying the real properties covered by said tax declarations to respondent. The tax declarations were then replaced by Tax Declarations No. 41392, 41393, and 41394.[6]

Respondent then requested the BIR to lift the NOTL through a letter, dated July 22, 2020. Regional Director Edgar B. Tolentino denied the request, however, through a letter, October 19, 2020.[7]

Respondent replied with a second letter, dated November 13, 2020, once again asking that the NOTL be lifted and claiming that the BIR's right to collect the relevant taxes from SSVI had already prescribed. The request was denied as well, through a letter, dated January 27, 2021[8] ("2021 Denial Letter").

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2 *See* Decision, dated May 26, 2023, pp. 1-2, *id.* at 31-32.
3 *See* Petition for Review, p. 3, *id.* at 9.
4 *See* Letter, dated October 19, 2020, "P-10", Division Records, p. 376.
5 *See* Decision, dated May 26, 2023, p. 2, *Rollo*, p. 32.
6 *Id.*
7 *See* Decision, dated May 26, 2023, pp. 2-3, *id.* at 32-33; *see also* Letter, dated July 22, 2020, Division Docket, pp. 373-374. The Decision gives the date of respondent's request letter as October 19, 2020, but reference to the actual letter shows this to be a typographical error.
8 *See* Decision, dated May 26, 2023, p. 3, *Rollo*, p. 33.

Aggrieved, respondent filed a Petition for Review with the Court in Division on March 11, 2021, while petitioner filed an Answer thereto on October 25, 2021.[9]

No full-blown trial was conducted for said Petition for Review. Instead, respondent's Motion for Summary Judgment, filed on February 7 & 14, 2022, was granted by the Court in Division during a hearing held on March 3, 2022.[10]

The Court in Division issued the Assailed Decision on May 26, 2023. Petitioner filed a Motion for Reconsideration thereto on June 15, 2023,[11] but the same was denied in the Assailed Resolution, dated October 4, 2023.

Having received the Assailed Resolution on October 9, 2023, petitioner filed a Motion for Extension of Time to File Petition for Review[12] ("Motion for Extension") on October 24, 2023. This Court granted said Motion on November 3, 2023, on the condition that the Motion was actually filed on time.[13]

Petitioner then filed the instant Petition on November 8, 2023.

The Court, in response, issued a Minute Resolution[14] on December 5, 2023, requiring respondent to file its Comment to the Petition. However, the Minute Resolution never reached respondent—it was returned to this Court on January 16, 2024, with the notation "Factory Closed."[15]

As the Court had sent the Minute Resolution to what was identified as respondent's address in the instant Petition, the Court ordered petitioner to provide it with respondent's actual address.[16] Unable to find respondent, petitioner filed an Ex-Parte Manifestation[17] on May 30, 2024, stating that respondent had already been tagged as "Cannot Be Located" by the Revenue District Office where respondent is registered, a tag only applied when every effort to determine the whereabouts of a taxpayer has been made, yet to no avail. The Court accepted the explanation and simply submitted the case for decision on August 5, 2024.[18]

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9 *Id.*
10 *Id.*
11 *See* Resolution, dated October 4, 2023, p. 2, *id.* at 56.
12 *Id.* at 1-4.
13 *See* Minute Resolution, dated November 3, 2023, *id.* at 6.
14 *Id.* at 59.
15 *See* Records Verification, dated March 5, 2024, *id.* at 60.
16 *See* Resolution, dated May 17, 2024, *id.* at 62-64.
17 *Id.* at 65-67.
18 *Supra* note 1.

Hence, this Decision.

The Assigned Errors[19]

Petitioner claims that the Court in Division erred in (1) assuming jurisdiction over the case; and (2) ruling that petitioner's right to collect the taxes against respondent had prescribed.

The Arguments

Petitioner offers two arguments in support of its claim that the Court in Division lacked jurisdiction over the case. *First*, respondent's Petition stated no valid cause of action as it was not a real party-in-interest, considering that tax declarations annotated with the NOTL identify SSVI as the owner of the subject real properties. *Second*, the denial of respondent's request to lift the NOTL does not fall under this Court's "other matters" jurisdiction as it is not of the same class as the cases enumerated in law and does not involve petitioner's quasi-judicial powers.

As to his position that his right to collect the subject taxes has not prescribed, petitioner insists that the initiation of collection efforts suspends the prescriptive period for collection and that, in any case, the *National Internal Revenue Code of 1997, as amended* ("*NIRC*") provides no prescriptive period for the collection of taxes.

The Ruling of the Court

The Court has jurisdiction over the instant Petition

Under *Rule 4, Section 2(a)(1) of the Revised Rules of the Court of Tax Appeals, as amended* ("*RRCTA*"), this Court *En Banc* has jurisdiction over rulings of the Court in Division in cases involving administrative agencies, such as the present case. Meanwhile, *Rule 8, Section 3(b) of the RRCTA* requires that a Petition assailing such a ruling of the Court in Division be filed with the Court *En Banc* within 15 days from the aggrieved party's receipt of the adverse ruling. The period can be extended by an additional 15 days once.

As stated, petitioner received the Assailed Resolution on October 9, 2024, giving him until October 24, 2024, within which to either file a Petition or move for an extension of time for such. He filed his Motion for Extension exactly on said date. The period was thus extended by an additional 15 days,

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[19] *See* Petition for Review, p .4, *id.* at 10.

or until November 8, 2024. As petitioner filed the instant Petition on that exact day, the same was timely filed.

Considering these facts, this Court *En Banc* has jurisdiction over the present Petition. We thus turn to the first assigned error: did the Court in Division have jurisdiction over the Petition for Review before it?

The Court in Division correctly assumed jurisdiction over the case

To review, petitioner's challenge to the Court in Division's jurisdiction is based on two arguments: (1) that respondent had no cause of action, not being a real party-in-interest; and (2) the denial of respondent's request to lift the NOTL is not appealable to the Court of Tax Appeals ("CTA").

Both arguments are untenable.

The fatal flaw of petitioner's contention that respondent lacks a cause of action is that it is based on the further theory that respondent is not a real party-in-interest. However, this was already soundly refuted by the Court in Division in the Assailed Decision.[20] To reiterate the reasoning provided there, when respondent acquired the subject real properties, it also acquired the liabilities attached thereto, following *Development Bank of the Philippines v. Clarges Realty Corporation*.[21] As the taxpayer now obliged to pay the liabilities attached to said real properties, respondent thus stands to benefit from the lifting of the NOTL.

Indeed, the instant Petition itself shows that petitioner cannot escape this view. In his "Statement of Material Facts," petitioner admits that the subject real properties had already been sold by SSVI to respondent.[22] The mention of SSVI in Tax Declarations No. 30127, 30128, and 30129 is thus no longer relevant. SSVI is no longer the owner of the real properties, and said tax declarations were already replaced by Tax Declarations No. 41392, 41393, and 41394.

Petitioner also admitted that respondent took on a "risk of foreclosure by the BIR" when it bought the subject real properties. By not just admitting but actively arguing for the existence of such risk, petitioner found respondent's cause of action: the lifting of the NOTL would defang such risk by barring the foreclosure of the real properties it acquired.

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[20] *See* Assailed Decision, dated May 26, 2023, 7-9, *id.* at 37-39.
[21] G.R. No. 170060, August 17, 2016.
[22] *See* Petition for Review, p. 3, *Rollo*, p. 9.

In short, respondent is clearly a party-in-interest here and thus has a clear cause of action for the filing of its Petition for Review before the Court in Division.

Petitioner's discussion on the CTA's "other matters" jurisdiction is also without merit.

As to the charge that this case is not of the same class as those explicitly enumerated in *Section 7(a)(1) of Republic Act ("RA") No. 1125, as amended*, We note that the two major classes of disputes identified in said provision are those concerning assessments and refunds. Both are inescapably related to the *collection* of taxes. A disputed assessment often involves a disagreement as to what the BIR is entitled to *collect*. Claims for refund, meanwhile, frequently involve an alleged excess in either what a taxpayer has paid or what the BIR has *collected*. As such, the *collection* of taxes is a central issue to the kinds of cases enumerated by *Section 7(a)(1) of RA No. 1125, as amended*. Both commonly involve attempts by a taxpayer to challenge the *collection* efforts of the BIR, whether impending or past.

The controversy in the present case, meanwhile, can be considered a disputed *collection*. Respondent claims that petitioner no longer has any right to *collect* the subject real properties. It challenges the validity of petitioner's *collection* efforts, in the form of the NOTL. The case at bar must thus be considered sufficiently similar to and of the same class as cases involving disputed assessments or claims for refund. To reverse petitioner's arguments, if the legislators behind *RA No. 1125* did not intend for the CTA to assume jurisdiction over cases so clearly related to disputed assessments and claims for refunds, then they would not have included the "other matters" phrase in the law.

Indeed, the CTA has long taken cognizance of cases involving disputed collection efforts. The Supreme Court has also consistently affirmed this practice. A classic example would be the case of *Philippine Journalists, Inc. v. Commissioner of Internal Revenue*,[23] where the Supreme Court confirmed the jurisdiction of the CTA over disputed collection efforts (the issuance of a Warrant of Distraint and/or Levy, in that case). Considering this jurisprudence, the issue brought by respondent to the Court in Division was clearly under the latter's jurisdiction, with the appealable "decision" on the disputed collection being the 2021 Denial Letter.

Petitioner's insistence, that the denial of respondent's request to lift the NOTL does not fall under his quasi-judicial powers, holds no water either. The denial of the request is essentially a *decision* on what is, again, a disputed collection. It involved the CIR's power to *decide* disputes involving "other

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[23] G.R. No. 162852, December 16, 2004.

matters," such as the *collection* of taxes, arising under the *NIRC*, as provided by *Section 4* of said law. As such, the denial was made in the exercise of petitioner's quasi-judicial powers.

The position is further undermined by a more circumspect reading of the Supreme Court decision on which it was based: *Commissioner of Internal Revenue v. Court of Tax Appeals (Second Division) and Petron Corporation*[24] ("*Petron*"). There, the High Court did, indeed, say that the "other matters" provision must apply only to appeals from the CIR's exercises of his quasi-judicial powers. However, the Supreme Court invoked such quasi-judicial powers to contrast these with the CIR's *quasi-legislative* powers. The point of the very passage quoted by petitioner is that the "other matters" phrase does not cover the CIR's exercise of his quasi-legislative powers. The denial of respondent's request to lift the NOTL, meanwhile, obviously does not fall under the CIR's quasi-legislative powers, as it does not involve the passing of rules, regulations, and other issuances for the implementation of the *NIRC*'s provisions. The passage quoted from *Petron* is thus inapplicable here. The argument built by petitioner on the back of said quote consequently fails.

In sum, as respondent has a clear cause of action for its Petition for Review, and as decisions on disputed collection efforts fall under the CTA's "other matters" jurisdiction, the Court in Division correctly assumed jurisdiction over the case.

The prescriptive period was suspended and remained suspended, so petitioner's right to collect did not prescribe

Petitioner argues that his right to collect SSVI's deficiency taxes for 2007, and thus levy the subject real properties, did not prescribe. *First*, the issuance and service of the WDL validly interrupted the prescriptive period. *Second*, the *NIRC* provides no prescriptive period for the collection of taxes.

We find for petitioner.

The prescriptive period did not resume and was validly interrupted

Under *Section 223 of the NIRC*, one event that can interrupt the prescriptive period for the collection of taxes is the service of a WDL:

[24] G.R. No. 207843, July 15, 2015.

> **SEC. 223.** ***Suspension of Running of Statute of Limitations.*** — The running of the Statute of Limitations provided in Sections 203 and 222 on the making of assessment and the beginning of distraint or levy or a proceeding in court for collection, in respect of any deficiency shall be suspended for the period during which the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and or sixty (60) days thereafter . . . when the warrant of distraint or levy is duly served upon the taxpayer, [their] authorized representative, or a member of [their] household with sufficient discretion, and no property could be located . . .

Respondent did not deny that the WDL was served within the prescriptive period. Against petitioner, however, respondent centered on the clause "no property could be located." Following this, it claimed that the prescriptive period was never interrupted by the WDL, as the controversial annotations to the original tax declarations proved that the BIR was aware of SSVI's properties. Furthermore, it held that *Bank of the Philippine Islands v. Commissioner of Internal Revenue*[25] ("*BPI*") and *Republic of the Philippines v. Hizon*[26] ("*Hizon*"), which were used by the BIR in denying its request, are inapplicable to its case. This is because the two decisions are silent on what happens when the taxpayer's property is located. For respondent, even if a WDL interrupts the prescriptive period, the same *resumes* when the BIR finally finds property to levy. As *BPI* and *Hizon* do not cover cases where the property is located, they are inapplicable here.[27]

The Court *En Banc* finds neither of these arguments persuasive.

Regarding respondent's claim that the prescriptive period was never interrupted, We cannot accept the same. Said claim is based on the implied allegation that the BIR knew the whereabouts of SSVI's real properties when it served the WDL, but respondent did not substantiate such allegation. It identified no documentary evidence, witness testimony, or admissions by petitioner to prove this supposed knowledge on the part of the BIR. It relied solely on the fact that the BIR would *later* go on to annotate the original tax declarations for the subject real properties. However, this does not prove that the BIR could already locate said real properties when it served the WDL. Had this been the case, the BIR could have annotated the tax declarations on the same day, or close to the same day, that it served the WDL.

The WDL was apparently served on May 26, 2011. Notably, petitioner nowhere questions this date or otherwise claims that the WDL was served beyond the prescriptive period. The annotations, meanwhile, were made on July 21, 2011, almost two months after. This implies that it took time for the

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25 G.R. No. 139736, October 17, 2005.
26 G.R. No. 130430, December 13, 1999.
27 *See* Petition for Review, pp. 6-10, Division Records, pp. 11-15; *see also* Motion for Summary Judgment, pp. 4-9, Division Records, pp. 266-271; *see also* Memorandum for Petitioner Boast, Inc., pp. 7-11, Division Records, pp. 348-352.

BIR to locate SSVI's real properties, that *it could not locate SSVI's property when it served the WDL*. Without proof to support its position or address opposing views of the facts, the allegation that the BIR could locate SSVI's property when it served the WDL is consequently just that: an allegation, unsupported, unproven, and thus unacceptable.

The theory on the resumption of the prescriptive period must also be rejected. While *Section 223 of the NIRC* does pair the service of a WDL with the inability to locate property, it does not state that the prescriptive period *resumes* once property is located. Indeed, nothing in said provision talks of resumption. The theory seems to take the provision's framing of an inability to locate property as a condition for the *suspension* of the prescriptive period and misuse it as a basis for claiming that the discovery of a taxpayer's property *resumes* said period. It finds procedural rules where there are none.

Tellingly, respondent does not cite any actual jurisprudence to support its theory of resumption, relying instead on two textbooks, namely *Tax Law and Jurisprudence* by former Supreme Court Associate Justice Jose C. Vitug and former CTA Presiding Justice Ernesto D. Acosta, and *Quicknotes in Taxation* by Atty. Jack de Vera. The Court *En Banc* does not question the reliability of these books. Rather, We observe that the passages from both that respondent quoted are mainly constructed *verbatim* from *Section 223 of the NIRC* and are thus completely silent on resumption. Furthermore, the quoted section from *Tax Law and Jurisprudence* covers the "Suspension of Prescriptive Period," while the relevant portion from *Quicknotes in Taxation* is presented as an answer to the question "WHAT ARE THE GROUNDS FOR SUSPENSION OF THE RUNNING OF THE STATUTE OF LIMITATIONS?" (capitalization in original). Clearly, then, neither actually speaks of the prescriptive period resuming, so neither can serve as basis for respondent's theory.

The above points undermine respondent's claim that the denial of its request was based on a misapplication of *BPI* and *Hizon*. Respondent claims that these decisions are inapplicable to its own case because neither discuss what happens to the suspension of the prescriptive period when a taxpayer's property is located after the service of the WDL. However, the two decisions are silent on such a situation because *nothing* happens to said period when the taxpayer's property is located. *Section 223 of the NIRC* does not provide for any resumption of the prescriptive period, as discussed. Consequently, the two decisions could not have covered "what happens" as the law does not provide for *anything* to happen. Respondent's claim that the two decisions are "inapplicable" to its case is thus merely a roundabout way of admitting that its argument finds no backing from the relevant jurisprudence. The theory must consequently be rejected.

In short, respondent's contention that petitioner's right to collect has already prescribed finds no basis in facts, laws, or jurisprudence.

Hizon does not support the idea that the prescriptive period resumes

Respondent developed its theory of resumption in order to argue that *BPI* and *Hizon* are inapplicable to this case. Conversely, the Court in Division used *Hizon* to *support* the idea that the prescriptive period can resume. It found that *Hizon* admitted that the prescriptive period may resume under certain circumstances then used *Section 223 of the NIRC* to enumerate such circumstances. Further finding that the prescriptive period here did, indeed, resume and consequently prescribe, the Court in Division granted respondent's Petition for Review.

Upon reviewing the Assailed Decision and *Hizon*, the Court *En Banc* unfortunately cannot accept this ruling.

The claim that *Hizon* admits that the prescriptive period can resume is based on this specific sentence, as quoted in the assailed Decision:

> Moreover, *if*, as petitioner in effect says, *the prescriptive period was suspended twice*, i.e., when the warrants of distraint and levy were served on respondent on January 12, 1989 and then when respondent made her request for reinvestigation of the tax deficiency assessment on November 3, 1992, *the three-year prescriptive period must have commenced running again sometime after the service of the warrants of distraint and levy*. . . .[28] (Italics supplied.)

The above seems to support the Court in Division's interpretation, especially as the Supreme Court clearly say that the "prescriptive period must have commenced running again sometime after the service of the warrants of distraint and levy."

However, the Court in Division's quotation omits the last two sentences and thus does not reproduce the complete paragraph. We do so below:

> Moreover, if, as petitioner in effect says, the prescriptive period was suspended twice, i.e., when the warrants of distraint and levy were served on respondent on January 12, 1989 and then when respondent made her request for reinvestigation of the tax deficiency assessment on November 3, 1992, the three-year prescriptive period must have commenced running again sometime after the service of the warrants of distraint and levy. *Petitioner, however, does not state when or why this took place and, indeed,*

[28] Italics supplied. The specific words and phrases italicized here are the same as those emphasized by the Court in Division when quoting this paragraph in the Assailed Decision.

> *there appears to be no reason for such. It is noteworthy that petitioner raised this point before the lower court apparently as an alternative theory, which, however, is* ***untenable***.[29]
> (Emphasis and italics supplied.)

Note that in the second sentence, the Supreme Court finds that "there appears to be no reason" for the prescriptive period to have resumed. In fact, in the last sentence, the High Court observes that the CIR had offered this theory of resumption before the lower court but ultimately finds such theory "untenable." Considering these evaluations, *Hizon* does not support the idea that the prescriptive period resumes. On the contrary, it explicitly *rejects* such a theory as untenable.

Indeed, the conclusion becomes clearer when one reads the quoted paragraph in the wider context of the full decision. The prescriptive period for collection in that case had been suspended when the BIR served a WDL to therein respondent. However, the CIR claimed that the prescriptive period was also interrupted by therein respondent's filing of a request for reconsideration, allowing his recourse to judicial proceedings. The Supreme Court rejected this claim and ultimately rejected the idea that the prescriptive period was interrupted a second time. They thus found the CIR's complaint before the Regional Trial Court, his attempt to avail of judicial proceedings to collect the tax, as having already prescribed, *but without prejudice to the collection of property covered by the WDL.*

We can apply this to the quoted paragraph. Recall that, while the service of the WDL suspended the prescriptive period in that case, the CIR claimed that the prescriptive period was suspended a second time by the request for reconsideration. However, said request could not have suspended the prescriptive period if the latter remained suspended by the WDL. The request could not have suspended the prescriptive period a second time. Logically, then, the request could only have suspended the prescriptive period for the second time *if* said period had somehow resumed at some point after the service of the WDL. Again, the Supreme Court found such theory of resumption untenable. As such, the CIR's claim that the request or reconsideration also interrupted the prescriptive period is untenable.

The point here is that the quoted paragraph should not be seen as the Supreme Court offering a substantial interpretation of the law. It should instead be understood as the Supreme Court *rejecting* the unexplained and unjustified basis for a litigant's faulty argument. In other words, *Hizon* rejects the idea that the prescriptive period for the collection of taxes can resume, in order to reject the claim that said period was interrupted a second time.

[29] Italics supplied.

Furthermore, as observed by Presiding Justice Roman G. Del Rosario in his Dissenting Opinion to the assailed Decision, the talk about and findings of prescription in *Hizon* mainly applied to the CIR's attempt to use *judicial proceedings* for collection, which the Supreme Court treated as different from the issuance of the WDL. Even assuming *arguendo* that the Supreme Court actually supported the idea of the prescriptive period resuming, it would not affect a WDL that had already been timely issued. As stated in *Hizon*, "[a]lthough considerable time has passed since then, . . . the enforcement of tax collection through summary proceedings may be carried out beyond the statutory period considering that such remedy was seasonably availed of."

Neither can applying *Section 223 of the NIRC* to *Hizon* be used as the basis for such an theory. As discussed above in relation to respondent's arguments, the provision by itself says nothing to support such a theory. And as the same is true of *Hizon* in isolation, the provision cannot be interpreted to support such a theory even when read with said case.

Consequently, the Court *En Banc* does not accept the Court in Division's interpretation and application of *Hizon* which finds that the prescriptive period in this case somehow resumed.

As a final aside on this issue, the Court notes that under the current law and jurisprudence, there is no prescriptive period to restrict the CIR's collection efforts after the issuance of a WDL. The CIR could thus hypothetically issue a WDL then simply delay initiating any further collection efforts. This is, however, a problem for referral to legislators. As a judicial forum, We must follow the law and jurisprudence as they stand.

The advertisement and sale of levied properties is not necessary to suspend the prescriptive period

There is one last finding of the Court in Division that this Court *En Banc* must address: that the service of the WDL in this case should have been paired with the proper advertisement and sale of the levied real properties to have validly suspended the prescriptive period. We find this finding to be in error as well.

Section 213 of the NIRC does, indeed, require that levied property be advertised and sold. Such is necessary for the *completion* of the BIR's collection efforts and the *satisfaction* of the delinquent taxpayer's liabilities. However, the relevant portion of *Section 223 of the NIRC*, the provision that actually covers the suspension of the prescriptive period, clearly identifies *service* of the WDL to the taxpayer or its authorized representative. This singling out of a specific step early in the collection process shows that the provision does not require that the collection be *completed* for the prescriptive period to be suspended. As such, petitioner did not have to properly advertise and sell the subject real properties to prevent his right to collect from prescribing.

Conveniently, *Hizon* is once again relevant here. Drawing from *Advertising Associates Inc. v. Court of Appeals*[30] and *Palanca v. Commissioner of Internal Revenue*,[31] *Hizon* explained that the purpose of interrupting the prescriptive period is to give the BIR time to dispose of the attached properties, a process which "might well take time to accomplish." In other words, the law allows the prescriptive period for collection to be suspended precisely so that the BIR has enough time to *complete* the collection process.

The application of the above reasoning to this case is clear. Following *Hizon*, the service of the WDL to SSVI interrupted the prescriptive period to give the BIR time to properly advertise and sell the levied real properties. Such real properties cannot be sold in an instant, after all. The process could take a long time, possibly even longer than the prescriptive period itself, for reasons beyond the BIR's control. No buyers might be interested in acquiring the real properties at the time, for instance. As such, the prescriptive period must be considered suspended, especially as the BIR timely initiated its collection efforts through the service of the WDL.

On the other hand, if the prescriptive period is only effectively suspended by the sale of the real properties, then the reason for allowing such suspension in the first place is negated. Consider: why would the BIR need extra time to collect if the collection process was already completed, if the delinquent taxpayer's liabilities were already fully satisfied? What else "might well take time to accomplish" if there is nothing left to do? Under this interpretation, the suspension of the prescriptive period becomes purposeless and ineffective. It would be akin to claiming that the prescriptive period for a taxpayer's right to judicially protest a Final Decision on Disputed Assessment is interrupted only by the filing of a Petition for Review, paired with the issuance of an Entry of Judgment by the Court.

Indeed, to reiterate the *Hizon* quote from earlier, "the enforcement of tax collection through summary proceedings may be carried out beyond the statutory period considering that such remedy was seasonably availed of." Considering that the WDL was timely issued, then, the actual enforcement of tax collection, such as the sale of levied properties, can validly extend beyond the end of the prescriptive period.

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[30] G.R. No. L-59758, December 26, 1984.

[31] G.R. No. L-16661, January 31, 1962.

Considering both *Section 223 of the NIRC* and *Hizon*, then, the advertisement and sale of the levied real properties here was unnecessary for the suspension of the prescriptive period.

Respondent's Petition for Review should have been denied.

The claim that petitioner's right to collect was never suspended was respondent's only major argument in support of its Petition. Likewise, the Assailed Decision is based primarily on the idea that the prescriptive period either resumed or could only have been fully suspended by the sale of respondent's real properties. Both contentions have been considered but found wanting. Petitioner is thus correct: his right to collect SSVI's tax liabilities for the year 2007, and thus his right to dispose of the real properties sold to respondent, never prescribed. The prescriptive period was suspended when the BIR served the WDL to SSVI. Consequently, there is no reason to lift the subject NOTL, and respondent's Petition for Review before the Court in Division should have been denied.

A final issue must be mentioned. We do not agree with petitioner's argument that the current incarnation of the *NIRC* provides for no prescriptive period for the collection of taxes. There is no need to discuss this in much detail, however, considering Our findings above. It shall suffice to simply observe that (1) the Court in Division already deftly refuted this argument; (2) the Supreme Court has consistently recognized the existence of such a prescriptive period even into the current era of Philippine tax laws, such as in *Commissioner of Internal Revenue v. Court of Tax Appeals*,[32] as quoted by the Court in Division; and (3) respondent himself effectively admitted to the existence of such a period when he argued that honorable Presiding Justice Roman G. Del Rosario, in his Dissenting Opinion to the Assailed Decision, "correctly ruled that the summary remedy of levy on real property was timely initiated within the three[-]year period." Petitioner cannot agree with Presiding Justice Del Rosario's opinion, after all, if he does not also agree with the grounds for such opinion. As the existence of the three-year prescriptive period is a primary ground for said opinion, petitioner impliedly agreed with its validity.

All told, while the Court *En Banc* does not agree that respondent's Petition should have been dismissed for lack of jurisdiction, We agree with petitioner that the same lacked merit. We thus find that said Petition should have been denied.

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[32] G.R. No. 258947, March 29, 2022.

ACCORDINGLY, the instant *Petition for Review*, filed via registered mail on November 8, 2024, is hereby **GRANTED**. The Decision, rendered by the Court in Division on May 23, 2023, is hereby **REVERSED** and **SET ASIDE**. Its dispositive portion is **MODIFIED** to read as follows:

> **WHEREFORE**, the Petition for Review dated March 8, 2021, filed by Boast, Inc., is hereby **DENIED** for lack of merit.
>
> **SO ORDERED.**

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

On leave
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

Marian Ivy F. Reyes - Fajardo
With due respect, I maintain my position in the Decision dated May 26, 2023 and Resolution dated October 4, 2023 in CTA Case No. 10484.
MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
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.

ROMAN G. DEL ROSARIO
Presiding Justice