REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Third Division

NATIONAL IRRIGATION ADMINISTRATION, represented by its Administrator, ENGR. EDUARDO EDDIE G. GUILLEN / SENIOR DEPUTY ADMINISTRATOR ROBERT G. SUGUITAN,	**CTA CASE NO. 11775**
	Members:
	MODESTO-SAN PEDRO, *Chairperson, and* **FERRER-FLORES,** *JJ.*
Petitioner,	Promulgated:
-versus-	APR 20 2026 4:16 p.m.
COMMISSIONER OF INTERNAL REVENUE of the BUREAU OF INTERNAL REVENUE (BIR) and BIR REGION No. 7A – QUEZON CITY,	
Respondents.	

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RESOLUTION

For the Court's resolution is respondents' *Motion to Dismiss*, filed on August 20, 2025, with petitioner's *Comment (To the Respondent's Motion to Dismiss dated August 15, 2025)*, filed on October 20, 2025.

Respondents seek the dismissal of the instant Petition for Review, citing this Court's alleged lack of jurisdiction over it. They base this argument mainly on perceived deficiencies in the Petition. Specifically, they hold that petitioner failed to (1) send a softcopy of the Petition to the email address designated by this Court for such receiving Petitions; (2) attach a Verified Declaration; (3) attach proof of the authority of the Petition's signatories; (4) attached a Verification and Certification of Non-Forum Shopping; (5) include the names of its witnesses, their judicial affidavits, summaries of their testimonies, and a list of the documentary evidence to be presented; and (6) attach a Universal Serial Bus ("USB") drive with non-corrupted softcopies of its documentary evidence. For these failures, respondents insist that the Petition was procedural infirm, meaning this Court cannot attain jurisdiction over the appeal.

For its part, petitioner claims that it did, in fact, comply with these requirements, pointing to various parts of its original Petition and its Amended Petition.

While respondents' arguments lack merit, the Motion has prompted this Court to review its jurisdiction over this case. We now find that We lack any such jurisdiction to entertain petitioner's appeal.

First, all of the deficiencies identified by respondent were either corrected in the Amended Petition for Review, already compliant in the original Petition, or a result of excusable inadvertence. Petitioner "failed" to send a softcopy to this Court simply because it sent said softcopy to an official email address maintained by this Court, but not the one designated for receiving pleadings. The Verified Declaration was attached to the Amended Petition for Review. The authorization of petitioner's officers, such as Engr. Robert G. Suguitan, is included as Annex "A" to the Amended Petition in the form of National Irrigation Administration Board Resolution No. 7757-12. A Verification and Certification of Non-Forum Shopping[1] was already attached to the original Petition and reappears integrated into pages 17 to 18 of the Amended Petition.[2] An identification of petitioner's sole witness, a summary of his testimony, and a list of petitioner's documentary evidence is included in pages 13 to 16 of the Amended Petition,[3] to which is also attached the witness' Judicial Affidavit.[4] Finally, petitioner submitted a new USB drive which did no contain any corrupted files.[5]

Respondents' arguments in support of the sought dismissal thus hold no water. The deficiencies cited were either corrected by the filing of the Amended Petition or never existed to begin with.

However, as stated above, a review of the facts of this case reveal that this Court has no jurisdiction over the Petition.

While the Court of Tax Appeals ("CTA") generally has jurisdiction over appeals from the decisions of the Commissioner of Internal Revenue ("CIR"), some exceptions to this rule exist. Most relevant to the case at hand is the exception created by *Presidential Decree ("PD") No. 242*, which vests the Secretary of Justice, the Solicitor General, and/or the Government Corporate Counsel with jurisdiction over controversies between and among government agencies and offices, including government-owned or controlled corporations ("GOCC"). The landmark case of *Power Sector Assets and*

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1 *Rollo*, pp. 23-24.
2 *Id.* at 76-77.
3 *Id.* at 72-75.
4 *Id.* at 80-95.
5 Accessibility Checklist for Portable Storage Device, dated May 20, 2025, *id.* at 56.

Liabilities Management Corporation v. Commissioner of Internal Revenue[6] ("*PSALM*") is instructive:

> The primary issue in this case is whether the DOJ Secretary has jurisdiction over OSJ Case No. 2007-3 which involves the resolution of whether the sale of the Pantabangan-Masiway Plant and Magat Plant is subject to VAT.
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> We agree with the Court of Appeals that jurisdiction over the subject matter is vested by the Constitution or by law, and not by the parties to an action. Jurisdiction cannot be conferred by consent or acquiescence of the parties or by erroneous belief of the court, quasi-judicial office or government agency that it exists.
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> However, contrary to the ruling of the Court of Appeals, we find that the DOJ is vested by law with jurisdiction over this case. This case involves a dispute between PSALM and NPC, which are both wholly government-owned corporations, and the BIR, a government office, over the imposition of VAT on the sale of the two power plants. There is no question that original jurisdiction is with the CIR, who issues the preliminary and the final tax assessments. *However, if the government entity disputes the tax assessment, the dispute is already between the BIR (represented by the CIR) and another government entity, in this case, the petitioner PSALM. Under Presidential Decree No. 242 (PD 242),* ***all disputes and claims solely between government agencies and offices, including government-owned or controlled corporations, shall be administratively settled or adjudicated by the Secretary of Justice, the Solicitor General, or the Government Corporate Counsel, depending on the issues and government agencies involved.*** As regards cases involving only questions of law, it is the Secretary of Justice who has jurisdiction. Sections 1, 2, and 3 of PD 242 read:
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>> Section 1. *Provisions of law to the contrary notwithstanding,* ***all disputes, claims and controversies solely between or among the departments, bureaus, offices, agencies and instrumentalities of the National Government, including constitutional offices or agencies, arising from the interpretation and application of statutes, contracts or agreements, shall henceforth be administratively settled or adjudicated as provided hereinafter****: Provided, That, this shall not apply to cases already pending in court at the time of the effectivity of this decree.*
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>> Section 2. In all cases involving only questions of law, the same shall be submitted to and settled or adjudicated by the Secretary of Justice, as Attorney General and ex officio adviser of all government- owned or controlled corporations and entities, in consonance with Section 83 of the Revised Administrative Code. His ruling or determination of the question in each case shall be conclusive and binding upon all the parties concerned.

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[6] G.R. No. 198146, August 8, 2017.

> Section 3. Cases involving mixed questions of law and of fact or only factual issues shall be submitted to and settled or adjudicated by:
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> (a) The Solicitor General, with respect to disputes or claims [or] controversies between or among the departments, bureaus, offices and other agencies of the National Government;
>
> (b) The Government Corporate Counsel, with respect to disputes or claims or controversies between or among the government-owned or controlled corporations or entities being served by the Office of the Government Corporate Counsel; and
>
> (c) The Secretary of Justice, with respect to all other disputes or claims or controversies which do not fall under the categories mentioned in paragraphs (a) and (b).

The use of the word "shall" in a statute connotes a mandatory order or an imperative obligation. Its use rendered the provisions mandatory and not merely permissive, and unless PD 242 is declared unconstitutional, its provisions must be followed. The use of the word "shall" means that administrative settlement or adjudication of disputes and claims between government agencies and offices, including government-owned or controlled corporations, is not merely permissive but mandatory and imperative. *Thus, under PD 242, it is mandatory that disputes and claims "solely" between government agencies and offices, including government-owned or controlled corporations, involving only questions of law, be submitted to and settled or adjudicated by the Secretary of Justice.*

The law is clear and covers "all disputes, claims and controversies solely between or among the departments, bureaus, offices, agencies and instrumentalities of the National Government, including constitutional offices or agencies arising from the interpretation and application of statutes, contracts or agreements." When the law says "all disputes, claims and controversies solely" among government agencies, the law means all, without exception. Only those cases already pending in court at the time of the effectivity of PD 242 are not covered by the law.
(Citations omitted; emphasis and italics supplied.)

PSALM was later affirmed in *The Department of Energy v. Commissioner of Internal Revenue*,[7] where the Supreme Court held "that all disputes, claims, and controversies, solely between or among executive agencies, including disputes on tax assessments, must perforce be submitted to administrative settlement by the Secretary of Justice or the Solicitor General, as the case may be."

Petitioner National Irrigation Administration ("NIA") is a GOCC. It says as much in both its Petition[8] and in its Amended Petition.[9] As it is assailing respondent CIR's decision, issued as the commissioner of the Bureau

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7 G.R. No. 260912, August 17, 2022.
8 Petition for Review, pp. 1-2, *Rollo*, pp. 6-7.
9 Amended Petition for Review, p. 2, *id.* at 61.

of Internal Revenue, on an assessment against it, the present controversy is between a GOCC and a government bureau. It thus falls squarely under the purview of *PD No. 242* and *PSALM.*

The CTA consequently has no jurisdiction over this case. The Petition should have been filed with the Secretary of Justice. As a result, We have no authority to do anything but to dismiss this case.

ACCORDINGLY, despite technically lacking merit, respondent's *Motion to Dismiss*, filed on August 20, 2025, is hereby **GRANTED**. The instant Petition for Review, filed on March 4, 2025, and Amended Petition for Review, filed on May 19, 2025, are **DISMISSED** for lack of jurisdiction.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice