REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

PUBLIC ESTATES AUTHORITY,
Petitioner,

- versus -

C.T.A. CASE NO. 6750

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

Promulgated:
OCT 16 2003

x - x

RESOLUTION

Respondent files a "Motion to Dismiss" on September 9, 2003, on the ground of lack of jurisdiction. After a careful review of the petition for review, arguments of the parties, applicable laws and jurisprudence, we find respondent's motion meritorious.

Petitioner in the instant case is a government-owned and controlled corporation organized under P.D. 1084, while respondent is a national government agency charged with the assessment and collection of national taxes. Such that the Court of Tax Appeals does not have any jurisdiction over the instant case.

Sections 66 to 68, Chapter 14, Book IV of the Executive Order No. 292, otherwise known as the Administrative Code of 1987 provide:

> "**CHAPTER 14. *CONTROVERSIES AMONG GOVERNMENT OFFICES AND CORPORATIONS.***
>
> **Sec. 66. *How Settled.*** - All disputes, claims and controversies, solely between or among the departments, bureaus, offices, agencies and

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instrumentalities of the National Government, including government-owned or controlled corporations, such as those arising from the interpretation and application of statutes, contract or agreements, shall be administratively settled or adjudicated in the manner provided in this Chapter. This Chapter shall, however, not apply to disputes involving the Congress, The Supreme Court, the Constitutional Commissions, and local governments.

Sec. 67. ***Disputes Involving Questions of Law.*** - All cases involving only questions of law shall be submitted to and settled or adjudicated by the Secretary of Justice as Attorney-General of the National Government and as ex-officio legal adviser of all government-owned or controlled corporations. His ruling or decision thereon shall be conclusive and binding on all the parties concerned.

Sec. 68. ***Disputes Involving Questions of Fact and Law.*** - Cases involving mixed questions of law and of fact or only factual issues shall be submitted to and settled or adjudicated by:

(1) The Solicitor General, if the dispute, claim or controversy involves only departments, bureaus, offices and other agencies of the National Government as well as government-owned or controlled corporations or entities of whom he is the principal law officer or general counsel; and

(2) The Secretary of Justice, in all other cases not falling under paragraph (1).

Clearly, from the foregoing, disputes, claims, controversies among government offices and corporations including government-owned or controlled corporation, are not within the jurisdiction of this court. As admitted in its Petition for Review, petitioner, Public Estates Authority is a government-owned and controlled corporation organized under P.D. 1084, while respondent, Bureau of Internal Revenue as represented by its duly appointed Regional Director of Revenue Region No. 8, a deputy of the Commissioner of Internal Revenue, is a national government agency charged with the assessment and collection of national taxes. Applying the aforequoted provisions of law, disputes or controversies between or among government entities including government-owned or controlled corporations, shall be administratively settled or adjudicated, as the case may be, by the officials mentioned therein and not by the Court of Tax Appeals.

In the case of **National Development Company vs. Commissioner of Internal Revenue, CTA Case No. 5309, September 4, 1996,** this court, in sustaining the dismissal of the case for lack of jurisdiction, explained the purpose for prescribing the procedure for administrative settlement or adjudication of disputes between or among government entities and agencies, as follows:

> Apparently the purpose for prescribing the procedure for administrative settlement or adjudication of disputes, claims and controversies between or among government offices, agencies, instrumentalities, including government owned or controlled corporation was to "avoid litigations in Court where government lawyers appear for government offices, agencies and instrumentalities to espouse and protect their respective interest although, in the ultimate analysis, there is but one real party in interest – GOVERNMENT ITSELF – in such litigation" and to avoid, too, "needlessly contributing to the clogged dockets of the Courts and dissipating or wasting the time and energies not only of the Courts but also of the government lawyers and the considerable expenses incurred in the filing and prosecution of judicial actions."

Accordingly, the instant Petition for Review is hereby **DISMISSED** for lack of jurisdiction. This is without prejudice to the right of the herein petitioner to bring this case before the Office of the Solicitor General or Secretary of Justice in accordance with the aforecited provision of law.

SO ORDERED.

ERNESTO D. ACOSTA
Associate Judge

LOVELL R. BAUTISTA
Associate Judge

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Judge

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