REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

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REPUBLIC OF THE PHILIPPINES, Plaintiff,	**CTA OC NO. 024** For: Tax Collection Suit on Deficiency Income Tax, Value Added Tax, Expanded Withholding Tax and Withholding Tax on Compensation for Taxable Year 2007
- versus -	Members: **UY,** *Chairperson,* **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO,** *JJ.*
ROBIEGIE CORPORATION, Defendant.	Promulgated: NOV 07 2019 1:32 p.m.

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RESOLUTION

UY, J.:

For resolution is plaintiff's **"MOTION FOR RECONSIDERATION (Re: Decision promulgated on August 9, 2019)"** filed on September 5, 2019,[1] with defendant's **"COMMENT/OPPOSITION TO THE MOTION FOR RECONSIDERATION FILED BY PLAINTIFF"** filed on September 18, 2019,[2] praying for the reversal and setting aside of this Court's Resolution dated August 9, 2019,[3] the dispositive portion of which reads:

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[1] Docket, pp. 510 to 513.
[2] Docket, pp. 516 to 518.
[3] Docket, pp. 492 to 509.

"**WHEREFORE,** in light of the foregoing considerations, defendant's Demurrer to evidence is **GRANTED**. Accordingly, the instant case is **DISMISSED**.

SO ORDERED."

Plaintiff's arguments:

In his *Motion for Reconsideration*, plaintiff insists that Letter of Authority (LOA) No. 2007 00014831 dated October 14, 2008 was issued authorizing the revenue officers of the Bureau of Internal Revenue (BIR) to examine the books of accounts and other accounting records of defendant for taxable year 2007; and that when the audit examination of defendant was transferred to Revenue Officer (RO) Roberto P. Enguerra and finally to RO Andres B. Bisares, the said LOA was never cancelled or revoked.

It is plaintiff's position that paragraph IV of Revenue Memorandum Order (RMO) No. 69-2010 dated August 11, 2010 expressly repealed all revenue issuances or portions thereof inconsistent therewith, including RMO No. 43-90 and RMO No. 12-2007. Allegedly, manual serially-numbered Memorandum of Assignments (MOA) are sufficient authority for ROs to continue the examination of books of account and other accounting records of taxpayers.

Finally, plaintiff contends that the *Medicard Philippines, Inc. vs. Commissioner of Internal Revenue*[4] (*Medicard* case), is not applicable considering that it does not fall on all fours with the present case. According to plaintiff, in the *Medicard* case, a mere Letter Notice without a LOA was issued while in the present case, a LOA was issued.

Defendant's arguments:

In its *Comment/Opposition*, the defendant argues that without any new LOA authorizing the ROs to conduct the reinvestigation of defendant's books of account and accounting records, the assessment arising from such investigation is a nullity; and that plaintiff has no right to collect from the defendant the subject taxes.

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[4] G.R. No. 222743, April 5, 2017.

THE COURT'S RULING

Plaintiff's *Motion for Reconsideration* lacks merit.

A perusal of the instant *Motion* shows that the arguments raised therein are mere reiterations of matters which have already been considered, weighed and resolved in the assailed Resolution. Finding no compelling reason to reconsider, modify or reverse the assailed Resolution, We shall no longer belabor in this Resolution, to repeat the disquisitions made therein.

As for respondent's claim that the *Medicard* case is not applicable in the instant case, it must be emphasized that the Commissioner of Internal Revenue himself, through the issuance of Revenue Memorandum Circular (RMC) No. 75-2018,[5] recognized the ruling in the *Medicard* case, in this wise:

> "The judicial ruling, invoking a specific statutory mandate, states that **no assessments can be issued or no assessment functions or proceedings can be done without the prior approval and authorization of the Commissioner of Internal Revenue (CIR) or his duly authorized representative, <u>through an LOA</u>. The concept of an LOA is therefore clear and unequivocal. Any tax assessment issued without an LOA is a violation of the taxpayer's right to due process and is therefore 'inescapably void.'**
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> xxx xxx xxx
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> To help forestall any unnecessary controversy and to encourage due observance of the judicial pronouncements, any examiner or revenue officer initiating tax assessments or performing assessment functions without an LOA shall be subject to appropriate administrative sanctions." *(Emphasis and underscoring supplied)*

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[5] SUBJECT: The Mandatory Statutory Requirement and Function of a Letter of Authority.

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It is clear from the foregoing, that any tax assessment issued without an LOA is a violation of the taxpayer's right to due process and therefore void.

Accordingly, considering that the issue in the instant case involves the lack of a valid LOA, authorizing the ROs to conduct the audit investigation of defendant, We see no reason not to apply the ruling in the *Medicard* case to the instant case.

To emphasize, We reiterate that without any new LOA authorizing the subsequent ROs to conduct the reinvestigation of defendant's books of accounts and accounting records for taxable year 2007, the assessment arising from such investigation is a nullity.

In sum, We find no cogent reason to disturb the findings in the assailed Resolution.

WHEREFORE, premises considered, the instant *Motion for Reconsideration* is **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice