REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

En Banc

TAGUIG CITY TREASURER AND THE CITY GOVERNMENT OF TAGUIG CITY, *Petitioners,*	**CTA *EB* NO. 3061** (RTC SCA Case No. 291) Present: **RINGPIS-LIBAN,** *PJ,* **BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES,** *JJ.*
-versus-	
CEDARCREST CONDOMINIUM CORPORATION, *Respondent.*	Promulgated: JUL 28 2026 10:20am

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RESOLUTION

MODESTO-SAN PEDRO, J.:

For the Court's resolution is petitioners' *Motion for Reconsideration (On the Honorable Court's Decision dated 31 March 2026)*, filed via registered mail on April 27, 2026, with respondent's *Comment/Opposition* thereto, filed via registered mail on May 7, 2026, assailing this Court's March 31, 2026 Decision.

Petitioners argue that respondent is engaged in profit-making activities, rendering it liable for local business tax ("LBT"), claiming that (1) respondent recorded the fees it collected from its members as "Revenue;" (2) since respondent has an "excess of receipts over expenditures," it is realizing profit; (3) by paying income tax, respondent implicitly admits to conducting trade or business; and (4) respondent is a contractor, which the *Taguig Revenue Code* explicitly makes liable for LBT.

Against these, respondent insists that it is a condominium corporation not engaged in any form of trade or business, meaning it is not liable for LBT.

The motion lacks merit.

First, the use of the term "revenue" does not magically turn the fees collected by respondent into profit. Such an argument implies that whether a condominium is or is not liable for LBT depends substantially on what term it uses in its records, more so than the nature of its activities. This does not seem to be based on the law or relevant jurisprudence. We thus reject the argument.

Second, the idea that a condominium corporation is liable for LBT if it has an excess of receipts over expenditures is untenable. It implies that a condominium corporation is not liable for LBT if either (a) its expenditures exceed its receipts; or (b) its receipts and its expenditures are exactly equal. Both of these, however, are completely impractical. The condominium will be unable to persist under (a). Meanwhile, (b) is impossible to maintain as a condominium corporation cannot predict the future and exactly plan for all its receipts and expenditures. This argument fails as well.

Third, while income tax is imposed on gross income derived from the conduct of trade or business, it is not the only form of income falling under income tax. Others, such as "Prizes and Winning" or "Rents," among others, also fall within the scope of income tax. The mere act of paying income tax consequently does not show that a condominium corporation is engaged in the conduct of trade or business. Petitioners' third argument fails.

Finally, petitioners' fourth argument is based on the contention that respondent realizes profit and is thus engaged in the conduct of trade or business, so that it falls under the *Taguig Revenue Code*'s definition of a contractor. As petitioners failed to prove that respondent is engaged in trade or business, the latter cannot be characterized as a contractor. The cited provision of the *Taguig Revenue Code* is thus inapplicable to respondent.

Petitioners' motion thus fails to show that respondent is, in fact, liable for LBT. Our ruling stands.

FOR THESE REASONS, petitioners' *Motion for Reconsideration (On the Honorable Court's Decision dated 31 March 2026)*, filed via registered mail on April 27, 2026, is hereby **DENIED** for lack of merit.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

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

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice