REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

THE CITY OF TAGUIG and **ATTY. J. VOLTAIRE L. ENRIQUEZ,** in his capacity as the City Treasurer of Taguig City, *Petitioners,*	**CTA *EB* NO. 2902**
	Present:
	RINGPIS-LIBAN, Acting *P.J.,* **MANAHAN, BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** *and* **ANGELES,** *JJ.*
-versus-	
HANJINPHIL CORPORATION represented by **Pyung Jong Yu,** *Respondent.*	Promulgated: NOV 24 2025 3:39 p.m.

x- -x

RESOLUTION

MANAHAN, *J.*:

For resolution is petitioners' *Motion for Reconsideration* posted on August 1, 2025[1] and received by the Court on August 11, 2025, with respondent's *Opposition [Re: Petitioner's Motion for Reconsideration dated 01 August 2025]* filed on August 7, 2025.

Petitioners seek reconsideration of the Court *En Banc's* Decision (assailed *En Banc* Decision) dated July 11, 2025, the dispositive portion of which reads:

> **WHEREFORE**, premises considered, petitioner's Petition for Review is **DENIED** for lack of merit.
>
> Accordingly, the Decision dated April 29, 2022 and the Order dated February 19, 2024 of RTC Taguig are hereby **AFFIRMED**. Respondent is deemed entitled to the refund of

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[1] Also filed via electronic mail on August 1, 2025.

the excess LBT paid to Taguig City in the amount of Php190,004.85 representing its overpaid LBT for CY 2016.

SO ORDERED.

Petitioners disagree with the conclusion embodied in the assailed *En Banc* Decision that its action in using the gross sales of respondent for calendar year (CY) 2014 as tax base for the local business taxes (LBT) due for CY 2016 has no legal basis.

Petitioners allege that the unexplained abrupt reduction of respondent's gross sales between CYs 2014 and 2015 constrained their office to base their LBT assessment for CY 2016 on the available records they had at the time. Petitioners claim that respondent failed to produce its audited financial statements (AFS) for CY 2015 at the time of renewal of business permit for CY 2016 to support its declared gross sales in the amount of Php10,622,400.00 and likewise failed to produce it when it filed a complaint for tax refund of LBT. They further allege that it was only during the Judicial Dispute Resolution (JDR) that respondent, for the first time, submitted the AFS for CY 2015 along with other records.

Citing the oft-repeated doctrine that tax refunds like tax exemptions are strictly construed against the taxpayer, petitioners assert that respondent miserably failed to prove its entitlement thereto by sufficient and competent evidence.

Respondent, in its *Opposition*, dismisses the arguments of petitioners as mere rehash/reiterations of those that were already resolved in the assailed *En Banc* Decision. Invoking several rulings of the Supreme Court on filing of motions for reconsideration, respondent asks the Court to dismiss the present Motion for Reconsideration for failure to raise new matters that are plausible and compelling enough to justify a re-examination of the case.

RULING OF THE COURT

We deny petitioner's Motion for Reconsideration.

A perusal of the arguments of petitioners in the said *Motion for Reconsideration* reveals that the issues presented therein are the very same issues which have already been thoroughly passed upon by the Court *En Banc* in the Decision promulgated on July 11, 2025. Nevertheless, we shall deal with said issues to put these to rest and emphasize the conclusions of the Court in the assailed *En Banc* Decision.

Petitioners challenge the conclusions of the Court *En Banc* and insist that it correctly used respondent's gross sales declared in CY 2014 as the tax base for the LBT due in CY 2016. The abrupt and substantial reduction of respondent's gross sales in CY 2015 led them to use the higher amount declared in CY 2014 due to respondent's failure to explain the great disparity in figures.

We find petitioners' contentions to be without merit.

Records show that respondent operates as a general construction contractor in Taguig City.

Section 151 of the Local Government Code (LGC) of 1991 empowers *cities* to impose taxes, fees and charges which the province or municipality may impose, and we quote:

> Section 151. -*Scope of Taxing Powers.* – Except as otherwise provided in this Code, the city may levy the taxes, fees, and charges which the province or municipality may impose: *Provided, however,* That the taxes, fees, and charges levied and collected by highly urbanized and independent component cities shall accrue to them and distributed in accordance with the provisions of this Code.
>
> xxx xxx xxx

Sections 143(e) and (h) of the LGC of 1991 provides as follows:

> Section 143. *Tax on Business.* -The municipality may impose taxes on the following businesses:
>
> (e) On **contractors and other independent contractors**, in accordance with the following schedule:
>
> xxx xxx 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 the 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. *(Emphases supplied)*

Likewise, Section 75(e) of the Taguig Revenue Code provides that the tax base of the LBT to be imposed annually is the taxpayer's gross sales or receipts of the *preceding* calendar year.

Records show that respondent filed an application for the renewal of its business permit and for payment of its LBT due for CY 2016 with the Taguig City local government. Following the afore-quoted provisions of the LGC of 1991 and the Taguig Revenue Code, the LBT shall be based on the taxpayer's gross receipts or gross sales of the *preceding* calendar year which in the present case refers to CY 2015.

As regards petitioner's contention that the "unexplained and unsupported disparity" in the gross sales of CYs 2014 and 2015 justifies their availment of *other records* for the LBT assessment, the same has no legal basis. We quote relevant portions of the assailed *EB* Decision for emphasis:

> xxx xxx xxx To enable the city government of Taguig to determine the amount of gross sales, Section 82(d) of the Taguig Revenue Code requires taxpayers under the jurisdiction of Taguig City to submit the following documents in the payment of the annual business taxes as a condition for the renewal of their business permit:
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> Section 82 - *Requirements-*
>
> > (d) **Sworn statement of gross receipts or sales.** – Operators of business subject to the taxes on business shall submit a sworn statement of the capital investment before the start of their business operations and upon application for a Mayor's permit to operate the business. **Upon payment of tax levied in this article, any person engaged in business subject to the business tax based on gross sales/receipts shall submit a sworn statement of his gross sales or receipts for the preceding calendar year in such manner and form as may be prescribed by the City Treasurer. Should the taxpayer fail to submit**

> **a sworn statement of gross sales or receipts, due among others for his failure to have a book of accounts, records and/or subsidiaries for his business, the City Treasurer or his/her authorized representatives may verify or assess the gross sales or receipts of the taxpayer under the best available evidence upon which the tax may be based**. *(Emphasis supplied)*

> Again, the foregoing provision requires the taxpayers to submit a sworn statement of gross sales or receipts of the preceding calendar year.
>
> xxx xxx xxx
>
> Based on the afore-quoted Section 82(d) of the Taguig Revenue Code, **the best evidence obtainable may be availed of only if the taxpayer was not able to submit the sworn statement of gross sales/receipts of the preceding calendar year**. *(Emphases supplied)*

The records show that respondent declared its gross sales for the preceding CY 2015 in the amount of Php10,622,400.00 in its application for business permit renewal for CY 2016. As stated in the assailed *EB* Decision, petitioners had no legal basis to use respondent's gross sales for CY 2014 in determining the LBT due for CY 2016. Correspondingly, petitioners should have not required respondent to pay the amount of Php207,266.25 as a condition for its business permit renewal for CY 2016.

This Court also finds that the submission of respondent's AFS for the preceding year 2015 is not necessary because at the time of the renewal of the business permit which is set during the first few weeks of January of each year, the AFS of the preceding year is not yet available, hence, the sufficiency of the said sworn statement of gross sales of the preceding calendar year.

From all the foregoing, the Court finds no cogent reason to reverse or modify the assailed *EB* Decision dated July 11, 2025.

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

Accordingly, the Decision of the Court in the above-captioned case dated July 11, 2025, is hereby **AFFIRMED**.

SO ORDERED.

Catherine T. Manahan

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Acting Presiding Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
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