REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

PEOPLE OF THE PHILIPPINES, *Plaintiff,* - versus -	**CTA Criminal Case No. O-515** (NP Docket No. XVI-INV-14A-00024) For: Violation of Section 255 of the NIRC of 1997, as amended (Failure to File Value-Added Tax and Pay Tax) Members:
MANUEL NUGUID NIETO, (As Proprietor of PERSEUS COMMODITY TRADING)) With address at No. 997 A. Bonifacio Avenue, Quezon City (AT LARGE), *Accused.*	**MANAHAN**, *Chairperson,* **REYES-FAJARDO,** *and* **ANGELES,** *JJ.* Promulgated: SEP 13 2024 1:48 p.m.

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RESOLUTION

On June 18, 2015, an Information was filed against accused Manuel Nuguid Nieto, charging him for violation of Section 255 of the National Internal Revenue Code of 1997, as amended. The accusatory portion of which states:

> That on or about the 15th day of April 2009, in Quezon City, Philippines, and within the jurisdiction of this Honorable Court, the above-named accused, being the sole proprietor of Perseus Commodity Trading with Taxpayer Identification No. 227-942-201-000, did then and there willfully, unlawfully, and feloniously fail to file value-added tax return and pay tax for taxable year 2008, which resulted to value-added tax deficiency in the total amount of Forty Six Million Eight Hundred Eleven Thousand Four Hundred Sixty Seven Pesos and Ninety Centavos (Php46, 811,467.90), inclusive of surcharge and interest as of the time of the filing of this complaint, to the damage and prejudice of the government.

CONTRARY TO LAW.

This case merits dismissal.

Section 7(b)(1) of Republic Act (RA) No. 1125, as amended by RA No. 9282, reads:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> ...
>
> b. Jurisdiction over cases involving criminal offenses as herein provided:
>
> **1. Exclusive original jurisdiction over all criminal offenses arising from violations of the** National Internal Revenue Code or **Tariff and Customs Code** and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the principal amount of taxes and fees, **exclusive of charges and penalties,** claimed is less than One million pesos (P1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. ...[1]

Relatedly, Section 3(b)(1), Rule 4[2] of the Revised Rules of the Court of Tax Appeals (RRCTA)[3] clarified that the CTA in Division possesses exclusive original jurisdiction over tax criminal offenses, provided the following conditions concur: *first,* the offense charged pertains to, among others, violation of the NIRC; and *second,* the principal amount of taxes and fees claimed, *exclusive of charges and penalties* is at least ₱1,000,000.00. In turn, the jurisdiction of a court over a criminal case is determined by the allegations in the complaint or information. Once it is so shown, the court may validly take cognizance of the case.[4]

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1 Boldfacing supplied.

2 SECTION 3. *Cases Within the Jurisdiction of the Court in Divisions.* — The Court in Divisions shall exercise:

...

(b) Exclusive jurisdiction over cases involving criminal offenses, to wit: | | |

(1) Original jurisdiction over all criminal offenses arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs, where the principal amount of taxes and fees, exclusive of charges and penalties, claimed is one million pesos or more; ... Boldfacing supplied.

3 A.M. No. 05-11-07-CTA.

4 *Cabral v. Bracamonte,* G.R. No. 233174, January 23, 2019.

Indeed, the Information charged accused for violation of Section 255 of the NIRC, as amended. Stated therein is that the amount of the alleged value-added tax deficiency due for the taxable year 2008 was ₱46,811,467.90. Yet, these averments hardly suffice to bestow the Court with jurisdiction over CTA Crim. Case No. 515. The Information *failed* to expressly state that the amount of ₱46,811,467.90, pertaining to the principal amount of taxes and fees, is *exclusive* of charges and penalties as mandated by Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282, in relation to Section 3(b)(1), Rule 4 of the RRCTA.

In sum, the allegations in the prosecution's Information failed to demonstrate the Court's jurisdiction over this case. For this reason, dismissal of CTA Criminal Case No. O-515 is in order.

WHEREFORE, CTA Criminal Case No. O-515 is withdrawn from the archives and accordingly **DISMISSED** for lack of jurisdiction.

SO ORDERED.

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

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

HENRY S. ANGELES
Associate Justice