REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL SECOND DIVISION

LEVEL UP, INC.,
Petitioner,

-*versus*-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 9424

Members:

CASTAÑEDA, JR., *Chairperson and*
MANAHAN, *JJ.*

Promulgated:
DEC 06 2018
4:10 p.m.

x- x

DECISION

MANAHAN, *J.*:

This involves a Petition for Review with Motion to Suspend Collection of Taxes[1] filed by Level Up, Inc. seeking to reverse and set aside the Final Decision on Disputed Assessment (FDDA) dated July 12, 2016 issued by respondent Commissioner of Internal Revenue. The FDDA held petitioner liable for deficiency value-added tax (VAT) in the amount of Php16,324,938.89 for the period January 1, 2013 to June 30, 2013.

FACTS

Petitioner Level Up, Inc. is a domestic corporation duly organized and existing under the laws of the Republic of the Philippines with office address at 6th Floor, OPL Building, Carlos Palanca cor. Dela Rosa Street, Legaspi Village, Makati City.[2]

Respondent Commissioner of Internal Revenue (CIR) is the chief official of the Bureau of Internal Revenue tasked with enforcement of internal revenue laws. The CIR may be served

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[1] Docket, CTA Case No. 9424, Vol. 1, pp. 10-32.
[2] Docket, Vol. 2, Joint Stipulations of Facts and Issues (JSFI), p. 892.

notices, orders and processes at the BIR National Office Building, Agham Road, Diliman, Quezon City.[3]

On May 14, 2014, petitioner received a Letter of Authority No. (LOA) V08-2014-00000196/SN: eLA201100053599[4] dated May 8, 2014 authorizing Revenue Officer Prince Henry B. Damasco, under the supervision of Group Supervisor Ricardo Balderas, of BIR Revenue Region No. 8 Makati City (BIR Makati) to examine the books of accounts and other accounting records for VAT for period from January 1, 2013 to June 30, 2013.[5]

On November 5, 2015, BIR Makati issued a Preliminary Assessment Notice (PAN)[6] assessing deficiency VAT in the amount of Php10,140,576.40 and interest of Php4,823,024.83 or an aggregate amount of Php14,963,601.23.[7]

On December 15, 2015, petitioner filed its Reply[8] challenging the PAN dated November 5, 2015.[9]

On December 16, 2015, BIR Makati issued a Formal Assessment Notice (FAN)[10] assessing petitioner for VAT deficiency and interest in the aggregate amount of Php15,213,642.84.[11]

On January 15, 2016, petitioner submitted its Protest Letter[12] for reinvestigation disputing the FAN.[13]

On February 12, 2016, BIR Makati granted[14] the request for reinvestigation of the assessment with instructions to petitioner to submit supporting documents.[15]

On July 12, 2016, the CIR, through Regional Director Jonas DP. Amora, issued his FDDA,[16] which petitioner received

[3] Docket, Vol. 2, JSFI, p. 892.
[4] Docket, Vol. 3, Exhibit "P-2", p. 991; BIR Records, Exhibit "R-1", p. 2.
[5] Docket, Vol. 2, JSFI, p. 892.
[6] Docket, Vol. 3, Exhibit "P-3", pp. 993-996.
[7] Docket, Vol. 2. JSFI, p. 892.
[8] Docket, Vol. 3, Exhibit "P-4", pp. 997-1001.
[9] Docket, Vol. 2, JSFI, p. 893.
[10] Docket, Vol. 3, Exhibit "P-5", pp. 1002-1005.
[11] Docket, Vol. 2, JSFI, p. 893.
[12] Docket, Vol. 3, Exhibit "P-6", pp. 1006-1010.
[13] Docket, Vol. 2, JSFI, p. 893.
[14] Docket, Vol. 3, Exhibit "P-7", p. 1012.
[15] Docket, Vol. 2, JSFI, p. 893.
[16] Docket, Vol. 3, Exhibit "P-9", pp. 1037-1040; BIR Records, Exhibit "R-4", pp. 559-562.

on July 13, 2016.[17] The FDDA contained the following assessments:

VALUE ADDED TAX (ASSESSMENT NO. VT-ELA53599-13-15-1168)			
Vatable Sales per Return			P121,748,718.00
Add: Undeclared Receipts			44,463,331.43
Vatable Sales per Audit			165,612,049.43
			19,873,445.93
Less: Input tax claimed		P13,353,850.15	
Input tax carried over from previous period		331,865.55	
Input Tax on Purchases of Capital Goods Exceeding 1M deferred from previous quarter		1,390,697.11	
Total		P15,076,412.81	
Less: Disallowed Input Tax	P4,804,976.63		
Input Tax on Purchases of Capital Goods Exceeding 1M deferred to succeeding period	1,433,066.62		
Input Tax Carried to Succeeding Period	1,246,233.93	7,502,277.18	7,574,135.63
VAT Payable/(Excess Input Tax)			P12,299,310.30
Less: Payment per return			2,158,733.90
Basic Deficiency Value-Added Tax			P10,140,576.40
Add: Interest (7.26.13 to 8.12.16)			6,184,362.49
TOTAL AMOUNT DUE			**P16,324,938.89**

On August 11, 2016, petitioner filed the instant Petition for Review with Motion to Suspend Collection of Taxes.[18]

Summons was issued[19] and a hearing on petitioner's Motion to Suspend Collection of Taxes was set on September 1, 2016.[20] Petitioner's Motion to Cancel Hearing[21] filed on August 26, 2016 was granted[22] with the hearing reset to October 13, 2016.

On September 15, 2016, respondent filed his Motion for Extension of Time to File Answer,[23] which was granted in the Order[24] dated September 19, 2016.

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[17] Docket, Vol. 2, JSFI, p. 893.
[18] Docket, Vol. 1, Petition for Review (PFR), p. 10.
[19] Docket, Vol. 1, Summons and Notification, pp. 203-204.
[20] Docket, Vol. 1, p. 205.
[21] Docket, Vol. 1, pp. 206-207.
[22] Docket, Vol. 1, Order dated September 1, 2016, p. 211.
[23] Docket, Vol. 1, pp. 212-213.
[24] Docket, Vol. 1, p. 215.

On October 13, 2016, the Court granted petitioner's Motion to Suspend Collection of Tax subject to the posting of an acceptable surety bond in the amount equivalent to one and one-half times of the alleged assessment or in the amount of Php24,487,408.34 within ten (10) days from notice.[25] On November 11, 2016, petitioner filed its Motion to Reduce Bond and Extension of Time to Post the Reduced Bond.[26] Despite notice,[27] respondent failed to file his comment to petitioner's motion.[28] On February 28, 2017, the Court granted petitioner's motion and reduced the bond to equal the amount of the disputed assessment, excluding penalties, interest, and surcharge, or in the amount of Php10,140,576.40.[29]

Despite an extension having been granted,[30] petitioner failed to post the reduced surety bond.[31]

In the meantime, the Court received respondent's Answer,[32] filed through registered mail on October 5, 2016, on October 21, 2016.

The case was set for pre-trial[33] with Respondent's Pre-Trial Brief[34] filed on November 7, 2016, and petitioner's Pre-Trial Brief,[35] filed through registered mail on November 18, 2016, and received by the Court on November 24, 2016.

On December 7, 2016, the parties filed their Joint Stipulations of Facts and Issues (JSFI)[36] which was approved and adopted in the Pre-Trial Order[37] dated January 12, 2017.

Trial commenced with petitioner presenting its lone witness, Ms. Carmencita S. Cabero[38].[39] Petitioner filed its Formal Offer of Documentary Exhibits[40] on March 23, 2017,

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[25] Docket, Vol. 2, pp. 822-823.
[26] Docket, Vol. 2, pp. 828-831.
[27] Docket, Vol. 2, Resolution dated November 11, 2016, p. 839.
[28] Docket, Vol. 3, Records Verification dated February 1, 2017, p. 902.
[29] Docket, Vol. 3, Resolution February 28, 2017, pp. 940-943.
[30] Docket, Vol. 3, petitioner's Motion for Extension of Time to Post Bond filed on March 13, 2017, pp. 973-976; in relation to Resolution dated March 15, 2017, p. 978.
[31] Docket, Vol. 3, Records Verification dated April 5, 2017, p. 1119.
[32] Docket, Vol. 2, pp. 824-826.
[33] Docket, Vol. 2, pp. 832-833.
[34] Docket, Vol. 2, pp. 834-837.
[35] Docket, Vol. 2, pp. 840-852.
[36] Docket, Vol. 2, pp. 892-896.
[37] Docket, Vol. 2, pp. 897-901.
[38] Docket, Vol. 3, Exhibit "P-22" Judicial Affidavit of Carmencita S. Cabero, pp. 920-938.
[39] Docket, Vol. 3, Order dated March 8, 2017, p. 970.
[40] Docket, Vol. 3, pp. 979-990.

and resolved by the Court on May 11, 2017 thereby admitting and denying petitioner's exhibits.[41]

Respondent presented Revenue Officer Prince Henry B. Damasco[42] on July 5, 2017.[43] Afterwards, respondent filed his Formal Offer of Evidence[44] on July 13, 2017. The Court admitted all of respondent's evidence in its Resolution[45] dated September 20, 2017.

The case was considered submitted for decision on December 12, 2017[46] considering petitioner's Memorandum[47] filed on November 24, 2017 and respondent's Memorandum[48] filed through registered mail on November 27, 2017, and received on December 4, 2017.

ISSUE

The parties submit the following issue for the Court's decision:

> Whether or not petitioner is liable for deficiency VAT for taxable period January 1, 2013 to June 30, 2013 in the aggregate amount of Php16,324,938.89.[49]

Petitioner's Arguments[50]

Petitioner argues that the assessment arising from alleged "undeclared receipts" amounting to Php44,463,331.43 is erroneous on the grounds that said amount are not sales of petitioner but of Playweb, a corporation separate and distinct from petitioner; that Playweb's clients erroneously placed petitioner's TIN in their declarations of transactions with Playweb; that any tax liability for such transactions should be charged against Playweb and not petitioner; and, that no income tax, VAT or any other tax could be attributable to

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[41] Docket, Vol. 3, Resolution, pp. 1141-1142.
[42] Docket, Vol. 3, Exhibit "R-5" Judicial Affidavit of Prince Henry B. Damasco, pp. 1128-1132.
[43] Docket, Vol. 3, Order dated July 5, 2017, p. 1149.
[44] Docket, Vol. 3, pp. 1150-1152.
[45] Docket, Vol. 3, pp. 1175-1176.
[46] Docket, Vol. 3, Resolution, p. 1209.
[47] Docket, Vol. 3, pp. 1185-1203.
[48] Docket, Vol. 3, pp. 1204-1207.
[49] Docket, Vol. 2, JSFI, p. 893.
[50] Docket, Vol. 3, Memorandum for Petitioner, pp. 1190-1201.

petitioner from these transactions between Playweb and its clients.

Petitioner states that the FDDA is replete with error and misappreciation of facts when it reasoned that "...not seen any reason for the use of the TIN of Level Up, Inc. in place of the TIN of Playweb Games, Inc. since upon the scrutiny of the invoices and officials[*sic*] receipts issued by the latter to Uniwiz Trade Sales disclosed that the said documents clearly states the TIN 008-061-053-000 which is of Playweb Games, Inc.'s..."; that it is only logical that Playweb would use its own TIN in its invoices and receipts; and that the use of the wrong TIN arose from the mistaken declaration of Playweb's clients and not that of Playweb.

As to the disallowance of the carry-over of excess input tax amounting to Php1,264,233.93, petitioner argues that the same is actually a negative liability for any VAT due for taxable quarter April to June 2013 and that to disallow the same would be to negate petitioner's prior valid monthly payments of VAT and to excessively collect VAT which is clearly not due.

As to the disallowance of claimed input taxes amounting to Php4,804,976.63 due to alleged failure to submit the required supporting VAT invoices or official receipts, petitioner argues that respondent failed to consider petitioner's local transactions subject to input VAT.

Respondent's Counter-Arguments[51]

Respondent argues that petitioner presented no proof other than self-serving statements in the affidavits submitted by the representatives of some of Playweb's clients; that respondent sees no reason for the use of the TIN of petitioner in place of the TIN of Playweb if the transactions do not really pertain or involve petitioner; that petitioner should have submitted other evidence such as withholding tax remittance return in order to prove that it is for the account of Playweb and not petitioner; and, that Playweb's clients such as Uniwiz, Power House, and Veritas have not done any corrective measures to prove that they mistakenly placed the TIN of petitioner instead of Playweb's TIN.

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[51] Docket, Vol. 3, Memorandum, pp. 1205-1206.

Respondent also reiterates that assessments are *prima facie* presumed correct and made in good faith and that the taxpayer has the duty of proving otherwise.

RULING OF THE COURT

The petition has partial merit.

The Court has jurisdiction over the petition for review.

Under the Revised Rules of the Court of Tax Appeals (RRCTA), the Court in Division shall exercise exclusive original jurisdiction to review by appeal decisions of the CIR in cases involving disputed assessments.[52] Said appeal may be availed of by filing a petition for review with the CTA within thirty days after receipt of a copy of such decision or ruling, or expiration of the period fixed by law for the CIR to act on the disputed assessments.[53]

In the instant case, petitioner received the FDDA on July 13, 2016. Counting thirty (30) days therefrom, petitioner had until August 12, 2016 to file its appeal with the Court. Thus, the Petition for Review filed on August 11, 2016 was timely filed.

The assessments are upheld with modification.

The assessments as computed in the FDDA is as follows:

VALUE ADDED TAX (ASSESSMENT NO. VT-ELA53599-13-15-1168)

Vatable Sales per Return	P121,748,718.00
Add: Undeclared Receipts	44,463,331.43

[52] Rule 4 Jurisdiction of the Court
Sec. 3. Cases within the jurisdiction of the Court in Divisions. –
The Court in Divisions shall exercise:
(a) Exclusive original or appellate jurisdiction to review by appeal the following:
1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, xxx.

[53] Rule 8 Procedure in Civil Cases
Sec. 3. Who may appeal; period to file petition. – (a) A party adversely affected by a decision, ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments xxx may appeal to the Court by petition for review filed within thirty days after receipt of a copy of such decision or ruling, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. xxx

Vatable Sales per Audit			165,612,049.43
			19,873,445.93
Less: Input tax claimed		P13,353,850.15	
Input tax carried over from previous period		331,865.55	
Input Tax on Purchases of Capital Goods Exceeding 1M deferred from previous quarter		1,390,697.11	
Total		P15,076,412.81	
Less: Disallowed Input Tax	P4,804,976.63		
Input Tax on Purchases of Capital Goods Exceeding 1M deferred to succeeding period	1,433,066.62		
Input Tax Carried to Succeeding Period	1,246,233.93	7,502,277.18	7,574,135.63
VAT Payable/(Excess Input Tax)			P12,299,310.30
Less: Payment per return			2,158,733.90
Basic Deficiency Value-Added Tax			P10,140,576.40
Add: Interest (7.26.13 to 8.12.16)			6,184,362.49
TOTAL AMOUNT DUE			**P16,324,938.89**

As shown in the Details of Discrepancies[54] attached to the FDDA, the assessments arose from the three (3) items: (1) Undeclared receipts amounting to Php44,463,331.43; (2) Unsupported Input Tax amounting to Php4,804,976.63; and (3) Excess Input Tax Carried-Over to Succeeding Quarter/Period amounting to Php1,264,233.93.

The Court will now discuss each item.

Undeclared receipts – Php44,463,331.43

Respondent's audit of petitioner's books disclosed that there has been an understatement of receipts amounting to Php44,463,331.43, as reflected in the computerized matching conducted by the BIR on information/data provided by customers against the receipts declared in the VAT returns/summary list of sales. The result of said computerized matching is summarized below:[55]

Taxable Month	Customer	Undeclared Sales	Total
5/31/2013	Powerhouse Distribution Inc.	Php 168,950.89	
6/30/2013	Powerhouse Distribution Inc.	81,562.50	Php 250,513.39
1/31/2013	Uniwiz Trade Sales Inc.	Php 4,512,348.22	
2/28/2013	Uniwiz Trade Sales Inc.	10,956,756.70	

[54] Docket, Vol. 3, Exhibit "P-9", pp. 1039-1040.
[55] Docket, Vol. 3, p. 1005.

3/31/2013	Uniwiz Trade Sales Inc.	5,739,024.00	
4/30/2013	Uniwiz Trade Sales Inc.	7,116,735.94	
5/31/2013	Uniwiz Trade Sales Inc.	7,909,504.01	
6/30/2013	Uniwiz Trade Sales Inc.	7,313,806.50	43,548,175.37
6/30/2013	Veritas System Solutions Inc.	Php 664,642.67	664,642.67
	Total	**Php 44,463,331.43**	**Php 44,463,331.43**

Petitioner argues that the alleged undeclared receipts are not sales of petitioner but those of Playweb Games, Inc., a corporation that is separate and distinct from petitioner. The receipts of Php44,463,331.43 pertain to transactions of Playweb with its own clients, namely Uniwiz Trade Sales Inc., Powerhouse Distribution, Inc., and Veritas System Solutions Inc.

Petitioner explains that the reason for the erroneous assessment is that the clients, in declaring their transactions with Playweb before the BIR, mistakenly placed petitioner's TIN, which is 219-367-877-000, instead of Playweb's TIN, which is 008-061-053-000. Any tax liability arising therefrom should be charged only against the Playweb. Petitioner should not have been assessed any VAT deficiency due on the alleged undeclared receipts because it is not a party to the transactions.

In support thereof, petitioner presented an Affidavit[56] from Ms. Richel Carlos, the Head of the Finance Department of Playweb, to testify that:

> 2. For the months of January to June of the taxable year 2013, Playweb had several transactions with UNIWIZ TRADE SALES, INC., POWER HOUSE DISTRIBUTION and VERITAS SYSTEM SOLUTIONS, INC. ("Suppliers") evidenced by the Sales Invoices and Official Receipts issued by Playweb to the said Suppliers xxx.
>
> 3. I hereby certify that the Sales Invoices and Official Receipts attached pertain to transactions of Playweb with the Suppliers only and **not** that of **Level Up! Games, Inc.** (*Emphasis and underscoring in the original*)

However, upon verification, the Court finds that the total sales per invoices and official receipts issued by Playweb to the

[56] Docket, Vol. 3, Exhibit "P-12", p. 1053.

following clients, except Power House Distribution, do not tally with the receipts per assessment.[57] The amounts are summarized below:

Taxable Month	Customer	Undeclared Sales	Sales per Playweb's Invoices and ORs	Discrepancy
5/31/2013	Powerhouse Distribution Inc.	Php 168,950.89	Php 168,950.89	
6/30/2013	Powerhouse Distribution Inc.	81,562.50	81,562.50	
		Php 250,513.39	Php 250,513.39	-
1/31/2013	Uniwiz Trade Sales Inc.	Php 4,512,348.22	Php 4,317,375.00	Php 194,973.22
2/28/2013	Uniwiz Trade Sales Inc.	10,956,756.70	4,539,827.01	6,416,929.69
3/31/2013	Uniwiz Trade Sales Inc.	5,739,024.00	4,397,089.85	1,341,934.15
4/30/2013	Uniwiz Trade Sales Inc.	7,116,735.94	5,961,247.76	1,155,488.18
5/31/2013	Uniwiz Trade Sales Inc.	7,909,504.01	6,014,457.59	1,895,046.42
6/30/2013	Uniwiz Trade Sales Inc.	7,313,806.50	4,266,340.19	3,047,466.31
		Php 43,548,175.37	Php29,496,337.41	Php14,051,837.96
6/30/2013	Veritas System Solutions Inc.	Php 664,642.67	Php 117,857.14	546,785.53
	Total	**Php44,463,331.43**		

Since there are discrepancies, the Court cannot ascertain whether the assessed receipts are one and the same with the foregoing sales transactions of Playweb. Petitioner failed to prove that the undeclared receipts from Uniwiz and Veritas are actually the sales of Playweb, not of petitioner, to the said clients.

Absent other documentary evidence, the assessment on undeclared receipts from Uniwiz and Veritas in the amounts of Php43,548,175.37 and Php664,642.67, or in the total amount of Php44,212,818.04, shall be upheld.

Unsupported Input Tax – Php4,804,976.63

Respondent's verification of the pertinent documents disclosed that petitioner failed to submit the required VAT invoice or official receipt to support the claimed input taxes amounting to Php4,804,976.63, as computed below:

Input Tax per VAT return	Php13,353,850.15
Less: Input tax from importation supported by BIR Form 1600	8,548,873.52
Unsupported Input Tax	**Php4,804,976.63**

[57] BIR Records, pp. 412-512.

Petitioner asserts that, as per the letter dated May 28, 2014,[58] it submitted to the BIR Revenue Region (RR) -8 Makati City, through Revenue Officer Prince Henry B. Damasco, the Summary List of Purchases (SLP)[59] from January 1, 2013 to June 30, 2013.

While the letter dated May 28, 2014 was denied admission for failure to present the original for comparison,[60] the SLP was admitted as evidence marked as Exhibit "P-20".[61]

However, the SLP simply provides a summary of the taxpayer's purchase transactions for a given period, detailing the supplier's name, TIN and address, and the amount of purchase and input tax. The same does not prove the purchase of goods and services nor the payment therefor.

Under Section 110 of the 1997 National Internal Revenue Code, as amended (NIRC), a creditable input tax should be evidenced by a VAT invoice or official receipt. In relation thereto, Section 113 of the NIRC provides that a VAT invoice is necessary for every sale, barter or exchange of goods or properties, while a VAT official receipt properly pertains to every lease of goods or properties and sale, barter or exchange of services.

Considering that petitioner failed to substantiate the subject input tax, the disallowance of Php4,804,976.63 shall be sustained.

Excess Input Tax Carried-Over to Succeeding Quarter/Period – Php1,264,233.93

Respondent disallowed the excess input tax of Php1,264,233.93 since the same shall be carried over to the succeeding quarter(s)/year as provided under Section 110(B) of the NIRC.

The disallowance is improper. Any tax benefit derived by petitioner from such carry-over redounds to the succeeding period; thus, at most, petitioner may only be assessed in the

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[58] Docket, Vol. 3, Exhibit "P-21", p. 969.
[59] Docket, Vol. 3, Exhibit "P-20", pp. 958-968.
[60] Docket, Vol. 3, Resolution dated May 11, 2017, pp. 1141-1142.
[61] *Id.*

succeeding period. Accordingly, respondent's disallowance of Php1,264,233.93 should be cancelled.

Considering the foregoing, petitioner is liable to pay deficiency VAT in the amount of Php8,846,280.86, as computed below:

Vatable Sales per Return			Php 121,148,718.00
Add: Undeclared Receipts			44,212,818.04
Vatable Sales per Audit			Php 165,361,536.04
Output Tax Due			Php 19,843,384.32
Less: Input Tax Claimed		Php 13,353,850.15	
Input Tax Carried Over from Previous Period		331,865.55	
Input Tax on Purchases of Capital Goods Exceeding ₱1M Deferred from Previous Quarter		1,390,697.11	
Total		Php 15,076,412.81	
Less: Disallowed Input Tax	Php 4,804,976.63		
Input Tax on Purchases of Capital Goods Exceeding ₱1M Deferred to Succeeding Period	1,433,066.62	6,238,043.25	8,838,369.56
VAT Payable			Php 11,005,014.76
Less: Payment per Return			2,158,733.90
Deficiency Value-Added Tax			Php **8,846,280.86**

WHEREFORE, the instant Petition for Review is hereby **PARTIALLY GRANTED**. Accordingly, petitioner is **ORDERED TO PAY** respondent the amount of **TWENTY-THREE MILLION FOUR HUNDRED SEVENTY-THREE THOUSAND FIVE HUNDRED ELEVEN PESOS AND FORTY-NINE CENTAVOS (Php23,473,511.49)**, inclusive of the 25% surcharge imposed under Section 248(A)(3) of the NIRC, and deficiency and delinquency interests imposed under Sections 249(B) and (C) of the same Code, until December 31, 2017, computed as follows:

Basic Deficiency VAT		Php 8,846,280.86
Add:	25% Surcharge	2,211,570.22
	20% Deficiency Interest from July 26, 2013 to August 12, 2016 *[Php8,846,280.86 x 20% x 1,114/365 days]*	5,399,866.79
Total Amount Due, August 12, 2016		**Php 16,457,717.87**
	20% Deficiency Interest from August 13, 2016 to December 31, 2017 *[Php8,846,280.86 x 20% x 506/365 days]*	2,452,722.25
	20% Delinquency Interest from August 13, 2016 to December 31, 2017 *[Php16,457,717.87 x 20% x 506/365 days]*	4,563,071.37
Total Amount Due, December 31, 2017		**Php 23,473,511.49**

In addition, petitioner is **ORDERED TO PAY** respondent delinquency interest at the rate of twelve percent (12%), which is double the legal interest rate for loans or forbearance of any money, on the Php16,457,717.87 total amount due as of August

12, 2016, as determined above, computed from January 1, 2018 until full payment thereof pursuant to Section 249(C) of the NIRC, as amended by Republic Act No. 10963, also known as Tax Reform for Acceleration and Inclusion (TRAIN), as implemented by Revenue Regulation No. 21-2018.[62]

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

I CONCUR:

JUANITO C. CASTAÑEDA, JR.
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.

JUANITO C. CASTAÑEDA, JR.
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 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's Division.

ROMAN G. DEL ROSARIO
Presiding Justice

[62] Regulations Implementing Section 249 (Interest) of the National Internal Revenue Code (NIRC) of 1997, as amended under Section 75 of the Republic Act (RA) No. 10963 or the "Tax Reform for Acceleration and Inclusion (TRAIN Law)", September 14, 2018.