REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

Special Second Division

HOLCIM PHILIPPINES, INC.,
Petitioner,

-versus-

THE CITY OF MANILA and MA. JAZMIN M. TALEGON, in her capacity as Officer-in-Charge of the City Treasurer's Office of the City of Manila,
Respondents.

CTA AC No. 315
(Civil Case No. R-MNL-22-00525-CV)

Members:

RINGPIS-LIBAN, *P.J.*,
MODESTO-SAN PEDRO, and
FERRER-FLORES, *JJ.*

Promulgated:

x--x

RESOLUTION

RINGPIS-LIBAN, *J.*:

For resolution are the (1) *"Motion for Reconsideration"*[1] of Respondents City of Manila and Ma. Jazmin M. Talegon (Respondents), timely filed on December 9, 2025, asking the Court to reconsider its Decision dated October 30, 2025[2] on the following grounds:

1. The Decision is based on a legal interpretation that requires further reconsideration in light of the relevant facts and law; and

2. In view of the submitted evidence, there may be insufficient factual support to uphold the Decision.

[1] Rollo, pp. 426-440, Motion for Reconsideration dated December 9, 2025.
[2] *Id.*, pp. 408-424, Decision dated October 30, 2025.

and (2) the *"Motion for Partial Reconsideration"*[3] of Petitioner Holcim Philippines, Inc. (Holcim or Petitioner), likewise filed on December 9, 2025, asking the Court to partially reconsider the same Decision on the following ground:

> Respondents improperly applied the Presumptive Income Level Assessment Approach (PILAA) in assessing the local business tax (LBT) due from Petitioner for calendar year 2019, and the Total Billed Amount was computed without any factual and legal basis, resulting in a violation of Petitioner's right to due process.

The Decision dated October 30, 2025[4] partially granted Petitioner's Petition for Review and ordered Respondents to refund Holcim the amount of ₱1,436,193.80, representing the erroneously or illegally paid LBT for calendar year 2019. The dispositive portion reads:

> "**ACCORDINGLY**, the present Petition for Review is **PARTIALLY GRANTED**. Respondents are hereby **ORDERED** to refund petitioner Holcim Philippines, Inc. in the total amount of ₱1,436,193.80, representing erroneously or illegally paid local business taxes for calendar year 2019.
>
> **SO ORDERED**."[5]

Petitioner filed its Comment/Opposition (Re: Respondents' Motion for Reconsideration dated December 9, 2025)[6] on February 2, 2026. Respondents filed their Comment/Opposition (To Petitioner's Motion for Partial Reconsideration)[7] on February 10, 2026. The motions are submitted for resolution.

<u>SUMMARY OF GROUNDS</u>

Respondents seek full reversal of the Decision and reinstatement of the RTC's disposition dismissing the Petition for Refund. They argue that the Decision's conclusion — that business classification under Section 143(c) of the Local Government Code (LGC) is independent of registration with the LGU — is inconsistent with the LGC's statutory framework governing business regulation within LGU territorial jurisdiction. They further maintain that Petitioner, having declared itself as an ordinary wholesaler in its business permit applications years prior to March 2022, is estopped from claiming the preferential LBT rate retroactively. Finally, they contend that the PILAA-derived presumptive income represents Holcim's gross sales of all its products, not only cement, and that its Articles of Incorporation authorize activities beyond cement

---

[3] *Id.*, pp. 443-452, Motion for Partial Reconsideration dated December 9, 2025.
[4] *Id.* at Note 2.
[5] *Id.*, p. 418.
[6] *Id.*, unpaginated.
[7] *Id.*, unpaginated.

manufacture and wholesale, rendering the application of the preferential rate to Holcim's entire earnings unfounded.

Petitioner, for its part, accepts the Court's ruling on the preferential rate and the timeliness of its claim. It limits its challenge to the PILAA application, asserting that while Section 182 of the 2013 Manila Revenue Code authorizes the use of a Presumptive Income Assessment, the ordinance does not embody the specific income levels to be applied by the City Treasurer — a requirement under the controlling doctrine in *First Planters Pawnshop, Inc. v. City Treasurer of Pasay City*[8] — and that Respondents failed to inform Petitioner of the factors used in computing the Total Billed Amount, in violation of due process. Petitioner avers that the correct tax base is its certified actual gross sales for 2019 of ₱595,189,976.00, yielding a correct LBT of ₱667,083.97 and a total overpayment of ₱2,205,303.62.

THE COURT'S RULING

The Motion for Reconsideration of Respondents is **DENIED**. The Motion for Partial Reconsideration of Petitioner is **GRANTED**. The Decision is **AFFIRMED with MODIFICATION**.

Respondents' Motion for Reconsideration must be denied.

A motion for reconsideration is not an opportunity to re-argue positions already considered and rejected by the Court. It must present new evidence, an intervening change in law, or demonstrate a palpable error of law or grave abuse of discretion. None of Respondents' grounds satisfies this standard.

On the first and second grounds — registration requirement and estoppel — *the Court is not persuaded.* The Court has already ruled, and rules again, that nothing in Section 143(c), Section 151, or any other provision of the LGC requires prior registration with the LGU as a manufacturer or wholesaler of essential commodities before a taxpayer may claim the preferential rate.[9] LGUs derive their taxing power from statute and may not impose requirements beyond those the law expressly provides. The power of city and municipal mayors to issue business permits and licenses is a power of business regulation; it does not transmute a permit classification into a condition precedent for the rate structure prescribed by the LGC itself.

The estoppel argument fares no better. The principle invoked by Respondents presupposes that the classification declared in the business permit application was the lawful basis for the tax imposed. Here, the undisputed fact is

---

[8] CTA EB Case No. 501, December 10, 2010.

[9] *Villacorta v. Bernardo*, G.R. No. L-31249, August 19, 1986; *The Solicitor General et al. v. The Metropolitan Manila Authority*, G.R. No. 102782, December 11, 1991.

that Holcim is a manufacturer and wholesaler of cement, an essential commodity expressly enumerated under Section 143(c)(8) of the LGC. The City's failure to apply the preferential rate was not the product of Holcim's declaration; it was the product of the City's own erroneous reliance on an administrative entry that did not reflect the actual nature of Holcim's business. A party cannot use an administrative inaccuracy of its own making to perpetuate an unlawful overtaxation.

The Court also notes, with concern, that several case citations in Respondents' MR — including *Allied Banking Corp. v. Quezon City*, *CE Luzon Geothermal v. CIR*, and *People v. Malabago* — were demonstrated by Petitioner to contain quotations that do not appear in the cited decisions, incorrect dates, and erroneous docket numbers. A party seeking reconsideration bears the burden of demonstrating reversible error through accurate and verifiable legal authority. Respondents' failure to discharge this burden substantially weakens their position.

On the third ground — insufficient factual basis for applying the preferential rate to Holcim's entire earnings — *a second reading of the assailed Decision reveals no such error*. The Court has previously ruled in CTA AC No. 283[10] that Section 143(c) of the LGC does not use terms of exclusivity; it taxes the *business*, not specific categories of sales; and the preferential rate applies to the gross receipts of a business that qualifies as a manufacturer or wholesaler of essential commodities. Holcim's Articles of Incorporation — which include cement products, by-products, derivatives, and building materials within its primary purpose — do not negate this conclusion; they confirm it. Respondents cite no Supreme Court ruling, intervening legislation, or factual finding not already in the record that would warrant a different conclusion.

The Motion for Reconsideration of Respondents is accordingly **DENIED** for lack of merit.

Petitioner's Motion for Partial Reconsideration is meritorious.

Petitioner does not contest the Court's ruling on the preferential rate or the timeliness of its claim. It limits its challenge to the PILAA application. A closer review of the record and the controlling doctrine in *First Planters Pawnshop*[11] compels the conclusion that the PILAA application in this case was legally defective.

The PILAA is a tax collection tool that enables LGUs to set a presumptive income level standard for various business entities based on industry factors. It does not, however, give the LGU *carte blanche* authority to assess any amount it

[10] *Holcim Philippines, Inc. v. City of Manila*, CTA AC No. 283, Resolution dated February 14, 2025.
[11] *Id.* at Note 8.

pleases. For PILAA to be validly applied, there must be: (1) an ordinance authorizing its use; (2) the ordinance must embody the specific presumptive income levels to be applied; (3) taxpayers must be properly informed of the factors used in determining the presumptive income; and (4) the City Treasurer must apply those factors with the knowledge of the taxpayer.

The Court's Decision correctly identified the first condition and the first prong of the third: Section 182 of the 2013 Manila Revenue Code authorizes the use of a Presumptive Income Assessment, and Petitioner failed to submit proof of gross sales at the time Respondents issued the Statement of Account in 2020. These findings stand and are not disturbed.

What the Decision did not resolve — and what the motion for partial reconsideration squarely raises — is whether the 2013 Manila Revenue Code embodies the specific presumptive income levels to be used by the City Treasurer, and whether those levels were applied with Holcim's knowledge. The record is bereft of any showing on both counts. Respondents' own witness acknowledged under cross-examination that the Total Billed Amount of ₱2,872,387.59 was based solely on the entries in the City's business database — not on any identified income level factor prescribed by the Manila Revenue Code. No breakdown, schedule, or computation was disclosed to Holcim either at the time of assessment or during the proceedings.

The exercise of the taxing power constitutes a deprivation of property.[12] Taxes must be collected reasonably and in accordance with prescribed procedure. A bare figure in a Statement of Account — with no disclosed factual or legal basis for the presumptive income level used — is arbitrary in the constitutional sense. The movant's insistence notwithstanding, the rule is settled: the PILAA does not authorize a City Treasurer to presume any income level of its own choosing. The presumptive income must rest on known or proven factors embodied in the local tax ordinance and communicated to the taxpayer. These requisites are not satisfied on the present record.

Accordingly, the PILAA application is invalid, and the Total Billed Amount of ₱2,872,387.59 cannot stand as the tax base.

The correct LBT due and the amount of refund.

[12] *Manila Electric Co. v. City Assessor*, G.R. No. 166102, August 5, 2015; *City of Iloilo v. Philippine Ports Authority*, G.R. No. 233861, January 12, 2021.

With the PILAA set aside, the correct tax base is Petitioner's certified actual gross sales/receipts for calendar year 2019 in the amount of ₱595,189,976.00.[13] Respondents have not disputed this figure.

Applying the preferential rate under Section 103 of the 2013 Manila Revenue Code — one-half of the rates prescribed for ordinary wholesalers — to the actual gross sales of ₱595,189,976.00, the LBT correctly due from Petitioner for calendar year 2019 is ₱667,083.97. The computation is as follows:

Gross Sales/Receipts for CY 2019	₱595,189,976.00
Tax on first ₱5,000,000.00	₱35,750.00
Tax on excess (22% of 1%)	₱1,298,417.95
Total before preferential rate	₱1,334,167.95
Preferential rate (50%)	x 50%
LBT Correctly Due (CY 2019)	**₱667,083.97**
LBT Actually Paid (January 16, 2020)	₱2,872,387.59
Less: LBT Correctly Due	(₱667,083.97)
Total Refund Due	**₱2,205,303.62**

Since Petitioner paid the full amount of ₱2,872,387.59 on January 16, 2020,[14] and the LBT correctly due is only ₱667,083.97, Petitioner is entitled to a refund of erroneously or illegally paid LBT in the amount of ₱2,205,303.62.

WHEREFORE, premises considered, the Motion for Reconsideration filed by Respondents City of Manila and Ma. Jazmin M. Talegon is hereby **DENIED** for lack of merit. The Motion for Partial Reconsideration filed by Petitioner Holcim Philippines, Inc. is hereby **GRANTED**. The Decision dated October 30, 2025 is **AFFIRMED** with **MODIFICATION** in that the amount of refund is increased from ₱1,436,193.80 to **₱2,205,303.62**, representing the erroneously or illegally paid local business taxes for calendar year 2019.

In all other respects, the Decision stands.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

---

[13] *Id.* at Note 1, pp. 212, (Certification of Gross Sales/Receipts dated January 2, 2020).
[14] *Id.*, p. 214, (Official Receipt No. U033056014B).

WE CONCUR:

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

I reiterate my position in the Assailed Decision.
CORAZON G. FERRER-FLORES
Associate Justice