REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

CBK POWER COMPANY LIMITED,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NOS. 7771 & 7814

Members:
BAUTISTA, *Chairperson,* and
COTANGCO-MANALASTAS, *JJ.*

Promulgated:

MAY 06 2016
9:00 a.m.

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AMENDED DECISION

COTANGCO-MANALASTAS, *J.*:

Submitted anew for decision are the consolidated Petitions for Review docketed as CTA Case Nos. 7771 & 7814, pursuant to the ruling of the Supreme Court dated September 30, 2014 in G.R. No. 205353 remanding these cases to the Court of Tax Appeals (CTA) for the determination and computation of the amounts valid for refund or the issuance of a tax credit certificate.

The consolidated Petitions for Review pray for the issuance of tax credit certificates (TCC) allegedly representing unutilized input value-added taxes (VAT). For CTA Case No. 7771, petitioner's tax credit claim amounts to P7,559,943.44 covering period January 1, 2006 to March 31, 2006;[1] and for CTA Case No. 7814, petitioner claims the amount of P36,246,606.28 covering the period April 1, 2006 to December 31, 2006.[2]

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[1] Docket, CTA Case No. 7771, Petition for Review, pp. 1 14.
[2] Docket, CTA Case No. 7814, Petition for Review, pp. 1 12.

THE FACTS

The Court reiterates the relevant facts of the case as follows:

> Petitioner is a VAT-registered partnership organized and existing under and by virtue of the Philippine laws. The sole purpose of which is to engage in all aspects of (a) design, financing, construction, testing, commissioning, operation, maintenance, management and ownership of Kalayaan II pumped-storage hydroelectric power plant, the new Caliraya Spillway, and other assets located in the Province of Laguna, and (b) rehabilitation, upgrade, expansion, testing, commissioning, operation, maintenance and management of the Caliraya, Botocan and Kalayaan I hydroelectric power plants and their related facilities, located in the Province of Laguna.[3]
>
> On March 17, 2006, BIR issued BIR Ruling No. DA-146-2006, confirming petitioner's claim that as an entity engaged in hydropower generation, its billings/fees for the sale of electricity to NPC are subject to VAT at zero percent (0%) rate, under *Section 108 (B)(7) of the Tax Code of 1997, as amended by Republic Act 9337* (R.A. 9337).[4]
>
> Petitioner filed with the Bureau of Internal Revenue (BIR) its Monthly VAT Declarations and Quarterly VAT Returns for the period January 1, 2006 to December 31, 2006 on the following dates:[5]

2006 Taxable Quarter	Original VAT Return (Date filed)	Amended VAT Return (Date filed)
1st	April 25, 2006	December 28, 2007
		March 31, 2008
2nd	July 25, 2006	April 18, 2008
3rd	October 20, 2006	May 7, 2008
4th	January 24, 2007	July 21, 2008

[3] Docket, CTA Case No. 7771, Vol. 1, Joint Stipulation of Facts and Issues (JSFI)-Facts Admitted, Pars. 5 and 9, pp. 231-232.
[4] Docket, CTA Case No. 7771, Vol. 1, JSFI Facts Admitted, Par. 11, pp. 232-233.
[5] Docket, CTA Case No. 7771, Vol. 1, JSFI Facts Admitted, Pars. 7-8, pp. 231-232.

Petitioner's Amended Quarterly VAT Returns for the four quarters of 2006 reported the following input tax credits:[6]

2006 Taxable Quarter	Input Tax Credits for the period January 1 to December 31, 2006					
	Purchase of Capital Goods exceeding P1Million	Domestic Purchases of Goods Other than Capital Goods	Importation of Goods Other than Capital Goods	Domestic Purchase of Services	Services Rendered by Non-Residents	Total Input Tax Credits
1st	1,870,700.70	1,821,359.38	556,816.00	4,151,387.81	968,642.68	9,368,906.57
2nd	1,346,348.83	1,209,055.08	1,152,424.00	5,797,606.67	1,199,547.36	10,704,981.94
3rd	2,998,466.11	1,425,019.73	810,906.00	10,921,541.86	302,627.14	16,458,560.84
4th	344,377.46	1,620,670.63	654,763.00	8,586,528.36	1,608,644.90	12,814,984.35
TOTAL	6,559,893.10	6,076,104.82	3,174,909.00	29,457,064.70	4,079,462.08	**49,347,433.70**

Also, the Amended Quarterly VAT returns for 2006 reported zero-rated sales as follows:[7]

Zero-Rated Sales for the period January 1 to December 31, 2006	
2006 Taxable Quarter	**Zero-Rated Sales/ Receipts**
1st	1,583,390,407.46
2nd	1,648,748,033.50
3rd	1,599,882,354.64
4th	1,547,858,529.27
TOTAL	**6,379,879,324.87**

Out of the reported total input tax for the period January 1 to December 31, 2006, amounting to P49,347,433.70, petitioner is seeking issuance of TCCs in the amount of P43,806,549.72 (*i.e. P7,559,943.44 for CTA Case No. 7771, and P36,246,606.28 for CTA Case No. 7814*)

On March 31, 2008, petitioner filed an administrative claim[8] with the BIR Revenue District Office (RDO) No. 55 of Laguna for the issuance of a TCC in the total amount of P7,559,943.44, allegedly representing its unutilized input taxes for the period January 1, 2006 to March 31, 2006, pursuant to Section 112 (A) of the NIRC of 1997, *as amended by R.A. 9337.*[9]

[6] Exhibits "H-1" to "H-10"
[7] *Supra* Note 5.
[8] Exhibit "A"
[9] Docket, CTA Case No. 7771, Vol. 1, JSFI Facts Admitted, Par. 12, p. 235.

Petitioner filed on April 23, 2008 a Petition for Review[10] with the CTA, docketed as CTA Case No. 7771, alleging inaction of respondent on its administrative claim.[11]

On July 23, 2008, petitioner filed another administrative claim[12] with the BIR RDO No. 55 of Laguna for the issuance of a TCC in the amount of P36,246,606.28, allegedly representing its unutilized input taxes for the period April 1, 2006 to December 31, 2006, pursuant to Section 112 (A) of the NIRC of 1997, *as amended by R.A. 9337.*[13]

The following day, July 24, 2008, petitioner filed a Petition for Review[14] with the CTA, docketed as CTA Case No. 7814, involving its tax credit claim in the amount of P36,246,606.28.[15]

The CTA Former Third Division resolved to consolidate CTA Case Nos. 7771 and 7814 on November 27, 2008. Petitioner presented and offered its pieces of evidence and witnesses during trial, while respondent rested its case without presenting any evidence or witnesses.

On December 3, 2010, the CTA Former Third Division dismissed the consolidated Petitions for Review for having been prematurely filed[16] applying the Supreme Court Decision in Commissioner of Internal Revenue vs. Aichi Forging Company of Asia, Inc. (*Aichi*) dated October 6, 2010.[17] Petitioner's Motion for Reconsideration was denied for lack of merit on April 7, 2011.

Petitioner appealed the above decision with the CTA *En Banc* by way of a Petition for Review docketed as EB Case No. 758.

On October 4, 2012, the CTA *En Banc* denied the Petition for lack of merit.[18] The Court *En Banc*

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[10] Supra, Note 1.
[11] Docket, CTA Case No. 7771, Vol. 1, JSFI- Facts Admitted, Par. 14, p. 235.
[12] Exhibit "B"
[13] Docket, CTA Case No. 7771, Vol. 1, JSFI- Facts Admitted, Par. 13, p. 235.
[14] Supra, Note 2.
[15] Docket, CTA Case No. 7771, Vol. 1, JSFI- Facts Admitted, Par. 14, p. 235
[16] Docket, CTA Case No. 7771, Vol. 1, pp. 420-446.
[17] G.R. No. 184823, October 6, 2010.
[18] Docket, CTA EB Case No. 758.

> likewise denied Petitioner's Motion for Reconsideration for lack of merit on January 15, 2013.[19]

Petitioner challenged the denial of its claim by filing before the Supreme Court a Petition for Review on Certiorari docketed as G.R. No. 205353,[20] consolidated with another Petition for Review on Certiorari docketed as G.R. No. 202066[21].

Meanwhile, on February 12, 2013, the Supreme Court issued its decision on the consolidated cases of Commissioner of Internal Revenue vs. San Roque Power Corporation; Taganito Mining Corporation vs. Commissioner of Internal Revenue; and Philex Mining Corporation vs. Commissioner of Internal Revenue,[22] (*San Roque*) wherein it affirmed with qualification the decision in the *Aichi* case. The Supreme Court held therein that compliance with the 120-day and the 30-day periods under Section 112 of the National Internal Revenue Code of 1997 (1997 NIRC) is mandatory and jurisdictional, save for those VAT refund cases that were prematurely filed (i.e., before the lapse of the 120-day period) with the CTA between December 10, 2003 (when the BIR Ruling No. DA-489-03 was issued) and October 6, 2010.

Effectively, the *San Roque* case created a window period (i.e., from December 10, 2003 to October 6, 2010), where judicial claims that did not comply with the mandatory 120-day period, but still within the 2-year prescriptive period, shall be entertained.

Since the instant judicial claims were filed within the window created in *San Roque*, the Supreme Court issued a Decision on September 30, 2014, remanding the above-captioned consolidated cases to the CTA, the dispositive portion of which reads:

> "**WHEREFORE,** the petitions docketed as G.R. Nos. 202066 and 205353 are **GRANTED**. Accordingly, the Court of Tax Appeals En Banc's February 1, 2012 decision and May 24, 2012 resolution assailed in the petition docketed as G.R. No. 202066 and the Court of Tax Appeals En Banc's October 4, 2012 decision and January 15, 2013 resolution

[19] Docket, CTA EB Case No. 758.
[20] Docket, CTA Case No. 7771, Vol. 2, pp. 959-1011.
[21] Pertaining to CTA Case No. 7887 (CTA EB Case No. 760).
[22] G.R. No. 187485, 196113 and 197156, February 12, 2013.

> assailed in the petition docketed as G.R. No. 205353 are **REVERSED** and **SET ASIDE**.
>
> The consolidated cases are **REMANDED** to the Court of Tax Appeals for the determination and computation of the amounts valid for refund or the issuance of a tax credit certificate."[23]

On March 24, 2015, this Court received an Entry of Judgment issued by the Supreme Court stating that the September 30, 2014 Decision in the cases docketed as G.R. No. 202066 and 205353 has become final and executory on November 4, 2014.

On January 22, 2016, this Court directed the parties to submit a manifestation informing this Court of any supervening event which may have transpired that would affect the disposition of the consolidated cases; and whether there is a need to conduct further proceedings.[24]Petitioner filed its Manifestation[25] on February 11, 2016. Respondent failed to file her Manifestation.[26]

Hence, the consolidated cases docketed as CTA Case Nos. 7771 and 7814 were submitted anew for decision on February 23, 2016, in compliance with the ruling of the Supreme Court dated September 30, 2014 in G.R. No. 205353 remanding the above-captioned cases to the CTA for the determination and computation of the amounts valid for refund or the issuance of a tax credit certificate.

ISSUE

Whether petitioner is entitled to the issuance of a TCC in the total amount of P43,806,549.72, representing unutilized input VAT on local purchases and/or importation of goods and services and payments for services rendered by non-residents and purchases of capital goods attributable to its zero-rated sales for the period January 1, 2006 to December 31, 2006.

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[23] Docket, CTA Case No. 7771, Vol. 2, pp. 1223-1224.
[24] Docket, CTA Case No. 7771, Vol. 2, pp. 1228-1230.
[25] Docket, CTA Case No. 7771, Vol. 2, pp. 1231 1239.
[26] Docket, CTA Case No. 7771, Vol. 2, p. 1241.

RULING OF THE COURT

Under Section 112(A) of the National Internal Revenue Code of 1997, *as amended by R.A. 9337*, and numerous jurisprudence, following are the requisites for tax refund or issuance of TCC for unutilized input VAT provided:

(1) the taxpayer is VAT registered;

(2) the taxpayer is engaged in zero-rated or effectively zero-rated sales;

(3) the input taxes were incurred or paid;

(4) the input taxes have not been applied against output taxes during and in the succeeding quarters;

(5) the input taxes claimed are attributable to zero-rated or effectively zero-rated sales;

(6) the claim is filed within the prescriptive period.

The sixth requisite pertaining to the timeliness of petitioner's input VAT claims shall no longer be discussed in view of the ruling of the Supreme Court finding the instant petitions to have been filed within the window created in *San Roque*, and thus, exempted from the strict application of the 120-day mandatory period under Section 112 of the 1997 NIRC.

Anent the **first requisite**, it is undisputed that, as agreed by the parties in their Joint Stipulation of Facts and Issues[27] which was approved by this Court on February 9, 2009, petitioner is registered as a value-added tax entity with TIN/VAT No. 205-760-474 in accordance with the NIRC of 1997, *as amended*, and was issued BIR Certificate of Registration OCN 1RC0000050243 dated April 10, 2000 by the BIR Revenue District Office No. 55 (San Pablo City, Laguna), which was updated on May 11, 2005, and as a consequence, petitioner was issued BIR Certificate of Registration OCN IRC0000195405.

[27] Docket, pp. 229-238.

With regard to the **second requisite**, pertinent is the provision under Section 108(B)(7) of the NIRC of 1997, *as amended by Republic Act 9337* (R.A. 9337), which provides that sale of power generated through sources or energy is among the transactions subject to zero percent (0%) VAT rate, to wit:

> "(7) Sale of power or fuel generated through renewable sources of energy such as, but not limited to, biomass, solar, wind, hydropower, geothermal, ocean energy, and other emerging energy sources using technologies such as fuel cells and hydrogen fuels.

Also, Section 4.108-5(b)(7) of Revenue Regulations No. 16-2005, which implements the above-quoted provisions, qualified the applicability of such zero-rating as follows:

> SEC.4.108-5. Zero-Rated Sale of Services
>
> xxx
>
> (b) Transactions Subject to Zero Percent (0%) VAT Rate. – The following services performed in the Philippines by a VAT-registered person shall be subject to zero percent (0%) VAT rate:
>
> xxx
>
> (7) Sale of power or fuel generated through renewable sources of energy such as, but not limited to, biomass, solar, wind, hydropower, geothermal and steam, ocean energy, and other emerging sources using technologies such as fuel cells and hydrogen fuels; *Provided*, however, that zero-rating shall apply strictly to the sale of power or fuel generated through sources of energy, and shall not extend to the sale of services related to the maintenance or operation of plants generating said power.

The parties have settled in their Joint Stipulation of Facts and Issues[28] that: petitioner is a special purpose entity, the sole purpose of which is to engage in all aspects of (a) the design, financing, construction, testing, commissioning, operation, maintenance, management and ownership of Kalayaan II pumped-storage hydroelectric power plant, the new Caliraya Spillway, and other assets located in the Province of Laguna, and (b) the rehabilitation, upgrade, expansion, testing, commissioning, operation, maintenance and management of the Caliraya, Botocan and Kalayaan I hydroelectric power plants and their related facilities located

[28] Docket, pp. 229-238

in the Province of Laguna, as shown by petitioner's SEC Registration and Amended Articles of Partnership[29]; the Energy Regulatory Commission (ERC) issued Certificates of Compliance to petitioner as a generation company pursuant to the Implementing Rules and Regulations of R.A. 9136, otherwise known as the "Electric Power Industry Reform Act of 2007" (EPIRA)[30]; the respondent BIR issued BIR Ruling No. DA-146-2006 confirming that the billings of the petitioner, an entity engaged in hydropower generation, to National Power Corporation (NPC) for the sale of electricity generated through hydropower, are subject to VAT at zero percent (0%) under Section 108(B)(7) of the NIRC of 1997, *as amended by R.A. 9337, viz:*[31]

> "From the foregoing circumstances, there is no dispute that CBK is primarily organized to engage in power generation business, specifically in hydropower generation, i.e., generating/supplying electric power generated through hydropower, a renewable source of energy. This is fortified by the Certificate of Compliance issued by the Energy Regulatory Commission (ERC) that CBK is indeed a hydropower generation company. Thus, the billings of CBK for its sale of electricity to NPC, designated under the BROT Agreement as Capital Recovery Fees and O&M Fees, are subject to zero percent (0%) VAT."

There is no doubt that petitioner qualifies as a taxpayer engaged in zero-rated or effectively zero-rated sales pursuant to Section 108(B)(7) of the NIRC of 1997, *as amended by R.A. 9337.*

In its Original and Amended Quarterly VAT Returns[32] for the four quarters of taxable year 2006, petitioner reported zero-rated sales/receipts of ₱6,379,879,324.87. As verified from the supporting Schedules of Sales[33] to and Collections[34] from NPC and the corresponding VAT zero-rated sales invoices[35] and official receipts[36] (ORs), petitioner's zero-rated sales/receipts of ₱6,379,879,324.87 were duly substantiated, hence, the amount of input VAT attributable to the entire zero-rated sales shall be considered for refund.

[29] Par. 5, Facts Admitted, JSFI, docket, p. 231
[30] Par. 10, Facts Admitted, JSFI, docket, p. 232
[31] Par. 11, Facts Admitted, JSFI, docket, p. 232
[32] Exhibits "H-1" to "H-10".
[33] Exhibit "I".
[34] ICPA Report, Exhibit "Y", Annex 5.
[35] Exhibit "J 1" to "J 234".
[36] Exhibit "K 1" to "K 214".

Per its Amended Quarterly VAT Returns for the four quarters of 2006, petitioner reflected input VAT in the total amount of ₱44,005,101.83, broken down as follows:

Particulars	1st Quarter (Exhibit H-3)	2nd Quarter (Exhibit H-5)	3rd Quarter (Exhibit H-7)	4th Quarter (Exhibit H-10)	Total
Input Tax Deferred on Capital Goods Exceeding ₱1M from Previous Quarter *(Line 20B)*	₱ 1,746,591.87	₱ 3,447,878.52	₱ 4,560,382.07	₱ 7,170,871.97	₱ 16,925,724.43
Add: Input Tax on Purchases of Capital Goods Exceeding ₱1M *(Line 21D)*	1,870,700.70	1,346,348.83	2,998,466.11	344,377.46	6,559,893.10
Total	₱ 3,617,292.57	₱ 4,794,227.35	₱ 7,558,848.18	₱ 7,515,249.43	₱ 23,485,617.53
Less: Input Tax on Purchases of Capital Goods exceeding ₱1M deferred for the succeeding period *(Line 23A)*	3,447,878.52	4,560,382.07	7,170,871.97	7,088,923.74	22,268,056.30
Amortization of Input tax on Purchases of Capital Goods exceeding ₱1M	**₱ 169,414.05**	**₱ 233,845.28**	**₱ 387,976.21**	**₱ 426,325.69**	**₱ 1,217,561.23**
Add: Input taxes on Current Purchases					
Domestic Purchases of Goods Other than Capital Goods *(Line 21F)*	1,821,359.38	1,209,055.08	1,425,019.73	1,620,670.63	6,076,104.82
Importation of Goods Other than Capital Goods*(Line 21H)*	556,816.00	1,152,424.00	810,906.00	654,763.00	3,174,909.00
Domestic Purchases of Services *(Line 21J)*	4,151,387.81	5,797,606.67	10,921,541.86	8,586,528.36	29,457,064.70
Services rendered by Non-residents *(Line 21L)*	968,642.68	1,199,547.36	302,627.14	1,608,644.90	4,079,462.08
Total Input Tax on current purchases	**₱7,498,205.87**	**₱9,358,633.11**	**₱13,460,094.73**	**₱12,470,606.89**	**₱42,787,540.60**
Total Input Tax for the period	**₱7,667,619.92**	**₱9,592,478.39**	**₱13,848,070.94**	**₱12,896,932.58**	**₱44,005,101.83**

As regards the **third requisite,** petitioner submitted various suppliers' invoices, official receipts, and other related documents[37] to prove that it incurred/paid the aforementioned input VAT. Upon examination of the said documents, the Court-commissioned Independent CPA (ICPA), Constantino Guadalquiver & Co. through its partner, Mr. Edwin F. Ramos, noted the following exceptions:[38]

	Findings	Amount of Input VAT	Reference (ICPA Report)
A. Exceptions on input VAT on current purchases of goods/services other than capital goods			
1	Domestic purchases of goods and services supported by VAT invoice/OR with incorrect/incomplete/erased TIN	₱ 108,111.88	Annex 1-1Q-C-1; Annex 1-2Q-C-1; Annex 1-3Q-C-1; Annex 1-4Q-C-1

[37] Exhibits "W-1Q-1" to "W-1Q-773", "W-2Q-1" to "W-2Q-708", "W-3Q-1" to "W-3Q-760" & "W 4Q 1" to "W 4Q 878".
[38] Exhibit "Y", pp. 14 18 & 21 22.

2	Domestic purchases of goods and services supported by VAT invoices/ORs with erasure on the date/name/address	5,958.49	Annex 1-1Q-C-2; Annex 1-3Q-C-2; Annex 1-4Q-C-2
3	Domestic purchases of goods supported by documents other than VAT invoices	62,181.50	Annex 1-1Q-C-3; Annex 1-2Q-C-2; Annex 1-3Q-C-3; Annex 1-4Q-C-3
4	Domestic purchases of goods supported by VAT invoices but not the original copy	120,925.38	Annex 1-1Q-C-4; Annex 1-2Q-C-3; Annex 1-3Q-C-4; Annex 1-4Q-C-4
5	Domestic purchases of goods supported by VAT invoices issued in the name of CBK, CBK-New Spillway, CBK-PCL	220,266.58	Annex 1-1Q-C-5; Annex 1-2Q-C-4; Annex 1-3Q-C-5; Annex 1-4Q-C-5
6	Domestic purchases of services supported by documents other than VAT ORs	1,676,677.11	Annex 1-1Q-C-6; Annex 1-2Q-C-5; Annex 1-3Q-C-6; Annex 1-4Q-C-6
7	Domestic purchases of services supported by VAT ORs but not the original copy	4,856.58	Annex 1-1Q-C-7; Annex 1-4Q-C-7
8	Domestic purchases of services supported by VAT ORs not issued in the Company's name	8,473.18	Annex 1-1Q-C-8; Annex 1-2Q-C-6; Annex 1-3Q-C-7; Annex 1-4Q-C-8
9	Domestic purchases of services supported by VAT ORs issued in the name of CBK, CBK-New Spillway, CBK-PCL	1,108,041.97	Annex 1-1Q-C-9; Annex 1-2Q-C-7; Annex 1-3Q-C-8; Annex 1-4Q-C-9
10	Domestic purchases of services supported by tape receipts without the Company's name and/or TIN	30,381.63	Annex 1-2Q-C-8; Annex 1-3Q-C-9; Annex 1-4Q-C-10
11	Importations of goods supported by documents other than the original copy of IEIRDs	275,131.00	Annex 1-1Q-C-10
12	Domestic purchases of goods supported by TIN # only, TIN-V;TAN-V;TAN-VAT;TIN-NV/NON VAT; stamped/handwritten TIN-V/VAT invoices	54,306.62	Annex 1-1Q-C-11; Annex 1-2Q-C-9; Annex 1-3Q-C-10; Annex 1-4Q-C-11
13	Domestic purchases of goods supported by tape receipts without the Company's name and/or TIN	38,088.61	Annex 1-4Q-C-12
14	Domestic purchases of goods supported by VAT invoices but without invoice date	5,703.97	Annex 1-1Q-C-12
15	Domestic purchases of goods supported by VAT invoices but not dated within the VAT-taxable year	80,330.08	Annex 1-1Q-C-13; Annex 1-3Q-C-11; Annex 1-4Q-C-13
16	Domestic purchase of goods supported by VAT invoice but is not ATP registered	48.21	Annex 1-2Q-C-10
17	Domestic purchases of services supported by TIN # only, TIN-V;TAN-V;TAN-VAT;TIN-NV/NON VAT ORs; stamped/handwritten TIN-V/VAT	390,608.61	Annex 1-1Q-C-14; Annex 1-2Q-C-11; Annex 1-3Q-C-12; Annex 1-4Q-C-14
18	Domestic purchases of services supported by VAT	152,606.56	Annex 1-1Q-C-15

	ORs but without OR date		
19	Domestic purchases of services supported by VAT ORs not dated within the VAT-taxable year	40,209.94	Annex 1-3Q-C-13; Annex 1-4Q-C-15
20	Domestic purchases of services supported by VAT ORs with alterations in the name of the Company without countersignature	5,160.00	Annex 1-4Q-C-16
21	Domestic purchases of services supported by VAT ORs but is not ATP registered	110,845.61	Annex 1-1Q-C-16; Annex 1-2Q-C-12; Annex 1-3Q-C-14; Annex 1-4Q-C-17
22	Importations of goods supported by original IEIRDs and/or original BOC ORs and/or original LBP ORs but with no date indicated	73,785.00	Annex 1-1Q-C-17
23	Overclaimed input tax on domestic purchases of goods/services due to erroneous computation	10,034.66	Annex 1-1Q-C-18; Annex 1-2Q-C-13; Annex 1-3Q-C-15; Annex 1-4Q-C-18
24	Foreign exchange on foreign currency denominated purchases of goods and services-overstatement	101,839.59	Annex 1-1Q-C-19; Annex 1-2Q-C-14; Annex 1-3Q-C-16; Annex 1-4Q-C-19
25	Domestic purchases of goods supported by VAT invoices with alteration in the amount written in the invoices	32,496.98	Annex 1-1Q-C-20; Annex 1-2Q-C-15; Annex 1-3Q-C-17; Annex 1-4Q-C-20
26	Domestic purchases of goods supported by VAT invoices with alteration in the date written in the invoices	2,588.68	Annex 1-1Q-C-21; Annex 1-4Q-C-21
27	Domestic purchases of services supported by VAT ORs with alteration in the date written in the ORs	66,875.61	Annex 1-1Q-C-22
28	Domestic purchases of goods supported by VAT invoices not issued in the Company's name	4,687.49	Annex 1-4Q-C-22
29	Domestic purchases of goods supported by VAT invoices issued in the Company's name without its TIN and/or address	570,580.32	Annex 1-1Q-C-23; Annex 1-2Q-C-16; Annex 1-3Q-C-18; Annex 1-4Q-C-23
30	Domestic purchases of services supported by VAT ORs issued in the Company's name without its TIN and/or address	4,176,615.84	Annex 1-1Q-C-24; Annex 1-2Q-C-17; Annex 1-3Q-C-19; Annex 1-4Q-C-24
31	Unclaimed input VAT on domestic purchases of goods and services	198,552.10	Annex 1-1Q-C-25; Annex 1-2Q-C-18; Annex 1-3Q-C-20; Annex 1-4Q-C-25
32	Supporting documents not available	445,141.74	Annex 1-1Q-C-26; Annex 1-2Q-C-19; Annex 1-3Q-C-21; Annex 1-4Q-C-26
	Total	**₱ 10,182,111.52**	
B. Exceptions on input VAT on current purchases of capital goods exceeding ₱1M			

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1	Domestic purchases of capital goods supported by documents other than VAT invoices	225,637.11	Annex 2-3Q-C-1
2	Domestic purchases of capital goods supported by VAT invoices but not the original copy	622,155.68	Annex 2-1Q-C-1; Annex 2-3Q-C-2
3	Domestic purchases of goods supported by documents other than VAT ORs	25,689.76	Annex 2-2Q-C-1
4	Domestic purchases of capital goods supported by VAT ORs without OR dates	38,640.00	Annex 2-3Q-C-3
5	Domestic purchases of capital goods whose input VAT is claimed in the quarter ahead of the actual quarter the OR is dated	51,428.58	Annex 2-3Q-C-4
6	Domestic purchases of capital goods supported by VAT invoices issued in the Company's name without TIN and/or address	1,416,697.00	Annex 2-1Q-C-2; Annex 2-2Q-C-2; Annex 2-3Q-C-5; Annex 2-4Q-C-1
7	Domestic purchases of capital goods supported by VAT ORs issued in the Company's name without TIN and/or address	2,449,121.50	Annex 2-1Q-C-3; Annex 2-2Q-C-3; Annex 2-3Q-C-6; Annex 2-4Q-C-2
8	Overclaimed input tax on domestic purchases of capital goods due to erroneous computation	1.60	Annex 2-1Q-C-4
9	Effect of foreign exchange difference on foreign currency denominated purchases of capital goods-overstatement	22,132.77	Annex 2-1Q-C-5; Annex 2-2Q-C-4
10	Supporting documents not available	48,214.29	Annex 2-4Q-C-3
	Total	**₱ 4,899,718.29**	

The Court subscribes to the exceptions found by the ICPA on the input VAT on current purchases of goods/services other than capital goods *(item A above)* in the amount of ₱10,182,111.52 for non-compliance with the substantiation requirements prescribed under Sections 110(A), 113(A) and (B), 237 and 238 of the NIRC of 1997, as amended, in relation to Sections 4.110-1, 4.110-2, 4.110-8 and 4.113-1 of RR No. 16-05.

With respect to the ₱4,899,718.29 exceptions on input VAT on current purchases of capital goods exceeding ₱1M, the overclaimed input VAT due to erroneous computation of ₱1.60 *(item B.8 above)* shall be disallowed instantaneously. As to the remaining amount of ₱4,899,716.69, only the amortized portion for 2006 in the amount of ₱617,032.24 shall be disallowed from petitioner's claim pursuant to Section 110(A) of the NIRC of 1997, as amended, and as implemented by Section 4.110-3 of RR No. 16-2005. Below is the breakdown of the ₱617,032.24 amortized input VAT from items B.1 to B.7 & B.9 to B.10 above:

	Findings	Input VAT Amount	Amortized Input VAT[39]
B.1	Domestic purchases of capital goods supported by documents other than VAT invoices	₱ 225,637.11	₱ 22,563.71
2	Domestic purchases of capital goods supported by VAT invoice but not the original copy	622,155.68	96,240.50
3	Domestic purchase of goods supported by documents other than VAT OR	25,689.76	2,997.14
4	Domestic purchase of capital goods supported by VAT OR without OR date	38,640.00	3,220.00
5	Domestic purchase of capital goods whose input VAT is claimed in the quarter ahead of the actual quarter the OR is dated	51,428.58	3,428.57
6	Domestic purchase of capital goods supported by VAT invoice issued in the Company's name without TIN and/or address	1,416,697.00	144,706.54
7	Domestic purchase of capital goods supported by VAT OR issued in the Company's name without TIN and/or address	2,449,121.50	338,565.41
9	Effect of foreign exchange difference on foreign currency denominated purchases of capital goods-overstatement	22,132.77	3,703.23
10	Supporting documents not available	48,214.29	1,607.14
	Total	**₱4,899,716.69**	**₱ 617,032.24**

In addition, the following input VAT claim in the amount of ₱1,726,336.53 (₱1,359,061.58 plus ₱367,274.95) shall also be disallowed for petitioner's failure to meet the substantiation requirements prescribed under the above-mentioned laws and regulations:

Exhibit "W-"	Vendor Name	OR/Invoice No.	OR/Invoice Date	Input VAT
1) Input VAT supported by VAT invoices and ORS wherein the VAT amount was not separately indicated				
1Q-148	GLUCS Business Enterprises	0304	3/16/2006	₱ 2,006.79
1Q-164	High Grip Auto Center	2736	4/7/2006	565.71
1Q-243	Molina General Builders	701	1/31/2006	5,910.29
1Q-244	Molina General Builders	702	1/31/2006	12,769.85
1Q-245	Molina General Builders	703	2/16/2006	5,493.78
1Q-744	Top-rigid Ind Safety Supply Inc	12764	1/30/2006	36,136.36
1Q-746	Twin V Tech Systems & Services	024	2/10/2006	14,300.46
4Q-61	Coledan Engineering	0001	11/7/2006	9,600.00
4Q-87	Eagle Star Ind Sales Corp	24473	12/8/2006	9,852.00
4Q-221	Industrial Solutions & Technical services Corp	0682	12/15/2006	8,040.00
	subtotal			***104,675.24***
2) Input VAT on domestic purchases of goods supported by VAT invoices issued not in the name of petitioner				
1Q-89 & 1Q-543	Eastern Aluminum Glass Supply	11108	2/22/2006	10,283.57
1Q-90 & 1Q-544	Eastern Aluminum Glass Supply	10891	1/25/2006	818.18

39 See Annex A of this Decision for the detailed computation.

1Q-428 & 1Q-717	Rich Hope Enterprises	0611	1/11/2006	770.00
1Q-437 & 1Q-724	Royal Star Appliance Marketing Inc	10146	1/17/2006	2,763.64
1Q-480 & 1Q-752	VMA home Appliance, Co.	18344	1/18/2006	2,448.18
1Q-481 & 1Q-753	VMA home Appliance, Co.	18663	2/15/2006	231.43
1Q-406 & 1Q-706	R. Ong Shell gasoline Station	various	various	9,875.20
2Q-248 & 2Q-598	Novee Merchandise	137799	5/8/2006	428.57
2Q-373 & 2Q-639	Reign-NAN Sales Industry	3742	4/11/2006	9,000.00
2Q-374 & 2Q-640	Reign-NAN Sales Industry	3741	4/10/2006	12,780.00
2Q-441 & 2Q-676	Velphram Distributors	1058	4/21/2006	1,056.36
2Q-442 & 2Q-676	Velphram Distributors	1964	4/5/2006	720.00
2Q-443 & 2Q-677	Velphram Distributors	1069	5/10/2006	948.64
2Q-444 & 2Q-678	VMA home Appliance, Co.	18947	4/21/2006	964.29
2Q-365 & 2Q-630	R. Ong Shell gasoline Station	various	7/3/2006	8,652.59
2Q-367 & 2Q-631	R. Ong Shell gasoline Station	various	6/16/2006	5,614.43
2Q-368 & 2Q-632	R. Ong Shell gasoline Station	various	6/22/2006	7,014.44
2Q-29 & 2Q-472	Bien Venue General Supplies & Contractors	13707	3/28/2006	28,313.34
3Q-175 & 3Q-627	Holland Blooms Flower Shops, Inc	17741	8/15/2006	267.86
4Q-284 & 4Q-772	Modern Supreme Smart Shop Inc	25042	10/17/2006	253.93
4Q-355 & 4Q-787	Novee Merchandise	141598	9/11/2006	216.00
4Q-356 & 4Q-788	Novee Merchandise	143682	11/6/2006	996.00
4Q-357 & 4Q-788	Novee Merchandise	145871	10/9/2006	549.00
4Q-659 & 4Q-859	VMA Home Appliance, Co.	20381	11/24/2006	407.14
4Q-391 & 4Q-801	P.I General Merchandise	29448	10/27/2006	669.64
4Q-393 & 4Q-802	P.I General Merchandise	5529	12/7/2016	669.64
4Q-654 & 4Q-857	Velphram Distributors	2166	10/17/2006	145.72
4Q-655	Velphram Distributors	2172	11/8/2006	4,261.61
4Q-486 & 4Q-871	R. Ong Shell gasoline Station	various	various	8,335.17
4Q-487 & 4Q-872	R. Ong Shell gasoline Station	various	various	10,568.97
4Q-498 &	R. Ong Shell gasoline Station	various	various	8,401.70

4Q-874				
	subtotal			***138,425.24***
3) Input VAT on domestic purchases of services supported by VAT ORs issued not in the name of petitioner				
1Q-34 & 1Q-509	Best travel	36186	3/14/2006	6,105.00
1Q-63 & 1Q-519	City Service Corporation	146107	3/6/2006	38,280.52
1Q-82 & 1Q-524	Donna Carlos Fashions & collections	1583	3/7/2006	17,475.00
1Q-119 & 1Q-556	Functional Inc	119107	2/24/2006	1,567.28
1Q-152 & 1Q-577	Harty Incorporated Philippines	304	2/9/2006	6,455.06
1Q-157 & 1Q-578	Hearth & hastings Philippines Inc	3384	1/13/2006	1,909.08
1Q-186 & 1Q-598	Infinity Security & Investigation Services	2865	2/27/2006	98,832.24
1Q-203 & 1Q-613	KPI Elevators Inc	6792	1/5/2006	6,266.18
1Q-204 & 1Q-614	KPI Elevators Inc	6795	1/5/2006	12,532.36
1Q-296 & 1Q-680	Nu-print Philippines printer and Trader	9371	2/17/2006	1,909.09
1Q-297 & 1Q-681	Nu-print Philippines printer and Trader	9622	3/29/2006	1,665.28
1Q-431 & 1Q-721	Rizalnet Enterprises	0363	3/29/2006	612.86
1Q-441 & 1Q-726	Sards Construction	0087	3/31/2006	96,695.94
1Q-439 & 1Q-727	Sards Construction	0084	3/17/2006	27,452.57
1Q-440 & 1Q-728	Sards Construction	86	3/23/2006	32,451.43
2Q-27 & 2Q-471	Best travel	36705	5/24/2006	3,086.20
2Q-400 & 2Q-655	Sards Construction	0010	5/31/2006	8,099.99
2Q-404 & 2Q-656	Sards Construction	0208	5/24/2006	37,440.00
2Q-401 & 2Q-657	Sards Construction	0012	7/6/2006	65,520.00
3Q-29 & 3Q-574	Best travel	37581	9/14/2006	3,035.66
4Q-33 & 4Q-688	Best travel	38363	12/14/2006	107.04
4Q-358 & 4Q-790	Nu-print Philippines printer and Trader	9333	10/13/2006	192.00
4Q-359 & 4Q-791	Nu-print Philippines printer and Trader	1034	10/20/2006	135.00
4Q-361 & 4Q-792	Nu-print Philippines printer and Trader	0571	12/21/2006	171.00
4Q-362 & 4Q-793	Nu-print Philippines printer and Trader	0572	12/21/2006	214.00
4Q-516 & 4Q-821	Reign-NAN Sales Industry	3212	12/14/2006	40,714.29

4Q-545 & 4Q-833	Sards Construction	0089	10/12/2006	18,381.59
4Q-546 & 4Q-834	Sards Construction	0024	10/20/2006	18,381.59
4Q-547 & 4Q-835	Sards Construction	0026	10/27/2006	6,321.43
4Q-548 & 4Q-836	Sards Construction	0027	11/10/2006	10,221.43
4Q-549 & 4Q-836	Sards Construction	0034	11/23/2006	126,321.43
4Q-550 & 4Q-837	Sards Construction	0035	11/29/2006	40,714.29
4Q-551 & 4Q-837	Sards Construction	0036	11/29/2006	9,107.14
4Q-552 & 4Q-839	Sards Construction	0032	11/16/2006	40,714.29
4Q-553 & 4Q-840	Sards Construction	0037	12/20/2006	294,750.00
4Q-2 & 4Q-687	Airfreight 2100 Inc	103058	11/3/2006	19.66
4Q-3 & 4Q-688	Airfreight 2100 Inc	103081	11/16/2006	9.78
4Q-396 & 4Q-803	Pagsanjan Medical Clinic	329845	10/13/2006	26.79
4Q-22 & 4Q-692	Banahaw Telephone Corp	34946	12/24/2006	235.71
4Q-23 & 4Q-693	Banahaw Telephone Corp	34798	11/28/2006	235.71
4Q-386 & 4Q-800	P.C Magpily Eng'g. Enterprises	2492	10/31/2006	1,607.14
4Q-515 & 4Q-822	Reign-NAN Sales Industry	3163	10/13/2006	8,672.34
	subtotal			***1,084,645.39***
4) Input VAT on domestic purchase of service supported by VAT OR without OR date				
1Q-435 & 1Q-722	Rodler Engineering & Supplies	0266		31,315.71
	subtotal			***31,315.71***
	Grand Total			**₱ 1,359,061.58**

Amortized Input VAT on Capital Goods exceeding ₱1M purchased in 2005 without supporting documents						
Description	**Date Purchased**	**1st Quater H-3, pp. 5-6**	**2nd Quater H-5, pp. 5-6**	**3rd Quater H-7, pp. 5-6**	**4th Quater H-10, p. 3**	**Total**
Platform	11/5/2005	₱ 996.42	₱ 996.41	₱ 996.42	₱ 996.39	₱ 3,985.64
Insulation Resistence Tester	11/10/2005	1,355.49	1,355.49	1,355.49	1,355.49	5,421.96
Ducter Megger	11/10/2005	1,138.92	1,138.91	1,138.92	1,138.89	4,555.64
Roof Cover	11/22/2005	1,375.74	1,375.74	1,375.74	1,375.74	5,502.96
Garage	12/7/2005	295.50	295.50	295.50	295.50	1,182.00
Garage	11/20/2005	1,375.74	1,375.74	1,375.74	1,375.74	5,502.96
Office softwares	11/3/2005	2,663.64	2,663.64	2,663.64	2,663.64	10,654.56
Local Area network	11/24/2005	2,210.04	2,210.04	2,210.04	2,210.04	8,840.16
Metal fiber glass	11/23/2005	2,727.27	2,727.27	2,727.27	2,727.27	10,909.08

enclosure						
Rainwise Weather station	12/6/2005	612.03	612.03	612.03	612.03	2,448.12
Engineering service	11/17/2005	3,661.71	3,661.71	3,661.71	3,661.71	14,646.84
Computer	11/12/2005	1,016.67	1,016.67	1,016.67	1,016.67	4,066.68
Slope Protection	11/18/2005	6,316.02	6,316.02	6,316.02	6,316.02	25,264.08
Gantry Crane	11/18/2005	496.68	496.68	496.68	496.68	1,986.72
Earthing and Lighting Protection	11/18/2005	170.25	170.25	170.25	170.25	681.00
Cable tray	11/18/2005	627.57	627.57	627.57	627.57	2,510.28
Lumot Morning Glory Fence	11/18/2005	95.52	95.52	95.52	95.52	382.08
Emergency saddle spillway road	11/18/2005	620.58	620.58	620.58	620.61	2,482.35
Perimeter Fence	12/9/2005	12,525.42	12,525.42	12,525.42	12,525.42	50,101.68
Emergency saddle spillway road	12/8/2005	867.90	867.90	867.90	867.90	3,471.60
Computers	12/28/2005	4,861.89	4,861.89	4,861.89	4,861.89	19,447.56
Retention	12/21/2005	36,116.49	36,116.49	36,116.49	36,116.49	144,465.96
Guesthouse	11/22/2005	6,493.56	6,493.56	6,493.56	6,493.56	25,974.24
Garage	11/14/2005	371.58	371.58	371.58	371.58	1,486.32
Garage	12/5/2005	371.94	371.94	371.94	371.94	1,487.76
Axial Blower	11/3/2005	1,897.83	1,897.83	1,897.83	1,897.83	7,591.32
multi Gas Detector	11/7/2005	556.35	556.35	556.35	556.35	2,225.40
TOTAL		**₱91,818.75**	**₱91,818.73**	**₱91,818.75**	**₱91,818.72**	**₱367,274.95**

Accordingly, out of petitioner's reported input VAT of ₱44,005,101.83 for 2006, only the amount of ₱31,479,619.94 represents petitioner's valid input VAT, computed as follows:

Input VAT per Returns		₱ 44,005,101.83
Less: Disallowances		
Per ICPA Report (₱10,182,111.52+₱1.60)	₱10,182,113.12	
Per Court's further verification		
Amortized input VAT on current purchases of capital goods exceeding ₱1M	617,032.24	
Additional disallowances	1,726,336.53	12,525,481.89
Substantiated Input VAT		**₱ 31,479,619.94**

Proceeding to the **fourth** and **fifth requisites,** since petitioner's reported sales for 2006 were all zero-rated, there is no output VAT to speak of. Thus, the substantiated input VAT of ₱31,479,619.94 is entirely attributable thereto. Furthermore, the claimed unutilized input VAT for taxable year 2006 in the amounts of ₱7,559,943.44[40] for the first quarter and ₱36,246,606.28[41] for the last three quarters were not carried over to the succeeding taxable quarters since the same were deducted as "VAT Refund/TCC claimed" in the First and Fourth Quarterly VAT Returns of 2006, respectively.

[40] Exhibit "H 3", Line 23D.
[41] Exhibit "H 10", Line 23D.

In sum, petitioner has sufficiently proven compliance with the requisites for the refund of unutilized input VAT attributable to its zero-rated sales for the period January 1, 2006 to December 31, 2006, but only to the extent of ₱31,479,619.94 out of the total claimed input VAT of ₱43,806,549.72.

WHEREFORE, premises considered, the instant Petition for Review is **PARTIALLY GRANTED**. Accordingly, respondent Commissioner of Internal Revenue is **ORDERED TO ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner CBK Power Company Limited in the amount of ₱31,479,619.94 representing petitioner's unutilized input VAT attributable to its zero-rated sales for the period January 1, 2006 to December 31, 2006.

SO ORDERED.

AMELIA R. COTANGCO-MANALASTAS
Associate Justice

I CONCUR:

LOVELL R. BAUTISTA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

LOVELL R. BAUTISTA
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Acting Presiding Justice

CBK POWER COMPANY LIMITED vs CIR
CTA CASE NOS. 7771 & 7814

Schedule of amortized input VAT on current purchases of capital goods exceeding ₱1M

	Date Purchased	Description	Input VAT Amount (A)	Est. life in months (B)	No. of months amortized (C)	Amortized Input VAT for 2006 (A/B*C)	Reference
B.1	7/11/2006	Dehumidifier	225,637.11	60	6	22,563.71	Annex 2-3Q-C-1; Exh. H-7, p. 4 of 8
	subtotal					**22,563.71**	
2	1/25/2006	Service Vehicle	160,000.00	60	12	32,000.00	Annex 2-1Q-C-1; Exh. H-3, p. 4 of 7
	3/17/2006	Service Vehicle	145,714.00	60	10	24,285.70	Annex 2-1Q-C-1; Exh. H-3, p. 4 of 7
	3/16/2006	Service Vehicle	102,428.40	60	10	17,071.70	Annex 2-1Q-C-1; Exh. H-3, p. 4 of 7
	3/6/2006	SCADA Network	22,227.28	60	10	3,704.50	Annex 2-1Q-C-1; Exh. H-3, p. 4 of 7
	7/18/2006	Service Vehicle	191,786.00	60	6	19,178.60	Annex 2-3Q-C-2; Exh. H-7, p. 4 of 8
	subtotal					**96,240.50**	
3	6/27/2006	Wave Breaker	25,689.76	60	7	2,997.14	Annex 2-2Q-C-1; Exh. H-5, p. 4 of 7
	subtotal					**2,997.14**	
4	8/1/2006	Power Supply	38,640.00	60	5	3,220.00	Annex 2-3Q-C-3; Exh. H-7, p. 4 of 8
	subtotal					**3,220.00**	
5	9/26/2006	Load Weights	51,428.58	60	4	3,428.57	Annex 2-3Q-C-4; Exh. H-7, p. 4 of 8
	subtotal					**3,428.57**	
6	3/22/2006	SCADA Network	37,127.79	60	10	6,187.96	Annex 2-1Q-C-2; Exh. H-3, p. 4 of 7
	3/17/2006	SCADA Network	11,677.66	60	10	1,946.28	Annex 2-1Q-C-2; Exh. H-3, p. 4 of 7
	4/27/2006	Wave Breaker	111,554.64	60	9	16,733.20	Annex 2-2Q-C-2; Exh. H-5, p. 4 of 7
	6/27/2006	SCADA Network	26,196.43	60	7	3,056.25	Annex 2-2Q-C-2; Exh. H-5, p. 4 of 7
	6/28/2006	SCADA Network	37,127.79	60	7	4,331.58	Annex 2-2Q-C-2; Exh. H-5, p. 4 of 7
	7/17/2006	Caliraya Spillway	1,090,262.69	60	6	109,026.27	Annex 2-3Q-C-5; Exh. H-7, p. 4 of 8
	11/20/2006	Service Vehicle	102,750.00	60	2	3,425.00	Annex 2-4Q-C-1; Exh. H-10, p. 3 of 4
	subtotal					**144,706.54**	
7	1/16/2006	Perimeter Fence	64,956.76	60	12	12,991.35	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	1/23/2006	Perimeter Fence	44,050.18	60	12	8,810.04	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	1/6/2006	Perimeter Fence	99,542.67	60	12	19,908.53	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	1/11/2006	Thrust Bearing	205,265.45	60	12	41,053.09	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	1/19/2006	Slope Protection	256,443.58	60	12	51,288.72	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	1/6/2006	Repair of Leak	131,841.48	60	12	26,368.30	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	3/15/2006	Wave Breaker	76,517.95	60	10	12,752.99	Annex 2-1Q-C-3; Exh. H-3, p. 4 of 7
	5/19/2006	Wave Breaker	41,557.18	60	8	5,540.96	Annex 2-2Q-C-3; Exh. H-5, p. 4 of 7
	5/17/2006	Slope Protection	112,103.97	60	8	14,947.20	Annex 2-2Q-C-3; Exh. H-5, p. 4 of 7
	5/5/2006	Plugging and concreting	286,141.58	60	8	38,152.21	Annex 2-2Q-C-3; Exh. H-5, p. 4 of 7

CBK POWER COMPANY LIMITED vs CIR
CTA CASE NOS. 7771 & 7814

Schedule of amortized input VAT on current purchases of capital goods exceeding ₱1M

	Date Purchased	Description	Input VAT Amount (A)	Est. life in months (B)	No. of months amortized (C)	Amortized Input VAT for 2006 (A/B*C)	Reference
	6/14/2006	Communication Equip	135,359.40	60	7	15,791.93	Annex 2-2Q-C-3; Exh. H-5, p. 4 of 7
	6/14/2006	Communication Equip	136,620.31	60	7	15,939.04	Annex 2-2Q-C-3; Exh. H-5, p. 4 of 7
	6/27/2006	Plugging and concreting	301,930.83	60	7	35,225.26	Annex 2-2Q-C-3; Exh. H-5, p. 4 of 7
	8/10/2006	Load Weights	205,714.29	60	5	17,142.86	Annex 2-3Q-C-6; Exh. H-7, p. 4 of 8
	9/6/2006	Guesthouse	21,157.69	60	4	1,410.51	Annex 2-3Q-C-6; Exh. H-7, p. 4 of 8
	9/11/2006	Dehumidifier	180,509.69	60	4	12,033.98	Annex 2-3Q-C-6; Exh. H-7, p. 4 of 8
	9/4/2006	Garage	31,178.57	60	4	2,078.57	Annex 2-3Q-C-6; Exh. H-7, p. 4 of 8
	9/13/2006	Cable Anchor	73,102.50	60	4	4,873.50	Annex 2-3Q-C-6; Exh. H-7, p. 4 of 8
	10/27/2006	Dehumidifier	45,127.42	60	3	2,256.37	Annex 2-4Q-C-2; Exh. H-10, p. 3 of 4
	subtotal					**338,565.41**	
9	1/16/2006	Perimeter Fence	2,020.45	60	12	404.09	Annex 2-1Q-C-5; Exh. H-3, p. 4 of 7
	1/23/2006	Perimeter Fence	30.19	60	12	6.04	Annex 2-1Q-C-5; Exh. H-3, p. 4 of 7
	1/6/2006	Perimeter Fence	878.23	60	12	175.65	Annex 2-1Q-C-5; Exh. H-3, p. 4 of 7
	3/15/2006	Wave Breaker	907.56	60	10	151.26	Annex 2-1Q-C-5; Exh. H-3, p. 4 of 7
	1/6/2006	Repair of Leak	5,570.76	60	12	1,114.15	Annex 2-1Q-C-5; Exh. H-3, p. 4 of 7
	1/19/2006	Slope Protection	4,408.64	60	12	881.73	Annex 2-1Q-C-5; Exh. H-3, p. 4 of 7
	6/14/2006	Communication Equip	8,316.94	60	7	970.31	Annex 2-2Q-C-4; Exh. H-5, p. 4 of 7
	subtotal					**3,703.23**	
10	11/16/2006	Load Weights	48,214.29	60	2	1,607.14	Annex 2-4Q-C-3; Exh. H-10, p. 3 of 4
	subtotal					**1,607.14**	
	Grand Total					**617,032.24**	