REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

NIPPON EXPRESS PHILIPPINES CORPORATION,
Petitioner,

- *versus* -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB No. 3053
(CTA CASE No. 10489)

Present:

RINGPIS-LIBAN, *P.J.,*
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

Promulgated:
JUL 14 2026 4:30 pm

x - x

RESOLUTION

RINGPIS-LIBAN, ***P.J.*:**

For resolution of the Court *En Banc* is petitioner's *Motion for Reconsideration,*[1] personally and electronically filed on April 7, 2026, with respondent's *Opposition (Re: Motion for Reconsideration of the Decision dated 24 March 2026)*[2] personally filed on April 28, 2026 and electronically filed on April 29, 2026.

For easy reference, the dispositive portion of the March 24, 2026 Decision reads:

> **ACCORDINGLY,** the instant Petition for Review is **DENIED**, for lack of merit. The *Decision* dated July 5, 2024 and the *Resolution* dated December 13, 2024, respectively, of the CTA 3rd Division are **AFFIRMED.**

[1] Court En Banc (EB) Docket, pp. 121-128.
[2] EB Docket, pp. 134-137.

SO ORDERED.

Petitioner asserts in the present motion that: (1) it has complied with the minimum statutory requirements of Section 112 (A) of the Tax Code; and (2) charging a portion of input taxes attributable to zero-rated sales to the output taxes is not a requirement for entitlement to a refund of unused or unutilized input VAT from zero-rated sales.

On the other hand, respondent agrees with the conclusion reached in the assailed Decision, and further adds that claims for refund are strictly construed against the claimant and cannot be allowed unless granted in the most explicit and categorical language.

After careful consideration, the Court finds the instant motion unmeritorious.

At the onset, the Court *En Banc* observes that petitioner failed to raise any new matter that was not addressed in the assailed Decision. On this score, the consolidated cases of *Social Justice Society (SJS) Officers, et al., v. Alfredo S. Lim,*[3] is instructive:

> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. **It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); *i.e.*, the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.***(Emphasis supplied)*

[3] G.R. Nos. 187836 and 187916, March 10, 2015.

Considering that petitioner merely rehashed its arguments that were already passed upon in the assailed Decision, the denial of the instant motion is proper.

At any rate, the Court *En Banc* reiterates that petitioner, again, failed to refute the disallowances found during the proceedings *a quo*. Meanwhile, with respect to petitioner's mixed transactions, *i.e.*, VATable sales and zero-rated sales, the Court *En Banc* finds no error when it explained in the assailed Decision that:

> Applying the above-quoted provision in cases involving mixed transactions, *i.e.*, VATable sales and zero-rated sales, the most recent case of *Commissioner of Internal Revenue v. Toledo Power Company*, is instructive:
>
> > Meanwhile, taxpayers engaged in mixed transactions must first categorize its input taxes. Those which can be *directly and entirely* attributed to VAT-taxable transactions, VAT-exempt transaction, zero-rated transactions, and effectively zero-rated transactions shall first be applied to the respective output tax resulting from such transaction. Thereafter, residual input taxes, or input tax which "cannot be *directly and entirely* attributed to any one of the transactions, [xxx] shall be allocated to any one of the transactions [xxx] proportionately on the basis of the volume of sales." Simply stated, even if the input VAT cannot be directly and entirely allocated in any of these transactions, the taxpayer may still apply the input VAT proportionately based on the volume of the transactions. This is so because requirement of direct and entire attributability only applies in mixed transactions and only to the extent that input taxes can be attributed as a particular transaction.
>
> In relation thereto, the Court in Division found that petitioner's transactions involved both VATable and zero-rated sales. Consequently, petitioner charged its input tax attributable to zero-rated sales to its output VAT on VATable sales.
>
> Consistent with the guidelines laid down by the Supreme Court in *Chevron* and later, in *Toledo*, the Court in Division is correct: *first*, in proportionately allocating petitioner's input VAT based on its volume of sales; *second*, in applying the input VAT attributable to VATable sales to the output VAT from VATable sales; and *third*, in applying the input VAT attributable to zero-rated sales to the output VAT from VATable sales, as the option chosen by petitioner.

Considering the foregoing, the Court *En Banc* finds no reason to deviate from the findings and conclusion reached in the assailed Decision. Consequently, the denial of the instant Motion for Reconsideration is in order.

FOR THESE REASONS, petitioner's Motion for Reconsideration is **DENIED**, for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

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