REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Second Division

PEOPLE OF THE PHILIPPINES, *Plaintiff,*	**CTA Crim. Case No. O-1225** (NPS Docket No. XV-07-INV-24H-03497)
-versus-	For: VIOLATION OF SECTIONS 254 AND 255 IN RELATION TO SECTIONS 253(d) & 256 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED
NICHOLSON C. SANTOS **JOSEPHINE CHEN** **c/o GULFOSS INTERNATIONAL CORPORATION** Unit 1204 12F World Trade Exchange Building, 215 Juan Luna St., Binondo, Manila 1006, *Accused.*	Members: **RINGPIS-LIBAN,** *Chairperson,* **MODESTO-SAN PEDRO,** *and* **FERRER-FLORES,** *JJ.* Promulgated: FEB 2 0 2025

x -- x

4:08 p.m.

RESOLUTION

Before the Court is an Information, filed by plaintiff on October 3, 2024.

The Court lacks jurisdiction over this case.

Under *Section 281 of the National Internal Revenue Code of 1997, as amended* ("*NIRC*"), the government has five years from either the commission of the crime or the date of its discovery within which to prosecute any violation of the *NIRC*. The period is interrupted when "proceedings are instituted against the guilty persons." In the case of criminal actions heard before the CTA in Division, such as in this case, proceedings are deemed instituted upon the filing of an Information with the CTA, following *Rule 9, Section 2 of the Revised Rules of the Court of Tax Appeals, as amended.*

Finally, following *Lim v. Court of Appeals*[1] ("*Lim*") and *Tupaz v. Ulep*,[2] the prescriptive period then started upon the commission of the suspected crime, which the Supreme Court identified with the finality of the assessment, attained after the lapse of 30 days from the taxpayer's receipt of the assessment, coupled with the taxpayer's willful refusal to pay the assessed taxes within the period for doing so.

The facts alleged in this case are slightly different from the usual, however. Supposedly, accused duly filed their returns for Withholding Tax on Compensation and Annual Income Tax but did not make the corresponding payments for such. Rather than conduct a full-blown audit and assessment, then, the Bureau of Internal Revenue simply sent various letters demanding the payment of the taxes that accused themselves admitted, through their returns, were due.[3] For the alleged deficiency Income Tax, the subject of the present Information, the final demand was made via a First Notice, dated June 8, 2018.[4] As such, the alleged violation was committed when accused failed to pay within the period set by said Notice.

Neither the Complaint-Affidavit nor the First Notice give any indication as to when the latter was received, unfortunately. The Court is thus constrained to use June 8, 2018, the date of the First Notice's issuance, as the reckoning point for the 30-day period. Accused thus had until July 8, 2018, within which to pay or protest. Thus, the alleged crime was committed on July 9, 2018, the day after.

Counting five years from said commission, plaintiff had until July 9, 2023, within which to file an Information before this Court. It filed the present Information on October 3, 2024, over a year late. The government's right to prosecute this violation has thus prescribed, and this Court consequently cannot assume jurisdiction over this case.

ACCORDINGLY, CTA Crim. Case No. O-1225 is hereby **DISMISSED** on the ground of prescription.

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1 G.R. Nos. L-48134-37, October 18, 1990.
2 G.R. No. 127777, October 1, 1999.
3 Complaint-Affidavit, pp. 3-4, *Rollo*, pp. 19-20.
4 *Id.* at 72.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice