Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

FIRST DIVISION

ARMADILLO HOLDINGS, INC.,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 8323
For: Assessment

Members:

DEL ROSARIO, PJ, *Chairperson*
UY, and
MINDARO-GRULLA, JJ.

Promulgated:
JUN 11 2014 ; 3:40p.m.

x- -x

D E C I S I O N

MINDARO-GRULLA, J.:

This resolves the Petition For Review filed by Armadillo Holdings, Inc., as petitioner, against the Commissioner of Internal Revenue (CIR), as respondent, for the Court in Division, pursuant to Section 7 (a) (1) of Republic Act (RA) No. 1125, An Act Creating the Court of Tax Appeals, as amended[1], as well as Rule 4, Section 3 (a) (1), in relation to Rule 8, Section 4(a), of the Revised Rules of the Court of Tax Appeals (RRCTA)[2].

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1 Sec. 7. *Jurisdiction.* –The CTA shall exercise:

(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:

x x x x x x

(1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;

x x x x x x

2 Rule 4. Sec. 3. *Cases within the jurisdiction of the Court in Division.* – The Court in Division shall exercise:

(a) Exclusive original over or appellate jurisdiction to review by appeal the following:

x x x x x x

Petitioner seeks the cancellation of Assessment Notice Nos. IT-LA1048-07-11-0179, VT-LA1048-07-11-0179, and WE-LA1048-07-11-0179 assessing Armadillo Holdings, Inc. in the total amount of Twenty-Nine Million Seven Hundred Thirty Thousand Five Hundred Sixty-Three and 80/100 Pesos (₱29,730,563.80), allegedly representing its deficiency taxes for taxable year 2007.

Petitioner Armadillo Holdings, Inc. is a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 770 E. Rodriguez Extension, Malibay, Pasay City. It is primarily engaged in the business of investing funds in commercial, industrial, financial, and real estate management enterprises as well as in other corporation, foreign and domestic, within the limits provided by law.[3]

Respondent Commissioner of Internal Revenue is the chief of the Bureau of Internal Revenue (BIR), the government agency officially responsible for the assessment and collection of all national internal revenue taxes, fees and charges and the enforcement of all forfeitures, penalties and fines connected with such taxes. She holds office at the BIR National Office Building, Agham Road, Diliman, Quezon City.

> (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;
> x x x x x x
>
> Rule 8. Sec. 4. *Where to appeal; mode of appeal.* –
>
> (a) An Appeal from a decision or ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments or claim for refund of internal revenue taxes erroneously or illegally collected; the decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade & Industry, the Secretary of Agriculture, and the Regional Trial Court in the exercise of their original jurisdiction, shall be taken to the Court by filing before it a petition for review as provided in Rule 42 of the Rules of Court. The Court in Division shall act on the appeal.

[3] Par. 1, Stipulation of Facts, Joint Stipulation of Facts and Simplification of Issues (JSFI), Docket, p. 154.

Respondent issued Letter of Authority (LOA) No. 2007-00001048[4] on July 29, 2008, authorizing Revenue Officer Marilan Dela Cruz under the supervision of Group Supervisor Rebecca Victoria Martinez of Revenue District Office (RDO) No. 51 – Revenue Region No. 8 to examine petitioner's internal revenue taxes for the period from January 1, 2007 to December 31, 2007.[5]

Respondent issued a Revalidation/Reassignment Notice[6] on May 25, 2009, informing petitioner that a newly assigned revenue examiner, Revenue Officer Liza C. Dimaya, is replacing Revenue Officer Marilan Dela Cruz to continue the examination of petitioner's taxes for the taxable year 2007.[7]

After the Revenue Officer conducted her examination on the records of petitioner, which included the duly filed tax returns, books and other accounting records of petitioner, she submitted her Post Reporting Notice dated October 12, 2009 that found petitioner liable for alleged deficiency internal revenue taxes for the taxable year 2007 in the total amount of ₱40,226,827.33, including increments, to wit:[8]

TAX TYPE	BASIC	INTEREST	COMPROMISE PENALTY	TOTAL
Income Tax	₱ 17,248,695.16	₱ 5,174,608.55	₱ 25,000.00	₱ 22,448,303.71
Value-added Tax	13,150,758.38	4,602,765.38	25,000.00	17,778,523.62
TOTAL				**₱40,226,827.33**

Petitioner received an undated Revised Post Reporting Notice[9] of respondent on December 16, 2010 with the revised assessment of the deficiency internal revenue taxes in the amount of ₱28,958,752.86, including increments, as follows:[10] ℓ

[4] Exhibit "B".
[5] Par. 3, Stipulation of Facts, JSFSI, Docket, p. 155.
[6] Exhibit "C".
[7] Par. 4, Stipulation of Facts, JSFSI, Docket, p. 155.
[8] Par. 5, Stipulation of Facts, JSFSI, Docket, p. 155.
[9] Exhibit "E".
[10] Par. 6, Stipulation of Facts, JSFSI, Docket, p. 156.

TAX TYPE	BASIC	SURCHARGE	INTEREST	TOTAL
Income Tax	₱ 14,153,782.11	-	₱ 7,507,321.14	₱ 21,661,103.25
Value-added Tax	4,612,365.10	-	2,651,162.21	7,263,527.31
Expanded Withholding Tax	34,122.30	-	-	34,122.30
TOTAL				**₱28,958,752.86**

Despite the series of informal discussions on the position of herein petitioner on the above-mentioned assessments, respondent still issued a Preliminary Assessment Notice[11] (PAN) dated December 28, 2010 with alleged deficiency taxes, inclusive of interest and compromise penalties in the total amount of ₱29,339,106.63, broken down as follows:[12]

TAX TYPE	BASIC	SURCHARGE	INTEREST	TOTAL
Income Tax	₱ 14,153,782.11	-	₱ 7,778,763.54	₱ 21,932,545.65
Value-added Tax	4,612,365.10	-	2,739,618.53	7,351,983.68
Expanded Withholding Tax	34,122.30	-	20,455.00	54,577.30
TOTAL				**₱29,339,106.63**

On January 14, 2011, respondent issued a Formal Assessment Notice[13] (FAN) and Assessment Notices, reiterating the deficiency internal revenue taxes contained in the PAN, but in the total amount of ₱29,730,563.80.

On February 18, 2011, petitioner submitted its administrative protest[14] together with supporting documents in the hope of reconciling the questioned figures indicated in the FAN.

On March 24, 2011, petitioner received a letter[15] from respondent dated March 21, 2011, informing petitioner that by reason of its protest to the FAN, the docket of the case is being forwarded to RDO No. 51-Pasay City for further evaluation and necessary action.[16]

[11] Exhibit "F".
[12] Par. 7, Stipulation of Facts, JSFSI, Docket, p. 156.
[13] Exhibit "G".
[14] Exhibit "K".
[15] Exhibit "L".
[16] Par. 8, Stipulation of Facts, JSFSI, Docket, p. 157.

As a result of forwarding the case to RDO No. 51, a letter dated April 1, 2011 was issued by respondent to notify petitioner of the designation and reassignment of Revenue Officer Narissa B. Ty to continue the examination of petitioner's records.[17]

On July 21, 2011, petitioner received a Final Decision on Disputed Assessment[18] (FDDA) dated July 18, 2011 from respondent, through Mr. Jaime B. Santiago, Regional Director of Revenue Region No. 8, denying petitioner's protest letter dated February 18, 2011.[19] Respondent explained that petitioner "failed to withhold taxes part of its salaries and wages in the total amount of ₱1,331,450.31 and should be disallowed as a deduction from gross income by merely comparing the salaries and wages per ITR and alphalist," computed as follows:[20]

Salaries and Wages per ITR	₱ 55,374,798.44
Salaries and Wages per Alphalist	54,043,348.13
Difference	**₱1,331,450.31**

Respondent likewise alleged that "petitioner failed to reflect sources of funds amounting to ₱20,880,331.95 which is construed as undeclared revenue by mere assumptions and by simply comparing the income payments per Income Tax Return (ITR)/Financial Statements (FS) with the Alphalist, without looking into the nature of each transaction," as follows:[21]

Total Income Payments per ITR/FS	₱ 10,197,031.90
Total income Payments per Alphalist	31,077,363.85
Unaccounted Income Payment	**(₱20,880,331.95)**

Respondent added that "input tax carried forward to from succeeding quarter from fourth quarter of 2007 in the amount of ₱364,863.29 should be deducted from the

[17] Par. 9, Stipulation of Facts, JSFSI, Docket, p. 157.
[18] Exhibit "A".
[19] Par. 10, Stipulation of Facts, JSFSI, Docket, p.157.
[20] Par. 14, Stipulation of Facts, JSFSI, Docket, p. 158.
[21] Par. 15, Stipulation of Facts, JSFSI, Docket, p. 159.

allowable tax credit considering that the said amount has been forwarded to the succeeding period."[22]

On August 22, 2011, petitioner filed the instant Petition for Review with the Court of Tax Appeals.

In response, respondent filed her Answer[23] on September 26, 2011, stating the following special and affirmative defenses:

> "3) The assessments in question were made and issued in accordance with law, rules and regulations;
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> 4) The Preliminary Assessment Notice dated December 28, 2010 was received by the Petitioner on December 29, 2010;
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> 5) Under Section 228 of the Tax Code of 1997, as implemented by Revenue Regulations No. 12-99, assessment notice may be protested administratively by filing a request of reconsideration or reinvestigation, in such form and manner as may be prescribed by implementing rules and regulations, within thirty (30) days from receipt of the assessment, otherwise the assessment shall become final, executory and demandable;
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> 6) The petitioner failed to file a valid protest within thirty (30) days from receipt of the assessments, thus, the assessments have long become final, executory and demandable;
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> 7) Petitioner's letter dated February 18, 2011 cannot be considered as a valid protest since it cannot be considered as one disputing the assessments because Petitioner failed to substantiate their claim that the deficiency assessments are contrary to law. First, Petitioner did not actually contest the assessments because it failed to state in its February

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[22] Par. 16, Stipulation of Facts, JSFSI, Docket, p. 159.
[23] Docket, pp. 128-131.

18, 2011 letter the facts, the applicable law, rules and regulations, or jurisprudence on which its protest is based. Second, Petitioner failed to submit/present the documents in support of its protest. Petitioner should have submitted relevant documents in support of its protest, pursuant to Section 6(b) of Revenue Regulations No. 12-85. Since petitioner did not submit documents in support of its protest, the assessment against it for taxable year 2007 had become final, executory and demandable, pursuant to Section 3.1.5 of Revenue Regulations No. 12-99, which provides: 'The taxpayer shall submit the required documents in support of his protest within sixty (60) days from date of filing of his letter of protest, otherwise, the assessment shall become final, executory and demandable', and Section 228 of the NIRC of 1997, as amended, which provides: 'Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; otherwise the assessment shall become final'. Hence, the assessment has become final, executory and demandable;

8) Assuming without admitting that a valid protest has been filed by herein Petitioner, nevertheless, the subject assessments had already become final, executory and demandable for failure of the Petitioner to submit the required documents in support of their protest within sixty (60) days from filing of the letter of protest pursuant to Section 228 of the Tax Code as implemented by Revenue Regulation No. 12-99;

9) The Assessment Notice dated January 14, 2011 and Final Decision on Disputed Assessment dated July 18, 2011 clearly show compliance with the requirements under Section 228 of the NIRC as implemented by Revenue Regulations No. 12-99. Petitioner was duly informed of the facts, applicable law, rules and regulations on which the assessment was based;

> 10) Assessments are prima facie presumed correct and made in good faith. The taxpayer has the duty of proving otherwise. In the absence of proof of any irregularities in the performance of official duties, an assessment will not be disturbed. *(Aban, Law of Basic Taxation in the Philippines, 1st Edition, p. 109)*;
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> 11) Finally, Petitioner should be reminded that taxes are important because it is the lifeblood of the government and so should be calculated without unnecessary hindrance *(Commissioner vs. Algue, Inc. L-28896, 17 February 1988)*. Taxes are enforced proportional contribution from persons and property levied by the state, thus, no one is considered entitled to recover that which he must give up to another - *Non videtur quisquam id capere quod ei necesse est alii restitutere*."

On September 28, 2011, the Court issued a Notice of Pre-Trial Conference[24] set on October 27, 2011.

On October 21, 2011, petitioner filed its Pre-Trial Brief[25]; while respondent filed her Pre-Trial Brief[26] on October 24, 2011. Thereafter, the parties filed their Joint Stipulation of Facts and Simplification of Issues[27] on November 24, 2011, which the Court approved in its November 28, 2011 Resolution.[28] In the same Resolution, the Court declared the pre-trial terminated.

Petitioner filed a Motion to Commission an Independent Certified Public Accountant[29] on March 21, 2012, praying for the appointment of Ms. Ofelia Flores of OCF Business Consulting as an Independent Certified Public Accountant (CPA) pursuant to CTA Circular No. 1-95, as amended by CTA Circular No. 10-97 and the Revised Rules of the Court of Tax Appeals. During the hearing held on March 29, 2012, the Court granted petitioner's motion and directed the

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[24] Docket, p. 134.
[25] Docket, pp. 135-145.
[26] Docket, pp. 146-148.
[27] Docket, pp. 154-161.
[28] Docket, p. 163.
[29] Docket, pp. 224-227.

Independent CPA to submit her report within forty-five (45) days or until May 13, 2012. The Independent CPA submitted the Independent CPA Report on May 29, 2012, and then her Final Amended Independent CPA Report[30] on September 17, 2012.

Petitioner filed its Formal Offer of Evidence[31] on December 4, 2012, offering Exhibits "A" to "DDDD-1", inclusive of sub-markings. In response, respondent filed her Comment (To Petitioner's Formal Offer of Evidence)[32] on December 13, 2012, stating that she has no objection to the admission of said exhibits. Acting thereon, the Court issued a Resolution[33] on January 22, 2013, admitting most of the exhibits offered except Exhibits "F", "K", "EI-1", "GV-2", "NN", "NN-1", and "NN-2".

Petitioner filed a Manifestation with Motion for Partial Reconsideration[34] on February 5, 2013, praying that the Court would reconsider and admit Exhibits "K", "NN", "NN-1", and "NN-2". The Court granted petitioner's motion for reconsideration in its Resolution[35] dated March 4, 2013.

Petitioner's documentary exhibits are as follows:

Exhibits	Description
A	Final Decision on Disputed Assessment
B	Letter of Authority
C	Revalidation/Reassignment Notice dated May 25, 2009
D	Letter from RDO dated October 12, 2009
E	Copy of the Notice from RDO
G	Formal Assessment Notice dated January 14, 2011

[30] Exhibits "CCCC" and "CCCC-1".
[31] Docket, pp. 310-359.
[32] Docket, p. 361.
[33] Docket, pp. 365-367.
[34] Docket, pp. 369-373.
[35] Docket, pp. 422-423.

H	Assessment Notice for the Income Tax
I	Assessment Notice for the Value Added Tax
J	Assessment Notice for the Expanded Withholding Tax
K	Copy of the letter dated February 18, 2010 in reply to the Formal Assessment Notice
L	Letter of BIR dated March 21, 2011
N	Letter of BIR granting Certificate of Exemption to Market Place Christian Church Multi-Purpose Cooperative
O	Tentative Financial Statement
AA	Quarterly Value-Added Tax Return for the 1st quarter of 2007
BB	Quarterly Value-Added Tax Return for the 2nd quarter of 2007
CC	Quarterly Value-Added Tax Return for the 3rd quarter
DD	Quarterly Value-Added Tax Return for the 4th quarter
EE	Amended Quarterly Value-Added Tax Return for the 4th quarter
FF	Affidavit of Ms. Eleanor B. Grande dated January 9, 2012
FF-1	Signature of Ms. Eleanor B. Grande
JJ	Tentative Trial Balance
KK	Original Income Tax Return (date filed: April 15, 2008)
	Supporting documents for retirement of employees
LL	Maida S. Briones – Cash Voucher #776
LL-1	Check Request Form
LL-2	Computation of Retirement Pay
MM	Lito L. Aldecoa – Cash Voucher #789
MM-1	Check Request Form
MM-2	Computation of Retirement Pay
NN	Evelyn Cacayan – Cash Voucher #806

NN-1	Official Receipt No. 2514
NN-2	Computation of Retirement Pay
OO	Lydia Nuguit – Cash Voucher #818
OO-1	Check Request Form
OO-2	Computation of Retirement Pay
	Summary of Accounts Receivable - Shared Expenses
PP	Summary of Payment to Channel Card Convergence
PP-1	Batch Entry No. 12729-1 (Channel Card Convergence)
PP-2	Official Receipt # 2025
PP-3	Sales Invoice # 2058
	Summary of Income Payments to GPP
QQ	Batch Entry Number 11425-1
QQ-1	O.R.#0254
RR	Batch Entry Number 11372-1
RR-1	O.R.#0253
SS	Batch Entry Number 11329-1
SS-1	O.R.#1520
TT	Batch Entry Number 11449-1
TT-1	O.R.#1565
UU	Batch Entry Number 11953-1
UU-1	O.R.#1771
VV	Batch Entry Number 12055-1
VV-1	O.R.#1759
WW	Batch Entry Number 12263-1
WW-1	O.R.#1860
XX	Batch Entry Number 12565-1
XX-1	O.R.#2005
YY	Batch Entry Number 13012-1
YY-1	O.R.#2248
ZZ	Batch Entry Number 13013-1
ZZ-1	O.R.#2249
	Summary of Income Payments to GPP
AB	Batch Entry Number 13231-1
AB-1	O.R.#2351

AC	Batch Entry Number 13513-1
AC-1	O.R.#2488
AD	Batch Entry Number 13595-1
AD-1	O.R.#2519
AE	Batch Entry Number 14020-1
AE-1	O.R.#2674
AF	Batch Entry Number 11275-1
AF-1	O.R.#1603
AG	Batch Entry Number 11618-1
AG-1	O.R.#1604
AH	Batch Entry Number 11804-1
AH-1	O.R.#1616
AI	Batch Entry Number 12135-1
AI-1	O.R.#1756
AJ	Batch Entry Number 12450-1
AJ-1	O.R.#1755
AK	Batch Entry Number 12650-1
AK-1	O.R.#1757
AL	Batch Entry Number 12817-1
AL-1	O.R.#1791
AM	Batch Entry Number 12910-1
AM-1	O.R.#1792
AN	Batch Entry Number 113318-1
AN-1	O.R.#1915
AO	Batch Entry Number 13582-1
AO-1	O.R.#1946
AP	Batch Entry Number 13807-1
AP-1	O.R.#1944
AQ	Batch Entry Number 13907-1
AQ-1	O.R.#1945
	Summary of Income Payments to Atty. Lambino related to AHI's subsidiaries
AR	Batch Entry Number 12209-1
AR-1	O.R.#0152
AS	Batch Entry Number 12523-1
AS-1	O.R.#0155

AT	Batch Entry Number 13169-1
AT-1	O.R.#0507
	Promissory Notes
AU	PN# 10570325001
AV	PN# 10570325002
AW	PN# 10570325003
AX	PN# 514755
AY	Real Estate Mortgage
AZ	PN# 10880001905
	Promissory Notes
BC	PN#:10850015022
BD	PN#:10850015043
BE	PN#:10850014993
BF	PN#:10850014969
BG	PN#:10850014890
BH	PN#:10850014756
BI	PN#:1088001891
BJ	PN#:10880001886
BK	PN#:10880001910
	Summary of Certificate of Creditable Tax Withheld at Source for Taxable Year
BL	Abiathar Corporation
BM	Kairos Property Holdings
BN	Princetown Inn Corporation
BO	Ithiel Corporation (Sub-Contractor)
BP	Ithiel Corporation (Consultants Gross Income)
BQ	Quiapo Tourist Development Corp.
BR	Clean Living, Inc.
BS	King's Development
BT	Legend Hotels International Corporation - Cubao
BU	Legend Hotels International Corp.
BV	Legend Hotels International Corporation – Cuneta
BW	Legend Hotels International Corporation – Pasay
BX	Legend Hotels International Corporation – Caloocan
BY	Legend Hotels International Corporation – Baclaran
BZ	AR Insurance Agency, Inc., (Batch Entry Number 12870-1)
BZ-1	Official Receipt No. 4787

CD	John Clement Consultants, Inc. – Batch Entry Number 12419
CD-1	O.R. #97416
CE	Anti-Virus software to C.S. Holdings (Batch Entry 12344-1)
CE-1	Official Receipt 1200
CE-2	Sales Invoice 1586
CF	Personnel Management Association of the Philippines (Batch Entry Number 11242-1)
CF-1	Check Request Form
CF-2	Statement of Account
CG	Philippine Institute for Supply Management Inc. (Batch Entry Number 12895-1)
CG-1	Check Request Form
CH	Governor's Place Condominium Association, Incorporated (Batch Entry Number 12296-1)
CH-1	Official Receipt #25851
CH-2	Statement of Account No. 14909
CI	Batch Number 13447-1
CI-1	O.R. #174
CJ	Batch Entry Number 11227-1
CJ-1	Official Receipt No. 07644
CK	Batch Entry Number 11694-1
CK-1	Official Receipt No. 08422
CL	Batch Entry Number 12276-1
CL-1	Official Receipt No. 09003
CM	Batch Entry Number 13613-1
CM-1	Official Receipt No. 10951
	Summary of Income Payments for Interest Expense – BPI
CN	Batch Entry Number 11541-1
CN-1	Check Request Form
CO	Batch Entry Number 11542-1
CO-1	Check Request Form
CP	Batch Entry Number 11566-1
CP-1	Check Request Form
CQ	Batch Entry Number 11704-1
CQ-1	Check Request Form
CR	Batch Entry Number 11705-1

CR-1	Check Request Form
CS	Batch Entry Number 11706-1
CS-1	Check Request Form
CT	Batch Entry Number 12021-1
CT-1	Check Request Form
CU	Batch Entry Number 12022-1
CU-1	Check Request Form
CV	Batch Entry Number 12056-1
CV-1	Check Request Form
CW	Batch Entry Number 12064-1
CW-1	Check Request Form
CX	Batch Entry Number 12266-1
CX-1	Check Request Form
CY	Batch Entry Number 12267-1
CY-1	Check Request form
CZ	Batch Entry Number 12268-1
CZ-1	Check Request Form
	Summary of Income Payments for Interest Expense – BPI
DE	Batch Entry Number 12269-1
DE-1	Check Request Form
DF	Batch Entry Number 12402-1
DF-1	Check Request Form
DG	Batch Entry Number 12403-1
DG-1	Check Request Form
DH	Batch Entry Number 12404-1
DH-1	Check Request Form
DI	Batch Entry Number 12405-1
DI-1	Check Request Form
DJ	Batch Entry Number 12671-1
DJ-1	Check Request Form
DK	Batch Entry Number 12672-1
DK-1	Check Request Form
DL	Batch Entry Number 12673-1
DL-1	Check Request Form
DM	Batch Entry Number 12674-1

DM-1	Check Request Form
DN	Batch Entry Number 12885-1
DN-1	Check Request Form
DO	Batch Entry Number 12886-1
DO-1	Check Request Form
DP	Batch Entry Number 12887-1
DP-1	Check Request Form
DQ	Batch Entry Number 12888-1
DQ-1	Check Request Form
DR	Batch Entry Number 13160-1
DR-1	Check Request Form
DS	Batch Entry Number 13161-1
DS-1	Check Request Form
DT	Batch Entry Number 13162-1
DT-1	Check Request Form
DU	Batch Entry Number 13189-1
DU-1	Check Request Form
DV	Batch Entry Number 13418-1
DV-1	Check Request Form
DW	Batch Entry Number 13419-1
DW-1	Check Request Form
DX	Batch Entry Number 13420-1
DX-1	Check Request Form
DY	Batch Entry Number 13421-1
DY-1	Check Request Form
DZ	Batch Entry Number 13626-1
DZ-1	Check Request Form
	Summary of Income Payments for Interest Expense – BPI
EF	Batch Entry Number 13627-1
EF-1	Check Request Form
EG	Batch Entry Number 13628-1
EG-1	Check Request Form
EH	Batch Entry Number 13629-1
EH-1	Check Request Form
EI	Batch Entry Number 13853-1

EJ	Batch Entry Number 13855-1
EJ-1	Check Request Form
EK	Batch Entry Number 13881-1
EK-1	Check Request Form
EL	Batch Entry Number 13882-1
EL-1	Check Request Form
EM	Batch Entry Number 11232-1
EM-1	Check Request Form
EM-2	Official Receipt No. 148812
EN	Batch Entry Number 11233-1
EN-1	Official Receipt No. 148643
EN-2	Check Request Form
EO	Batch Entry Number 11234-1
EO-1	Check Request Form
EO-2	Official Receipt No. 148644
EP	Batch Entry Number 11244-1
EP-1	Official Receipt No. 148783
EP-2	Check Request Form
EQ	Batch Entry Number 11245-1
EQ-1	Check Request Form
EQ-2	Official Receipt No. 148820
ER	Batch Entry Number 11254-1
ER-1	Official Receipt No. 148835
ER-2	Check Request Form
ES	Batch Entry Number 11255-1
ES-1	Official Receipt No. 148834
ES-2	Check Request Form
ET	Batch Entry Number 11256-1
ET-1	Official Receipt No. 148841
ET-2	Check Request Form
EU	Batch Entry Number 11257-1
EU-1	Check Request Form
EU-2	Official Receipt No. 148908
EV	Batch Entry Number 11438-1
EV-1	Check Request Form
EV-2	Official Receipt No. 148995
EW	Batch Entry Number 11439-1
EW-1	Official Receipt No. 148996
EW-2	Check Request Form

EX	Batch Entry Number 11440-1
EX-1	Check Request Form
EX-2	Official Receipt No. 150216
EY	Batch Entry Number 11441-1
EY-1	Official Receipt No. 150158
EY-2	Check Request Form
EZ	Batch Entry Number 11442-1
EZ-1	Official Receipt No. 150076
EZ-2	Check Request Form
	Summary of Income Payments for Interest Expense – Robinsons Bank
FG	Batch Entry Number 11443-1
FG-1	Check Request Form
FG-2	Official Receipt No. 150070
FH	Batch Entry Number 11444-1
FH-1	Check Request Form
FH-2	Official Receipt No. 150053
FI	Batch Entry Number 11445-1
FI-1	Check Request Form
FI-2	Official Receipt No. 150117
FJ	Batch Entry Number 11446-1
FJ-1	Check Request Form
FJ-2	Official Receipt No. 150211
FK	Batch Entry Number 11447-1
FK-1	Check Request Form
FK-2	Official Receipt No. 150052
FL	Batch Entry Number 11654-1
FL-1	Check Request Form
FL-2	Official Receipt No. 150353
FM	Batch Entry Number 11655-1
FM-1	Check Request Form
FM-2	Official Receipt No. 150402
FN	Batch Entry Number 11656-1
FN-1	Check Request Form
FN-2	Official Receipt No. 150143
FO	Batch Entry Number 11657-1
FO-1	Official Receipt No. 150234
FO-2	Check Request Form
	Summary of Income Payments for Interest Expense – Robinsons Bank

FR	Batch Entry Number 11658-1
FR-1	Check Request Form
FR-2	Official Receipt No. 150407
FS	Batch Entry Number 11659-1
FS-1	Official Receipt No. 150135
FS	Check Request Form
FT	Batch Entry Number 11660-1
FT-1	Check Request Form
FT-2	Official Receipt No. 150235
FU	Batch Entry Number 11661-1
FU-1	Check Request Form
FU-2	Official Receipt No. 150232
FV	Batch Entry Number 11662-1
FV	Official Receipt No. 150231
FV-2	Check Request Form
FW	Batch Entry Number 11663-1
FW	Official Receipt No. 150414
FW-2	Check Request Form
FX	Batch Entry Number 11948-1
FX-1	Check Request Form
FX-2	Official Receipt No. 150471
FY	Batch Entry Number 11949-1
FY-1	Check Request Form
FY-2	Official Receipt No. 150470
FZ	Batch Entry Number 11950-1
FZ-1	Official Receipt No. 150469
FZ-2	Check Request Form
	Summary of Income Payments for Interest Expense – Robinsons Bank
GH	Batch Entry Number 11951-1
GH-1	Official Receipt No. 150475
GH-2	Check Request Form
GI	Batch Entry Number 11959-1
GI-1	Official Receipt No. 150489
GI-2	Check Request Form
GJ	Batch Entry Number 11960-1
GJ-1	Official Receipt No. 150499
GJ-2	Check Request Form
GK	Batch Entry No. 11961-1
GK-1	Check Request Form

GK-2	Official Receipt No. 150486
GL	Batch Entry No. 11962-1
GL-1	Check Request Form
GL-2	Official Receipt No. 150490
GM	Batch Entry Number 11963-1
GM-1	Official Receipt No. 150381
GM-2	Check Request Form
GN	Batch Entry Number 11964-1
GN-1	Check Request Form
GN-2	Official Receipt No. 150349
GO	Batch Entry Number 12176-1
GO-1	Official Receipt No. 153268
GO-2	Check Request Form
GP	Batch Entry Number 12177-1
GP-1	Official Receipt No. 153269
GP-2	Check Request Form
GQ	Batch Entry Number 12178-1
GQ-1	Check Request Form
GQ-2	Official Receipt No. 153271
GR	Batch Entry Number 12179-1
GR-1	Check Request Form
GR-2	Official Receipt No. 153219
GS	Batch Entry Number 12180-1
GS-1	Official Receipt No. 153174
GS-2	Check Request Form
GT	Batch Entry Number 12181-1
GT-1	Official Receipt No. 153228
GT-2	Check Request Form
GU	Batch Entry Number 12182-1
GU-1	Official Receipt No. 153224
GU-2	Check Request Form
GV	Batch Entry Number 12183-1
GV-1	Official Receipt No. 153296
GW	Batch Entry Number 12184-1
GW-1	Official Receipt No. 153225
GW-2	Check Request Form
GX	Batch Entry Number 12185-1
GX-1	Check Request Form
GX-2	Official Receipt No. 153135
GY	Batch Entry Number 12435-1

GY-1	Official Receipt No. 153465
GY-2	Check Request Form
GZ	Batch Entry Number 12436-1
GW-1	Official Receipt No. 153462
GW-2	Check Request Form

Summary of Income Payments for Interest Expense – Robinsons Bank

HI	Batch Entry Number 12437-1
HI-1	Official Receipt No. 153463
HI-2	Check Request Form
HJ	Batch Entry Number 12438-1
HJ-1	Official Receipt No. 153464
HJ-2	Check Request Form
HK	Batch Entry Number 12470-1
HK-1	Check Request Form
HK-2	Official Receipt No. 153480
HL	Batch Entry Number 12471-1
HM	Batch Entry Number 12472-1
HM-1	Official Receipt No. 153494
HM-2	Check Request Form
HN	Batch Entry Number 12473-1
HN-1	Check Request Form
HN-2	Official Receipt No. 153488
HO	Batch Entry Number 12474-1
HO-1	Official Receipt No. 153466
HO-2	Check Request Form
HP	Batch Entry Number 12475-1
HP-1	Official Receipt No. 154815
HP-2	Check Request Form
HQ	Batch Entry Number 12640-1
HQ-1	Check Request Form
HQ-2	Official Receipt
HR	Batch Entry Number 12641-1
HR-1	Official Receipt
HR-2	Check Request Form
HS	Batch Entry Number 12642-1
HS-1	Official Receipt No. 155001
HS-2	Check Request Form
HT	Batch Entry Number 12643-1

HT-1	Check Request Form
HT-2	Official Receipt No. 154966
HU	Batch Entry Number 12665-1
HU-1	Check Request Form
HU-2	Official Receipt
HV	Batch Entry Number 12666-1
HV-1	Check Request Form
HV-2	Official Receipt No. 155127
HW	Batch Entry Number 12667-1
HW-1	Check Request Form
HW-2	Official Receipt No. 155127
HX	Batch Entry Number 12668-1
HX-1	Official Receipt No. 155057
HX-2	Check Request Form
HY	Batch Entry Number 12669-1
HY-1	Check Request Form
HY-2	Official Receipt No. 155019
HZ	Batch Entry Number 12670-1
HZ-1	Check Request Form
HZ-2	Official Receipt No. 155031

Summary of Income Payments for Interest Expense – Robinsons Bank

IJ	Batch Entry Number 12872-1
IJ-1	Official Receipt No. 155190
IJ-2	Check Request Form
IK	Batch Entry Number 12873-1
IK-1	Official Receipt No. 155189
IL	Batch Entry Number 12874-1
IL-1	Official Receipt No. 155049
IL-2	Check Request Form
IM	Batch Entry Number 12875-1
IM-1	Check Request Form
IM-2	Official Receipt No. 155198
IN	Batch Entry Number 12879-1
IN-1	Check Request Form
IN-2	Official Receipt No. 155301
IO	Batch Entry Number 12880-1
IO-1	Check Request Form
IO-2	Official Receipt No. 155362
IP	Batch Entry Number 12881-1

IP-1	Official Receipt No. 155306
IP-2	Check Request Form
IQ	Batch Entry Number 12882-1
IQ-1	Check Request Form
IQ-2	Official Receipt No. 155305
IR	Batch Entry Number 12883-1
IR-1	Check Request Form
IR-2	Official Receipt No. 155371
IS	Batch Entry Number 12884-1
IS-1	Check Request Form
IS-2	Official Receipt No. 155394
IT	Batch Entry Number 13093-1
IT-1	Check Request Form
IT-2	Official Receipt No. 155479
IU	Batch Entry Number 13094-1
IU-1	Official Receipt No. 155480
IU-2	Check Request Form
IV	Batch Entry Number 13095-1
IV-1	Official Receipt No. 155481
IV-2	Check Request Form
IW	Batch Entry Number 13096-1
IW-1	Official Receipt No. 155494
IW-2	Check Request Form
IX	Batch Entry Number 13149-1
IX-1	Official Receipt No. 155564
IX-2	Check Request Form
IY	Batch Entry Number 13163-1
IY-1	Check Request Form
IY-2	Official Receipt No. 155574
IZ	Batch Entry Number 13164-1
IZ-1	Check Request Form
IZ-2	Official Receipt No. 155575
	Summary of Income Payments for Interest Expense - Robinsons Bank
JK	Batch Entry Number 13165-1
JK-1	Check Request Form
JK-2	Official Receipt No. 155613
JL	Batch Entry Number 13166-1
JL-1	Check Request Form
JL-2	Official Receipt No. 155625

JM	Batch Entry Number 13167-1
JM-1	Official Receipt No. 155646
JM-2	Check Request Form
JN	Batch Entry Number 13349-1
JN-1	Official Receipt No. 155811
JN-2	Check Request Form
JO	Batch Entry Number 13350-1
JO-1	Check Request Form
JO-2	Official Receipt No. 155812
JP	Batch Entry Number 13351-1
JP-1	Check Request Form
JP-2	Official Receipt No. 155815
JQ	Batch Entry Number 13352-1
JQ-1	Check Request Form
JQ-2	Official Receipt No. 155827
JP	Batch Entry Number 13384-1
JP-1	Official Receipt No. 155782
JP-2	Check Request Form
JQ	Batch Entry Number 13427-1
JQ-1	Check Request Form
JQ-2	Official Receipt No. 155851
JR	Batch Entry Number 13428-1
JR-1	Check Request Form
JR-2	Official Receipt No. 155846
JS	Batch Entry Number 13429-1
JS-1	Official Receipt No. 155847
JS-2	Check Request Form
JT	Batch Entry Number 13430-1
JT-1	Official Receipt No. 155957
JT-2	Check Request Form
JU	Batch Entry Number 13431-1
JU-1	Official Receipt No. 155917
JU-2	Check Request Form
JV	Batch Entry Number 13561-1
JV-1	Official Receipt No. 155933
JV-2	Check Request Form
JW	Batch Entry Number 13562-1
JW-1	Check Request Form
JW-2	Official Receipt No. 155934
JX	Batch Entry Number 13563-1
JX-1	Check Request Form

JX-2	Official Receipt No. 155941
JY	Batch Entry Number 13564-1
JY-1	Official Receipt No. 155942
JY-2	Check Request Form
JZ	Batch Entry Number 13587-1
JZ-1	Official Receipt No. 163859
JZ-2	Check Request Form
	Summary of Income Payments for Interest Expense – Robinsons Bank
KL	Batch Entry Number 13588-1
KL-1	Check Request Form
KL-2	Official Receipt No. 157032
KM	Batch Entry Number 13589-1
KM-1	Check Request Form
KM-2	Official Receipt No. 157011
KN	Batch Entry Number 13590-1
KN-1	Official Receipt No. 157017
KN-2	Check Request Form
KO	Batch Entry Number 13591-1
KO-1	Check Request Form
KO-2	Official Receipt No. 157039
KP	Batch Entry Number 13592-1
KP-1	Official Receipt No. 155962
KP-2	Check Request Form
KQ	Batch Entry Number 13793-1
KQ-1	Check Request Form
KQ-2	Official Receipt No. 155993
KR	Batch Entry Number 13794-1
KR-1	Official Receipt No. 155994
KR-2	Check Request Form
KS	Batch Entry Number 13795-1
KS-1	Check Request Form
KS-2	Official Receipt No. 155992
KT	Batch Entry Number 13796-1
KT-1	Official Receipt No. 157106
KT-2	Check Request Form
KU	Batch Entry Number 13861-1
KU-1	Official Receipt No. 156005
KU-2	Check Request Form
KV	Batch Entry Number 13862-1

KV-1	Check Request Form
KV-2	Official Receipt No. 156009
KW	Batch Entry Number 13863-1
KW-1	Check Request Form
KW-2	Official Receipt No. 157149
KX	Batch Entry Number 13864-1
KX-1	Check Request Form
KX-2	Official Receipt No. 156008
KY	Batch Entry Number 13865-1
KY-1	Check Request Form
KY-2	Official Receipt No. 156059
KZ	Batch Entry Number 13866-1
KZ-1	Check Request Form
	Summary of AHI's Interest Expense
LM	Batch Number 11437
LM-1	Check Request Form
LN	Batch Number 11653
LN-1	Check Request Form
LO	Batch Number 11971
LO-1	Check Request Form
LP	Batch Number 12113
LP-1	Check Request Form
LQ	Batch Number 12188
LQ-1	Check Request Form
LR	Batch Number 12401
LR-1	Check Request Form
LS	Batch Number 12624
LS-1	Check Request Form
LT	Batch Number 12896
LT-1	Check Request Form
LU	Batch Number 13108
LU-1	Check Request Form
LV	Batch Number 13411
LV-1	Check Request Form
LW	Batch Number 13625
LW-1	Check Request Form
LX	Batch Number 13839

LX-1	Check Request Form

Summary of Repairs and Maintenance Accounted subjected to 1% WHT for the taxable year 2007

LY	Batch Entry Number 11967
LY-1	O.R. No. 766
LY-2	Sales Invoice No. 1679
LZ	Batch Entry Number 11966
LZ-1	Sales Invoice No. 1522

***Summary of Repairs and Maintenance Accounted subjected to 1% WHT for the taxable year 2007**

*MN	Batch Entry Number 11681
MN-1	O.R. No. 6307
*MO	Batch Entry Number 12625
MO-1	O.R. No. 1410
MO-2	Sales Invoice No. 1540
MP	Batch Number 12659
MP-1	Batch Entry Number 12659-1
MP-2	Sales Invoice # 3441
MP-3	Batch Entry Number 12659-3
MP-4	Batch Entry Number 12659-4
MP-5	O.R. # 2646
MP-6	Sales Invoice No. 3435
MP-7	Sales Invoice No. 3441
*MQ	Batch Entry Number 13306
MQ-1	O.R. # 21076
MR	Batch Entry Number 12524
MR-1	O.R. # 174274
*MS	Batch Entry Number 12132
MS-1	O.R. # 1367
MT	Batch Entry Number 12324
MT-1	O.R. # 173910
*MU	Batch Entry Number 13817
MU-1	O.R. # 13124
*MV	Batch Entry Number 13732
MV-1	O.R. # 13064
*MW	Batch Entry Number 13407
MW-1	O.R. # 12783

*MX	Batch Entry Number 13224
MX-1	O.R. # 12771
*MY	Batch Entry Number 12841
MY-1	O.R. # 12855
*MZ	Batch Entry Number 11885
MZ-1	O.R. # 12436
*NO	Batch Entry Number 11647
NO-1	O.R. # 13975
NP	Batch Entry Number 11902
NP-1	S.I. # 3238
NQ	Batch Entry Number 12521
NQ-1	O.R. # 2622
NR	Batch Entry Number 11575
NR-1	O.R. # 2480
NS	Batch Entry Number 13965
NS-1	O.R. # 2791
NT	Batch Entry Number 13964
NT-1	S.I. # 3711
NU	Batch Entry Number 13903
NU-1	O.R. # 2783
NV	Batch Entry Number 13805
NV-1	O.R. # 2778
NW	Batch Entry Number 13813
NW-1	S.I. # 3707
NX	Batch Entry Number 13661
NX-1	O.R. #2755
NY	Batch Entry Number 13566
NY-1	O.R. # 2751
NZ	Batch Entry Number 12999
NZ-1	O.R. # 2690

Supporting documents for Input VAT

OP	Batch Entry Number 13311
OP-1	S.I. # 3594
OQ	Batch Entry Number 13310
OQ-1	O.R. # 2720
OR	Batch Entry Number 13127

OR-1	O.R. # 2708
OS	Batch Entry Number 13338
OS-1	O.R. # 2723
OT	Batch Entry Number 13065
OT-1	O.R. # 2711
OU	Batch Entry Number 12914
OU-1	O.R. # 2683
OV	Batch Entry Number 12915
OV-1	S.I. # 3509
OW	Batch Entry Number 12645
OW-1	O.R. # 2640
OX	Batch Entry Number 12204
OX-1	O.R. # 2582
OY	Batch Entry Number 11763
OY-1	O.R. # 2510
OZ	Batch Entry Number 11334
OZ-1	O.R. # 2451
	Supporting documents for Input VAT
PQ	Batch Entry Number 11282
PQ-1	S.I. # 3085
PR	Batch Entry Number 13668
PR-1	O.R. # 655
PS	Batch Entry Number 13435
PS-1	O.R. # 649
PT	Batch Entry Number 13367
PT-1	O.R. # 12814
PU	Batch Entry Number 11243
PU-1	O.R. # 1098
PV	Batch Entry Number 13998
PV-1	O.R. # 79361
PW	Batch Entry Number 13328
PW-1	O.R. # 155962
PX	Batch Entry Number 13172
PX-1	O.R. # 23955
PY	Batch Entry Number 11968
PY-1	O.R. # 55746

PZ	Batch Entry Number 13308
PZ-1	O.R. # 54075

Supporting documents for Input VAT

QR	Batch Entry Number 13967
QR-1	O.R. # 14464
QS	Batch Entry Number 14139
QS-1	S.I. # 28274
QT	Batch Entry Number 12773
QT-1	O.R. # 13762
QU	Batch Entry Number 13537
QU-1	O.R. # 14215
*QV	Batch Entry Number 12313
QV-1	O.R. # 0735
QW	Batch Entry Number 13226
QW-1	O.R. # 0862
QX	Batch Entry Number 12335
QX-1	O.R. # 3135
QY	Batch Entry Number 11692
QY-1	O.R. # 21838
QZ	Batch Entry Number 11855-2
QZ-1	S.I. # 72632

Supporting documents (Summary of Accounts Receivable – Shared Expenses)

RU	Batch Entry Number 13743
RU-1	O.R. # 066
*RV	Batch Entry Number 13846
RV-1	Official Receipt
*RW	Batch Entry Number 14043
RW-1	O.R. # 59704
*RX	Batch Entry Number 13908
RX-1	S.I. # 0051
RY	Batch Entry Number 13969
RY-1	Official Receipt No. 0055
*RZ	Batch Entry Number 13847
RZ-1	O.R. # 3580

	Supporting documents (Summary of Accounts Receivable – Shared Expenses)
ST	Batch Entry Number 13850
ST-1	O.R. # 16463
SU	Batch Entry Number 13848
SU-1	O.R. # 16468
SV	Batch Entry Number 13845
SV-1	O.R. # 16469
SW	Batch Entry Number 14039
SW-1	Batch Entry Number 14039-1
SW-2	Batch Entry Number 14039-2
SW-3	O.R. # 16472
SX	Batch Entry Number 14497
SX-1	O.R. # 16491
SY	Batch Entry Number 13128
SY-1	O.R. # 4438
SZ	Batch Entry Number 14041
SZ-1	S.I. # 23833
	Summary of Accounts Receivable – Shared Expenses
TU	Batch Entry Number 14040
TU-1	Sales Invoice (SI) 23835
TV	Batch Entry Number 14038
TV-1	O.R. # 77074
TW	Batch Entry Number 14036
TW-1	O.R. # 77073
TX	Batch Entry Number 14042
TX-1	O.R. # 98042
TY	Batch Entry Number 14045
TY-1	O.R. # 0799
TZ	Batch Entry Number 14047
TZ-1	S.I. # 9446
	Summary of Accounts Receivable – Shared Expenses
UV	Batch Entry Number 14044
UV-1	O.R. No. 7383
UW	Batch Entry Number 14037

UW-1	O.R. No. 40628
UX	Batch Entry Number 11335
UX-1	O.R. No. 5704
UY	Batch Entry Number 13363
UY-1	S.I. No. 42241
UZ	Batch Entry Number 12709
UZ-1	CWT
UZ-2	Cash Liquidation Form
VW	Batch Entry Number 14046
VW-1	O.R. No. 22143
VX	Batch Entry Number 13565
VX-1	O.R. No. 4629
VY	Batch Entry Number 13834
VY-1	O.R. No. 2806
VZ	Batch Entry Number 13833
VZ-1	O.R. No. 2736
WX	Batch Entry Number 13303
WX-1	O.R. # 377208
WY	Batch Entry Number 13849
WY-1	O.R. # 0228
WZ	Batch Entry Number 13663
WZ-1	S.I. # 3643
XY	Batch Entry Number 11333
XY-1	S.I. # 3083
XZ	John Clement Consultants, Inc. – Batch Entry Number 11828-1
XZ-1	O.R. # 96559
	Summary of payments for increase in Property, Plant and Equipment
YZ	Batch Entry Number 13402
YZ-1	Sales Invoice No. 31607
AAA	Batch Entry Number 11373
AAA-1	Official Receipt No. 2809
AAA-2	Sales Invoice 4009
AAB	Batch Entry Number 12072
AAB-1	Official Receipt No. 1318
AAB-2	Sales Invoice # 1435

AAC	Batch Entry Number 12300
AAC-1	Billing Statement
AAC-2	Sales Invoice SE121458
AAD	Batch Entry Number 12358
AAD-1	Official Receipt No. 5924
AAD-2	Sales Invoice No. 15077184
AAE	Batch Entry Number 12518
AAE-1	Official Receipt No. 65924
AAF	Batch Entry Number 12597
AAF-1	O.R. # 6658
AAG	Batch Entry Number 12544
AAG-1	Official Receipt No. 4313
AAG-2	Sales Invoice # 1695
AAG-3	Delivery Receipt/Sales Invoice # 3748
AAH	Batch Entry Number 13145
AAH-1	O.R. # 40655
AAI	Batch Entry Number 13265
AAI-1	Official Receipt No. 6720
AAI-2	Sales Invoice # 15100456
AAJ	Batch Entry Number 12889
AAJ-1	Invoice # 123914
AAJ-2	Billing Statement
AAK	Batch Entry Number 13309
AAK-1	Official Receipt No. 6729
AAK-2	Sales Invoice #15100067
AAL	Batch Entry Number 13456
AAL-1	O.R. # 14467
AAM	Batch Entry Number 13454
AAM-1	Official Receipt No. 11650
AAM-2	Sales Invoice # 15370
AAN	Batch Entry Number 13811
AAN-1	Official Receipt No. 1529
AAN-2	Sales Invoice # 1722
AAO	Batch Entry Number 11398
AAO-1	Official Receipt No. 3895
AAO-2	Sales Invoice No. 1363
AAP	Batch Entry Number 11422
AAP-1	Official Receipt No. 3859
AAP-2	Sales Invoice # 1304
AAQ	Batch Entry Number 11593

AAQ-1	Official Receipt No. 4222
AAQ-2	Sales Invoice # 1422
AAR	Batch Entry Number 11594
AAR-1	Official Receipt No. 4223
AAR-2	Sales Invoice # 1420
AAS	Batch Entry Number 11595
AAS-1	Official Receipt No. 4221
AAS-2	Sales Invoice # 1379
AAT	Batch Entry Number 11620
AAT-1	Official Receipt No. 1728
AAU	Batch Entry Number 11670
AAU-1	Official Receipt No. 3930
AAU-2	Sales Invoice # 1486
AAV	Batch Entry Number 11892
AAV-1	Official Receipt No. 3931
AAV-2	Sales Invoice # 1380
AAW	Batch Entry Number 11981
AAW-1	Official Receipt No. 3979
AAW-2	Sales Invoice No. 1558
AAX	Batch Entry Number 11982
AAX-1	Official Receipt No. 3980
AAX-2	Sales Invoice No. 1557
AAY	Batch Entry Number 11980
AAY-1	Official Receipt No. 3978
AAY-2	Sales Invoice # 1572
AAZ	Batch Entry Number 12147
AAZ-1	Official Receipt No. 4012
AAZ-2	Sales Invoice # 1610
	Summary of payments for increase in Property, Plant and Equipment
BBA	Batch Entry Number 12203
BBA-1	Official Receipt No. 1785
BBB	Batch Entry Number 12334
BBB	Official Receipt No. 4039
BBB-2	Sales Invoice # 1458
BBC	Batch Entry Number 12545
BBC-1	Official Receipt No. 4327
BBC-2	Sales Invoice # 1725
BBD	Batch Entry Number 12613
BBD-1	Official Receipt No. 4383

BBD-2	Sales Invoice # 1847
BBE	Batch Entry Number 12639
BBE-1	Official Receipt No. 374105
BBE-2	Sales Invoice # 210015617
BBF	Batch Entry Number 12704
BBF-1	Official Receipt No. 4382
BBF-2	Sales Invoice # 1754
BBG	Batch Entry Number 12920
BBG-1	Official Receipt No. 4465
BBG-2	Sales Invoice # 1882
BBH	Batch Entry Number 12871
BBH-1	O.R. # 4466
BBH-2	Sales Invoice # 1873
BBI	Batch Entry Number 13056
BBI-1	Official Receipt No. 4517
BBI-2	Sales Invoice # 1913
BBJ	Batch Entry Number 13075
BBJ-1	Official Receipt No. 4543
BBJ-2	Sales Invoice # 1953
BBK	Batch Entry Number 13307
BBK-1	Official Receipt No. 4605
BBK-2	Sales Invoice # 1988
BBL	Batch Entry Number 13341
BBL-1	Official Receipt No. 1471
BBL-2	Sales Invoice # 1614
BBM	Batch Entry Number 13342
BBM-1	Official Receipt No. 1458
BBM-2	Sales Invoice # 1635
BBN	Batch Entry Number 13400
BBN-1	Official Receipt No. 1506
BBN-2	Sales Invoice # 1654
BBO	Batch Entry Number 13453
BBO-1	Official Receipt No. 1478
BBO-2	Sales Invoice # 1624
BBP	Batch Entry Number 12950
BBP-1	PR 01432
BBQ	Batch Entry Number 13600
BBQ-1	O.R. # 11625
BBR	Batch Entry Number 13736
BBR-1	O.R. # 12016

BBS	Batch Entry Number 13729
BBS-1	Official Receipt No. 1554
BBS-2	Sales Invoice # 1681
BBT	Batch Entry Number 13728
BBT-1	Official Receipt No. 1553
BBT-2	Sales Invoice # 1682
BBU	Vehicle Sales Invoice # 3277
BBV	Batch Entry Number 12795
BBV-1	Deed of Absolute Sale
**BBW	Batch Entry Number 12913
BBW-1	O.R. # 20458499
BBX	Vehicle Sales Invoice # 039320
BBX-1	Promissory Note #001-026461-8
BBY	Promissory Note # 1502240866
BBY-1	Vehicle Delivery Receipt 0035897
BBZ	Batch Entry Number 12142
BBZ-1	O.R. # 6519
BBZ-2	Sales Invoice 13612
	Summary of payments for increase in Property, Plant and Equipment
CCA	Batch Entry Number 12948
CCA-1	Official Receipt No. 6818
CCA-2	Sales Invoice # 136763
CCB	Batch Entry Number 11547
CCB-1	Official Receipt No. 2478
CCB-2	Sales Invoice # 3143
CCC	Batch Entry Number 12410
CCC-1	Official Receipt No. 2606
CCC-2	Sales Invoice # 3278
CCD	Batch Entry Number 13343
CCD-1	Official Receipt No. 7538
CCE	Batch Entry Number 13534
CCE-1	O.R. # 0334
CCE-2	Sales Invoice # 0119
	Official Receipts supporting documents for input VAT
CCF	O.R. # 15243
CCG	O.R. # 15075

CCH	O.R.	# 14460
CCI	O.R.	# 14495
CCJ	O.R.	# 14313
CCK	O.R.	# 14344
CCL	O.R.	# 14228
CCM	O.R.	# 14132
CCN	O.R.	# 14118
CCO	O.R.	# 13971
CCP	O.R.	# 13961
CCQ	O.R.	# 13856
CCR	O.R.	# 11189
CCS	O.R.	# 13533
CCT	O.R.	# 13438
CCU	O.R.	# 13418
CCV	O.R.	# 13380
CCW	O.R.	# 13148
CCX	O.R.	# 12976
CCY	O.R.	# 13108
CCZ	O.R.	# 12966
DDA	O.R.	# 12868
DDB	O.R.	# 12636
DDC	O.R.	# 12611
DDD	O.R.	# 0023
DDE	O.R.	# 0024
DDF	O.R.	# 0076
DDG	O.R.	# 0077
DDH	O.R.	# 20474
DDI	O.R.	# 23503
DDJ	O.R.	# 24209
DDK	O.R.	# 7591
DDL	O.R.	# 4539
DDM	O.R.	# 4659
DDN	O.R.	# 4660
DDO	O.R.	# 4862
DDP	O.R.	# 4186
DDQ	O.R.	# 4408
DDR	O.R.	# 4407
DDS	O.R.	# 4023
DDT	O.R.	# 3930
DDU	O.R.	# 3939
DDV	O.R.	# 3859
DDW	O.R.	# 3805
DDX	O.R.	# 253254
DDY	O.R.	# 251155
DDZ	O.R.	# 36648
EEA	O.R.	# 1585
EEB	O.R.	# 33262
EEC	O.R.	# 33726
EED	O.R.	# 240
EEE	O.R.	# 236
EEF	O.R.	# SI # 299
EEG	O.R.	# 233
EEH	O.R.	# 232
EEI	O.R.	# 230

EEJ	O.R. # 229
EEK	O.R. # 217
EEL	O.R. # 216
EEM	O.R. # 227
EEN	O.R. # 221
EEO	O.R. # 211
EEP	O.R. # 209
EEQ	O.R. # 208
EER	O.R. # 204
EES	O.R. # 357365
EET	O.R. # 344673
EEU	O.R. # 377205
EEV	ANSONS OFFICIAL RECEIPT DATED 11/16/07
EEW	O.R. # 22460
EEX	O.R. # 22367
EEY	O.R. # 0371 (TAMSONS ENTERPRISES INC.)
EEZ	O.R. # 289478
FFA	O.R. # 2021 (RSBA)
FFB	O.R. # 1993 (RSBA)
FFC	O.R. # 21891
	Supporting documents for Summary of Accounted Supplies Expenses
FFD	Batch No. 13665
FFD-1	OR # 27272
FFD-2	SI # 40786
FFE	Batch No. 13066
FFE-1	OR # 26326
FFE-2	SI # 39669
FFF	Batch No. 12357
FFF-1	OR # 25631
FFF-2	SI # 38130
FFG	Batch No. 12312
FFG-1	OR # 25429
FFG-2	SI # 37920
FFH	Batch No. 12590
FFH-1	OR # 25760
FFH-2	SI # 38449
FFI	Batch No. 12312
FFI-1	OR # 25429
	Supporting document for Summary of Accounted Supplies Expenses
FFJ	Batch No. 14001

FFJ-1	SI # 97160
FFK	Batch No. 13765
FFK-1	O.R. # 78703
FFL	Batch No. 13553
FFL-1	O.R. # 77275
FFM	Batch No. 13312
FFM-1	O.R. # 77115
FFN	Batch No. 13074
FFN-1	O.R. # 75737
FFO	Batch No. 12842
FFO-1	O.R. # 74889
FFP	Batch No. 12416
FFP-1	O.R. # 75081
FFQ	Batch No. 12850
FFQ-1	O.R. # 75106
FFR	Batch No. 12139
FFR-1	O.R. # 73958
FFS	Batch No. 12194
FFS-1	O.R. # 73956
FFT	Batch No. 11778
FFT-1	O.R. # 73008
FFU	Batch No. 11889
FFU-1	O.R. # 73052
FFV	Batch No. 11888
FFV-1	O.R. # 73009
FFW	Batch No. 11423
FFW-1	O.R. # 72211
FFX	Batch No. 11401
FFX-1	O.R. # 71248
FFY	Batch No. 11230
FFY-1	O.R. # 71609
FFZ	Batch No. 13554
FFZ-1	O.R. # 77870

Summary of Accounted Supplies Expense

GGA	Batch No. 12424
GGA-1	OR. # 76602

GGA-2	SI # 116456
GGB	Batch No. 12840
GGB	S.I. # 117249
GGC	Batch No. 12612
GGC-1	O.R. # 76947
GGC-2	SI # 116885
GGD	Batch No. 13063
GGD-1	O.R. # 77446
GGD-2	SI # 117606
GGE	Batch No. 12369
GGE-1	O.R. # 76603
GGE-2	SI # 116372
GGF	Batch No. 11835
GGF-1	O.R. # 76167
GGF-2	SI # 115731
GGG	Batch No. 11891
GGG-1	O.R. # 75799
GGG-2	SI # 114995
GGH	Batch No. 11671
GGH-1	O.R. # 75794
GGH-2	SI # 115437
GGI	Batch No. 11592
GGI-1	O.R. # 75760
GGJ	Batch No. 11684
GGJ-1	S.I. # 114996
GGK	Batch No. 11263
GGK-1	O.R. # 75412
GGK-2	SI # 114618
GGL	Batch No. 12843
GGL-1	O.R. # 365799
GGM	Batch No. 12918
GGM-1	O.R. # 359939
GGN	Batch No. 13304
GGN-1	O.R. # 372724
GGO	Batch No. 13535
GGO-1	O.R. # 375514
GGP	Batch No. 13599
GGP-1	O.R. # 375513

GGQ	Batch No. 13764
GGQ-1	PR 00000009
GGR	Batch No. 13763
GGR-1	SI # 310041080
GGS	Batch No. 13762
GGS-1	SI # 310041145
GGT	Batch No. 13972
GGT-1	SI # 310042647
GGU	Batch No. 13971
GGU-1	SI # 310042696
GGU-2	OR # 376145
GGU-3	OR # 376140
GGV	Batch No. 14000
GGV-1	O.R. # 376141
GGW	Batch No. 11277
GGW-1	O.R. # 26937
GGX	Batch No. 11399
GGX-1	O.R. # 27139
GGY	Batch No. 11779
GGY-1	O.R. # 27331
GGZ	Batch No. 12140
GGZ-1	O.R. # 28058
	Summary of Accounted Supplies Expense
HHA	Batch No. 12426
HHA-1	O.R. # 28314
HHB	Batch No. 12865
HHB-1	O.R. # 28833
HHC	Batch No. 13362
HHC-1	O.R. # 29536
HHD	Batch No. 13313
HHD-1	O.R. # 29535
HHE	Batch No. 13742
HHE-1	O.R. # 298…
HHF	Batch No. 13448
HHF-1	O.R. # 41975
HHG	Batch No. 13109

HHG-1	O.R. # 42135
HHH	Batch No. 12273
HHH-1	O.R. # 40377
HHI	Batch No. 11841
HHI-1	O.R. # 39887
HHJ	Batch No. 12849
HHJ-1	O.R. # 14644
HHK	Batch No. 12615
HHK-1	Official Receipt in the amount of P3,880.05
HHL	Batch No. 12636
HHM	Batch No. 12417
HHM-1	Official Receipt in the amount of P7,918.66
HHN	Batch No. 12543
HHO	Batch No. 12388
HHO-1	Official Receipt in the amount of P1,774.02
HHP	Batch No. 12141
HHP-1	Official Receipt in the amount of P7,537.09
HHQ	Batch No. 12070
HHQ-1	O.R. # 11379
HHR	Batch No. 12103
HHR-1	O.R. # 10800
HHS	Batch No. 11711
HHS-1	O.R. # 10719
HHT	Batch No. 11651
HHT-1	O.R. # 10715
HHU	Batch No. 11765
HHU-1	O.R. # 13189
HHV	Batch No. 11545
HHV-1	O.R. # 9991
HHW	Batch No. 11424
HHW-1	S.I. # 12698
HHX	Batch No. 11400
HHX-1	O.R. # 9328
HHY	Batch No. 13841
HHY-1	O.R. # 38633

HHZ	Batch No. 13536
HHZ-1	O.R. # 37627
	Summary of Accounted Supplies Expense
IIA	Batch No. 12774
IIA-1	O.R. # 35664
IIB	Batch No. 12272
IIB-1	O.R. # 35145
IIC	Batch No. 11862
IIC-1	O.R. # 33013
IID	Batch No. 11397
IID-1	O.R. # 31746
	Supporting documents for input VAT
IIE	Batch No. 12540
IIE-1	O.R. # 6762
IIE-2	SI # 60127
IIF	Batch No. 11672
IIF-1	SI # 1487
IIG	Batch No. 13016
IIG-1	O.R. # 4519
IIG-2	SI # 1910
IIH	Batch No. 13727
IIH-1	SI # 1686
III	Batch No. 12260
III-1	O.R. # 4036
IIJ	Batch No. 11764
IIJ-1	O.R. # 3932
IIK	Batch No. 12703
IIK-1	O.R. # 60836
IIL	Batch No. 12648
IIL-1	O.R. # 60136
IIM	Batch No. 11796
IIM-1	O.R. # 59323
IIN	Batch No. 11797
IIN-1	S.I. # 66475
IIO	Batch No. 11576
IIO-1	O.R. # 58906

IIP	Batch No. 12046
IIP-1	O.R. # 4704
IIQ	Batch No. 13583
IIQ-1	O.R. # 021030
IIR	Batch No. 11986
IIR-1	O.R. # 016892
IIS	Batch No. 13667-1
IIS-1	Batch No. 13667-2
IIS-2	O.R. # 021029
IIT	Batch No. 13228
IIT-1	O.R. # 020405
IIU	Batch No. 12109
IIU-1	O.R. # 025994
IIV	Batch No. 12137-1
IIV-1	Batch No. 12137-2
IIV-2	O.R. # 18150
IIW	Batch No. 11985
IIW-1	O.R. # 017379
IIX	Batch No. 11984
IIX-1	O.R. # 017380
IIY	Batch No. 11887
IIY-1	O.R. # 017381
IIZ	Batch No. 11979
IIZ-1	O.R. # 016893

Supporting documents for input VAT

JJA	Batch No. 11843
JJA-1	O.R. # 016890
JJB	Batch No. 11842
JJB-1	O.R. # 016891
JJC	Batch No. 11762
JJD	Batch No. 11676
JJD-1	O.R. # 016858
JJE	Batch No. 11680
JJE-1	O.R. # 016859
JJF	Batch No. 11677
JJF-1	O.R. # 024955

JJG	Batch No. 11405
JJG-1	O.R. # 015960
JJH	Batch No. 13970
JJH-1	O.R. # 5420
JJI	Batch No. 13733
JJI-1	O.R. # 67219
JJJ	Batch No. 12949
JJJ-1	O.R. # 64245
JJK	Batch No. 13408
JJK-1	O.R. # 0206
JJL	Batch No. 12146
JJL-1	S.I. # 2122
JJM	Batch No. 12772
JJM-1	O.R. # 40916
JJN	Batch No. 12775
JJN-1	S.I. # 61914
JJO	Batch No. 11834
JJO-1	Charge Invoice # 13557
JJP	Batch No. 10527
JJP-1	S.I. # 20809
*JJQ	Batch No. 13058
JJQ-1	O.R. # 364142
*JJR	Batch No. 13071
JJR-1	S.I. # 310035674
*JJS	Batch No. 13761
JJS-1	O.R. # 373571
	Supporting documents for input VAT
JJT	O.R. #246836
JJU	O.R. #252053
JJV	O.R. #254439
JJW	O.R. #257603
JJX	O.R. #258657
JJY	Acct./Billing No. 44995492-4
JJZ	Acct./Billing No. 31367102-51
KKA	Acct./Billing No. 31367803-51
KKB	Acct./Billing No. 40238476-24
KKC	Acct./Billing No. 31368818-51
KKD	Acct./Billing No. 31366807-51
KKE	Acct./Billing No. 31366734-51
KKF	Acct./Billing No. 40235078-24

KKG	Acct./Billing No. 40235108-24
KKH	Acct./Billing No. 31367013-51
KKI	Acct./Billing No. 31368702-51
KKJ	Acct./Billing No. 31367153-51
KKK	Acct./Billing No. 31367544-51
KKL	Acct./Billing No. 31366416-51
KKM	Acct./Billing No. 31368621-51
KKN	Acct./Billing No. 41450126-20
KKO	Acct./Billing No. 31369423-51
KKP	Acct./Billing No. 31366335-51
KKQ	Acct./Billing No. 41450193-20
KKR	Acct./Billing No. 31366602-51
KKS	Acct./Billing No. 31365142-51
KKT	Acct./Billing No. 31369555-51
KKU	Acct./Billing No. 41450142-20
KKV	Acct./Billing No. 31366661-51
KKW	Acct./Billing No. 37474865-35
KKX	Acct./Billing No. 31366408-51
KKY	Acct./Billing No. 31369377-51
KKZ	Acct./Billing No. 31366765-51

Supporting documents for input VAT

LLA	Acct./Billing No. 31364316-51
LLB	Acct./Billing No. 31367234-51
LLC	Acct./Billing No. 31367315-51
LLD	Acct./Billing No. 44355507-6
LLE	Acct./Billing No. 31368818-50
LLF	Acct./Billing No. 31368702-50
LLG	Acct./Billing No. 31367102-50
LLH	Acct./Billing No. 31367013-50
LLI	Acct./Billing No. 44995492-3
LLJ	Acct./Billing No. 31367234-50
LLK	Acct./Billing No. 31369555-50
LLL	Acct./Billing No. 41450193-19
LLM	Acct./Billing No. 31368621-50
LLN	Acct./Billing No. 31367544-50
LLO	Acct./Billing No. 31367803-50
LLP	Acct./Billing No. 31364316-50
LLQ	Acct./Billing No. 31367765-50
LLR	Acct./Billing No. 31366661-50
LLS	Acct./Billing No. 37474865-34
LLT	Acct./Billing No. 31366807-50
LLU	Acct./Billing No. 31366602-50
LLV	Acct./Billing No. 31366734-50
LLW	Acct./Billing No. 31369377-50
LLX	Acct./Billing No. 40235108-23
LLY	Acct./Billing No. 31366416-50
LLZ	Acct./Billing No. 31367315-50

Supporting documents for input VAT

MMA	Acct./Billing No. 31365142-50
MMB	Acct./Billing No. 31366408-50

MMC	Acct./Billing No. 41450142-19
MMD	Acct./Billing No. 31366335-50
MME	Acct./Billing No. 31365916-50
MMF	Acct./Billing No. 40238476-23
MMG	Acct./Billing No. 31367153-50
MMH	Acct./Billing No. 44355507-5
MMI	Acct./Billing No. 41450126-19
MMJ	Acct./Billing No. 31369423-50
MMK	Acct./Billing No. 31365142-49
MML	Acct./Billing No. 31361315-49
MMM	Acct./Billing No. 40235108-22
MMN	Acct./Billing No. 44995492-2
MMO	Acct./Billing No. 31369377-49
MMP	Acct./Billing No. 31367102-49
MMQ	Acct./Billing No. 41450193-18
MMR	Acct./Billing No. 31366807-49
MMS	Acct./Billing No. 31367803-49
MMT	Acct./Billing No. 31366661-49
MMU	Acct./Billing No. 31367765-49
MMV	Acct./Billing No. 37474865-33
MMW	Acct./Billing No. 41450142-18
MMX	Acct./Billing No. 40238476-22
MMY	Acct./Billing No. 31367153-49
MMZ	Acct./Billing No. 31368818-49

Supporting documents for input VAT

NNA	Acct./Billing No. 44355507-4
NNB	Acct./Billing No. 31365916-49
NNC	Acct./Billing No. 31361544-49
NND	Acct./Billing No. 31364316-49
NNE	Acct./Billing No. 31366734-49
NNF	Acct./Billing No. 31369423-49
NNG	Acct./Billing No. 31366408-49
NNH	Acct./Billing No. 31366335-49
NNI	Acct./Billing No. 41450126-18
NNJ	Acct./Billing No. 31367013-49
NNK	Acct./Billing No. 31369555-49
NNL	Acct./Billing No. 31368621-49
NNM	Acct./Billing No. 31368702-49
NNN	Acct./Billing No. 31366602-49
NNO	Acct./Billing No. 31366416-49
NNP	Acct./Billing No. 31367234-49
NNQ	Acct./Billing No. 31367544-47
NNR	Acct./Billing No. 31367102-47
NNS	Acct./Billing No. 31369555-47
NNT	Acct./Billing No. 31367315-47
NNU	Acct./Billing No. 31368621-47
NNV	Acct./Billing No. 31364316-47
NNW	Acct./Billing No. 31368702-47
NNX	Acct./Billing No. 44995492-1
NNY	Acct./Billing No. 31365916-47
NNZ	Acct./Billing No. 40235108-20

Supporting documents for input VAT

OOA	Acct./Billing No. 31366408-47
OOB	Acct./Billing No. 31365142-47
OOC	Acct./Billing No. 31366416-47
OOD	Acct./Billing No. 40238476-20
OOE	Acct./Billing No. 37474865-31
OOF	Acct./Billing No. 31367013-47
OOG	Acct./Billing No. 31367544-48
OOH	Acct./Billing No. 31366335-48
OOI	Acct./Billing No. 31369423-47
OOJ	Acct./Billing No. 31366335-47
OOK	Acct./Billing No. 31369377-47
OOL	Acct./Billing No. 31366602-47
OOM	Acct./Billing No. 31367803-47
OON	Acct./Billing No. 31366807-47
OOO	Acct./Billing No. 31367234-47
OOP	Acct./Billing No. 41450142-16
OOQ	Acct./Billing No. 41450126-16
OOR	Acct./Billing No. 41450193-16
OOS	Acct./Billing No. 31367153-47
OOT	Acct./Billing No. 31366734-47
OOU	Acct./Billing No. 31366661-47
OOV	Acct./Billing No. 31368818-47
OOW	Acct./Billing No. 31367013-48
OOX	Acct./Billing No. 31366734-48
OOY	Acct./Billing No. 31365916-48
OOZ	Acct./Billing No. 31364316-48

Supporting documents for input VAT

PPA	Acct./Billing No. 31367102-48
PPB	Acct./Billing No. 37474865-32
PPC	Acct./Billing No. 31368702-48
PPD	Acct./Billing No. 31366416-48
PPE	Acct./Billing No. 31367153-48
PPF	Acct./Billing No. 31367315-48
PPG	Acct./Billing No. 40235108-21
PPH	Acct./Billing No. 31366807-48
PPI	Acct./Billing No. 31366602-48
PPJ	Acct./Billing No. 31367234-48
PPK	Acct./Billing No. 31363423-48
PPL	Acct./Billing No. 31365142-48
PPM	Acct./Billing No. 40238476-21
PPN	Acct./Billing No. 41450193-17
PPO	Acct./Billing No. 31366661-48
PPP	Acct./Billing No. 41450142-17
PPQ	Acct./Billing No. 31366408-48
PPR	Acct./Billing No. 31368621-48
PPS	Acct./Billing No. 31367765-48
PPT	Acct./Billing No. 31369555-48
PPU	Acct./Billing No. 31367803-48
PPV	Acct./Billing No. 31369377-48
PPW	Acct./Billing No. 41450126-17

PPX	Acct./Billing No. 44355507-3
PPY	Acct./Billing No. 31368818-48
PPZ	Acct./Billing No. 31367544-52

Supporting documents for input VAT

QQA	Acct./Billing No. 40238476-25
QQB	Acct./Billing No. 31367765-52
QQC	Acct./Billing No. 31366602-52
QQD	Acct./Billing No. 31368702-52
QQE	Acct./Billing No. 44355507-7
QQF	Acct./Billing No. 41450126-21
QQG	Acct./Billing No. 31364316-52
QQH	Acct./Billing No. 44995492-5
QQI	Acct./Billing No. 31367102-52
QQJ	Acct./Billing No. 31366734-52
QQK	Acct./Billing No. 41450193-21
QQL	Acct./Billing No. 31367315-52
QQM	Acct./Billing No. 31365142-52
QQN	Acct./Billing No. 31369555-52
QQO	Acct./Billing No. 31367803-52
QQP	Acct./Billing No. 31368621-52
QQQ	Acct./Billing No. 31366661-52
QQR	Acct./Billing No. 31368818-52
QQS	Acct./Billing No. 31366416-52
QQT	Acct./Billing No. 37474865-36
QQU	Acct./Billing No. 31366408-52
QQV	Acct./Billing No. 31366335-52
QQW	Acct./Billing No. 31369377-52
QQX	Acct./Billing No. 31367013-52
QQY	Acct./Billing No. 31365916-51
QQZ	Acct./Billing No. 31367153-52

Supporting documents for input VAT

RRA	Acct./Billing No. 31365916-52
RRB	Acct./Billing No. 31366807-52
RRC	Acct./Billing No. 31367234-52
RRD	Acct./Billing No. 41450142-21
RRE	Acct./Billing No. 31367803-53
RRF	Acct./Billing No. 31369377-53
RRG	Acct./Billing No. 40238476-26
RRH	Acct./Billing No. 41450142-22
RRI	Acct./Billing No. 31369555-53
RRJ	Acct./Billing No. 31366335-53
RRK	Acct./Billing No. 31367013-53
RRL	Acct./Billing No. 31368818-53
RRM	Acct./Billing No. 31366408-53
RRN	Acct./Billing No. 31366661-53
RRO	Acct./Billing No. 31368702-53
RRP	Acct./Billing No. 31369423-53
RRQ	Acct./Billing No. 31366416-53
RRR	Acct./Billing No. 31367153-53
RRS	Acct./Billing No. 31366602-53

RRT	Acct./Billing No. 31366734-53
RRU	Acct./Billing No. 41450193-22
RRV	Acct./Billing No. 31366807-53
RRW	Acct./Billing No. 31365916-53
RRX	Acct./Billing No. 31367315-53
RRY	Acct./Billing No. 44995492-6
RRZ	Acct./Billing No. 31368621-53

Supporting documents for input VAT

SSA	Acct./Billing No. 44995492-7
SSB	Acct./Billing No. 31366416-54
SSC	Acct./Billing No. 31367234-54
SSD	Acct./Billing No. 44355507-9
SSE	Acct./Billing No. 31368621-54
SSF	Acct./Billing No. 40238476-27
SSG	Acct./Billing No. 41450142-23
SSH	Acct./Billing No. 31369423-54
SSI	Acct./Billing No. 31366408-54
SSJ	Acct./Billing No. 41450193-23
SSK	Acct./Billing No. 31367153-54
SSL	Acct./Billing No. 31368702-54
SSM	Acct./Billing No. 31367544-54
SSN	Acct./Billing No. 31367102-54
SSO	Acct./Billing No. 31367803-54
SSP	Acct./Billing No. 31368818-54
SSQ	Acct./Billing No. 40235108-28
SSR	Acct./Billing No. 40235078-28
SSS	Acct./Billing No. 37189184-40
SST	Acct./Billing No. 40235108-27
SSU	Acct./Billing No. 31369555-54
SSV	Acct./Billing No. 31367013-54
SSW	Acct./Billing No. 31366734-54
SSX	Acct./Billing No. 31369377-54
SSY	Acct./Billing No. 31364316-54
SSZ	Acct./Billing No. 31366602-54

Supporting documents for input VAT

TTA	Acct./Billing No. 31366807-54
TTB	Acct./Billing No. 31367315-54
TTC	Acct./Billing No. 31365142-54
TTD	Acct./Billing No. 101215743-112
TTE	Acct./Billing No. 101215780-112
TTF	Acct./Billing No. 101215720-112
TTG	Acct./Billing No. 101215651-112
TTH	Acct./Billing No. 101215800-112
TTI	Acct./Billing No. 101416934-109
TTJ	Acct./Billing No. 31366807-55
TTK	Acct./Billing No. 31367315-55
TTL	Acct./Billing No. 31366734-55
TTM	Acct./Billing No. 31365142-55
TTN	Acct./Billing No. 31367544-55

TTO	Acct./Billing No. 31367803-55
TTP	Acct./Billing No. 31369377-55
TTQ	Acct./Billing No. 31368621-55
TTR	Acct./Billing No. 31366602-55
TTS	Acct./Billing No. 31368818-55
TTT	Acct./Billing No. 31367153-55
TTU	Acct./Billing No. 810012395-0
TTV	Acct./Billing No. 31369423-55
TTW	Acct./Billing No. 31364316-55
TTX	Acct./Billing No. 31366335-55
TTY	Acct./Billing No. 31368702-55
TTZ	Acct./Billing No. 40238476-28

Supporting documents for input VAT

UUA	Acct./Billing No. 41450193-24
UUB	Acct./Billing No. 41450126-24
UUC	Acct./Billing No. 37474865-39
UUD	Acct./Billing No. 31366408-55
UUE	Acct./Billing No. 44995492-8
UUF	Acct./Billing No. 31366661-55
UUG	Acct./Billing No. 41450142-24
UUH	Acct./Billing No. 31367234-55
UUI	Acct./Billing No. 31366416-55
UUJ	Acct./Billing No. 31369555-55
UUK	Acct./Billing No. 31367102-55
UUL	Acct./Billing No. 31368621-56
UUM	Acct./Billing No. 31367013-55
UUN	Acct./Billing No. 41450142-25
UUO	Acct./Billing No. 31366661-56
UUP	Acct./Billing No. 31365142-56
UUQ	Acct./Billing No. 31367153-56
UUR	Acct./Billing No. 101215720-113
UUS	Acct./Billing No. 101215780-113
UUT	Acct./Billing No. 31368702-56
UUU	Acct./Billing No. 31366807-56
UUV	Acct./Billing No. 31367234-56
UUW	Acct./Billing No. 31366408-56
UUX	Acct./Billing No. 31369423-56
UUY	Acct./Billing No. 44995492-9
UUZ	Acct./Billing No. 31369555-56

Supporting documents for input VAT

VVA	Acct./Billing No. 31367315-56
VVB	Acct./Billing No. 810012395-71
VVC	Acct./Billing No. 101215800-113
VVD	Acct./Billing No. 31366416-56
VVE	Acct./Billing No. 31367102-56
VVF	Acct./Billing No. 41450193-25
VVG	Acct./Billing No. 31368818-57
VVH	Acct./Billing No. 31368818-56
VVI	Acct./Billing No. 31368818-57
VVJ	Acct./Billing No. 31370022-55

VVK	Acct./Billing No. 31370022-54
VVL	Acct./Billing No. 31370022-49
VVM	Acct./Billing No. 41450126-23
VVN	Acct./Billing No. 31367544-53
VVO	Acct./Billing No. 31367102-53
VVP	Acct./Billing No. 31365142-53
VVQ	Acct./Billing No. 31364316-53
VVR	Acct./Billing No. 31367102-53
VVS	Acct./Billing No. 31370022-57
VVT	Acct./Billing No. 31370022-56
VVU	Acct./Billing No. 31370022-53
VVV	Acct./Billing No. 31370022-52
VVW	OR # 2009585
VVX	OR# 1800322
VVY	Acct./Billing No. 31370022-48
VVZ	Acct./Billing No. 31370022-47

Supporting documents for input VAT

WWA	Acct./Billing No. 31366734-57
WWB	Acct./Billing No. 41450142-26
WWC	Acct./Billing No. 31366408-57
WWD	Acct./Billing No. 31366602-57
WWE	Acct./Billing No. 31365142-57
WWF	Acct./Billing No. 31367315-57
WWG	Acct./Billing No. 31366807-57
WWH	Acct./Billing No. 31368702-0
WWI	Acct./Billing No. 31367153-57
WWJ	Acct./Billing No. 31367234-57
WWK	Acct./Billing No. 31364316-57
WWL	Acct./Billing No. 31366661-57
WWM	Acct./Billing No. 44995492-10
WWN	Acct./Billing No. 31366416-57
WWO	Acct./Billing No. 31367544-57
WWP	Acct./Billing No. 31368621-57
WWQ	Acct./Billing No. 37474865-41
WWR	Acct./Billing No. 31369555-57
WWS	Acct./Billing No. 31367102-57
WWT	Acct./Billing No. 31367013-57
WWU	Acct./Billing No. 41454806-26
WWV	Acct./Billing No. 31366688-57
WWW	Acct./Billing No. 44355507-12
WWX	Acct./Billing No. 47083885-1
WWY	Acct./Billing No. 31369423-57
WWZ	Acct./Billing No. 40238476-30

Supporting documents for input VAT

XXA	Acct./Billing No. 41450193-26
XXB	Acct./Billing No. 31369377-57
XXC	Acct./Billing No. 41450126-26
XXD	Acct./Billing No. 31366602-56

XXE	Acct./Billing No. 37189184-41
XXF	Acct./Billing No. 40235108-29
XXG	Acct./Billing No. 41454806-25
XXH	Acct./Billing No. 40238476-29
XXI	Acct./Billing No. 45737659-6
XXJ	Acct./Billing No. 31366688-56
XXK	Acct./Billing No. 44355507-11
XXL	Acct./Billing No. 40235078-30
XXM	Acct./Billing No. 40235108-30
XXN	Acct./Billing No. 31366335-56
XXO	Acct./Billing No. 41450126-25
XXP	Acct./Billing No. 31369377-56
XXQ	Acct./Billing No. 31366734-56
XXR	Acct./Billing No. 31367013-56
XXS	Acct./Billing No. 101215743-113
XXT	Acct./Billing No. 101416934-110
XXU	Acct./Billing No. 31367544-56
XXV	Acct./Billing No. 40235078-29
XXW	Acct./Billing No. 31364316-56
XXX	Acct./Billing No. 37474865-40
XXY	Acct./Billing No. 101215651-113
XXZ	Invoice # 15009874687

Invoices – Supporting documents for input VAT

YYA	Invoice # 15009899304
YYB	Invoice # 15009899334
YYC	Invoice # 15009899332
YYD	Invoice # 15009899328
YYE	Invoice # 15009899331
YYF	Invoice # 15009899326
YYG	Invoice # 15009978625
YYH	Invoice # 15010003268
YYI	Invoice # 15010003270
YYJ	Invoice # 15009899333
YYK	Invoice # 15010003269
YYL	Invoice # 15010003262
YYM	Invoice # 15010003267
YYN	Invoice # 15010003240
YYO	Invoice # 15010003264
YYP	Invoice # 15010083137
YYQ	Invoice # 15010107748
YYR	Invoice # 15010107776
YYS	Invoice # 15010107775
YYT	Invoice # 15010107772
YYU	Invoice # 15010107770
YYV	Invoice # 15010107777
YYW	Invoice # 15010107778
YYX	Invoice # 15010742325
YYY	Invoice # 15010742327
YYZ	Invoice # 15010742328

Supporting documents for input VAT

ZZA	Invoice No. 15010742322
ZZB	Invoice No. 15010742320
ZZC	Invoice No. 15010742326
ZZD	Invoice No. 15010635660
ZZE	Invoice No. 15010717721
ZZF	Invoice No. 15010742298
ZZG	Invoice No. 15010635657
ZZH	Invoice No. 15010635658
ZZI	Invoice No. 15010635659
ZZJ	Invoice No. 15010635652
ZZK	Invoice No. 15010611049
ZZL	Invoice No. 15010635654
ZZM	Invoice No. 15010529303
ZZN	Invoice No. 15010529304
ZZO	Invoice No. 15010635630
ZZP	Invoice No. 15010529296
ZZQ	Invoice No. 15010529301
ZZR	Invoice No. 15010529302
ZZS	Invoice No. 15010504705
ZZT	Invoice No. 15010529274
ZZU	Invoice No. 15010529298
ZZW	Batch Entry 13593
ZZX	Batch Entry 12271
ZZX-1	Sales Invoice No. 60741
ZZY	1471 Entry: 2
ZZY-1	Armadillo Official Receipt No. 2272
ZZZ	1473 Entry: 1
ZZZ-1	Armadillo Official Receipt No. 2274
	Supporting documents (Summary of 2006 Accounts Receivable collected in 2007 – with supporting documents)
AAAA	1474 Entry: 1
AAAA-1	Armadillo Official Receipt No. 2275
AAAB	1476 Entry: 1
AAAB-1	Armadillo Official Receipt No. 2279
AAAC	1477 Entry: 2
AAAC-1	Armadillo Official Receipt No. 2281
AAAD	1478 Entry: 1
AAAD-1	Armadillo Official Receipt No. 2282
AAAE	1480 Entry: 1
AAAE-1	Armadillo Official Receipt No. 2291
AAAF	1483 Entry: 1

AAAF-1	Armadillo Official Receipt No. 2294
AAAG	1486 Entry: 1
AAAG-1	Armadillo Official Receipt No. 2297
AAAH	1487 Entry: 1
AAAH-1	Armadillo Official Receipt No. 2298
AAAI	1489 Entry:
AAAI-1	Armadillo Official Receipt No. 2301
AAAJ	1490 Entry: 1
AAAJ-1	Armadillo Official Receipt No. 2302
AAAK	1493 Entry: 1
AAAK-1	Armadillo Official Receipt No. 2305
AAAL	1497 Entry: 2
AAAL-1	Armadillo Official Receipt No. 2309
AAAM	1506 Entry: 2
AAAM-1	Armadillo Official Receipt No. 2314
AAAN	Batch Entry No. 12043
AAAN-1	O.R. No. 0860
AAAN-2	Sales Invoice No. 56525
AAAO	Batch Entry No. 11773
AAAO-1	O.R. # 6222
AAAP	Batch Entry No. 13371
AAAP-1	O.R. No. 2745
AAAQ	Batch Entry No. 12074
AAAQ-1	O.R. # 2557
AAAR	Batch Entry No. 11572
AAAR-1	S.I. # 3162
AAAS	Batch Entry No. 12539
AAAS-1	S.I. # 3409
AAAT	Vehicle Sales Invoice #84293
AAAU	Summary of Payment recorded to Market Research
AAAU-1	Signature
AAAV	Summary of Payment to Market Place Christian Church Multi-Purpose Cooperative
AAAV-1	Signature
AAAW	O.R. # 2911

AAAX	AHI's summary for the increase of PPE signed by authorized representative
AAAX-1	Signature
CCCC	Final Amended ICPA Report dated 12 September 2012
CCCC-1	Signature of the ICPA
DDDD	Amended ICPA Affidavit dated September 18, 2012
DDDD-1	ICPA Signature

On March 14, 2013, respondent filed her Formal Offer of Evidence,[36] offering Exhibits "1" to "14-a", inclusive of sub-markings. In response, petitioner filed its Comment (to Respondent's Formal Offer of Evidence dated March 12, 2013)[37]. In its April 19, 2013 Resolution[38], the Court admitted all exhibits offered by respondent and further ordered both parties to submit their memoranda within thirty (30) days.

The documentary evidence formally offered by respondent are as follows:

Exhibit	Description
1	Revalidation/Reassignment Notice
1-a	Name and signature of Regional Director Alfredo V. Misajon
2	Memorandum Report of Revenue Officer Liza C. Dimaya
2-a	Name and signature of Revenue Officer Liza C. Dimaya
2-b	Name and signature of Group Supervisor Rebecca Victoria B. Martinez
3	Preliminary Assessment Notice dated December 28, 2010 and Details of Discrepancies
3-a	Rubber Stamp Receipt dated December 29, 2010
4	Tentative Financial Statements of Armadillo Holdings, Inc. (December 31, 2007 and 2006)

[36] Docket, pp. 425-428.
[37] Docket, pp. 475-477.
[38] Docket, pp. 480-481.

5	Annual Income Tax Return for taxable year 2007
6	Alphalist of Employees as of December 31, 2007
7	Alphalist of Payees subject to Expanded Withholding Tax as of December 31, 2007
8	Memorandum of Assignment
8-a	Name and signature of Revenue District Officer Corazon M. Montes
9	Certificate of Appearance dated June 13, 2011
10	Notation on the Certificate of Appearance dated June 13, 2011
11	Memorandum Report of Revenue Officer Narissa B. Ty
11-a	Name and signature of Revenue Officer Narissa B. Ty
11-b	Name and signature of Group Supervisor Rebecca Victoria B. Martinez
12	Final Decision on Disputed Assessment dated July 18, 2011 with Details of Discrepancies
13	Judicial Affidavit of Liza C. Dimaya
13-a	Name and signature of Liza C. Dimaya
14	Judicial Affidavit of Narissa B. Ty
14-a	Name and signature of Narissa B. Ty

On July 16, 2013, the case was submitted for decision considering the Memorandum (for the Petitioner)[39] and respondent's Memorandum[40] both filed on June 28, 2013.[41]

The parties submitted the following issues[42] for this Court's resolution:

> "1. Whether or not the Formal Assessment Notice and Formal Letter of Demand issued against petitioner covering the taxable year 2007 is valid.

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[39] Docket, pp. 488-512.
[40] Docket, pp. 513-521.
[41] Docket, p. 524.
[42] Docket, pp. 159-160.

> 2. Whether or not respondent has observed due process in the issuance of the Assessment Notice/Formal Letter of Demand against petitioner.
>
> 3. Whether or not the right of respondent to assess petitioner for alleged deficiency Value Added Tax and Withholding Tax subject matter of this case has prescribed.
>
> 4. Whether or not petitioner is liable for alleged DEFICIENCY in Income Tax in the amount of Php23,708,554.47, Value Added Tax in the amount of Php7,930,740.73 and Expanded Withholding Tax in the amount of Php58,858.30, all covering taxable year 2007.
>
> 5. Whether or not the Formal Assessment Notice has become final and executory."

The enumerated issues boil down to whether petitioner is liable for deficiency income tax, VAT, and EWT for the taxable year 2007.

However, the Court shall first address the question of prescription.

Section 203 of the National Internal Revenue Code (NIRC) of 1997, as amended, mandates that respondent should issue an assessment for deficiency taxes within three (3) years from the last day prescribed by law to file the tax return or the actual date of filing of such return, whichever comes later. Any assessment notice issued beyond this three-year prescriptive period shall not be valid save in certain cases, to wit:

> "SEC. 203. *Period of Limitation Upon Assessment and Collection.* - Except as provided in Section 222, **internal revenue taxes shall be assessed within three (3) years after the last day prescribed by law for the filing of the return**, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: *Provided,* That in a case where a return is filed

> beyond the period prescribed by law, the three (3)-year period shall be counted from the day the return was filed. For purposes of this Section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day." *(Emphasis supplied)*

Since the instant case involves deficiency income tax, VAT and EWT, the basis for the three-year prescriptive period varies accordingly.

Income Tax

As to the income tax, Section 77(B) of the NIRC of 1997, as amended, provides that the three-year period shall commence from the fifteenth (15^{th}) day of April, or the fifteenth (15^{th}) day of the fourth (4^{th}) month following the close of the fiscal year, as the case may be.

> "SEC. 77. *Place and Time of Filing and Payment of Quarterly Corporate Income Tax.* –
>
> xxx xxx xxx
>
> (B) *Time of Filing the Income Tax Return*. - The corporate quarterly declaration shall be filed within sixty (60) days following the close of each of the first three (3) quarters of the taxable year. The final adjustment return shall be filed on or before the fifteenth (15^{th}) day of April, or on or before the fifteenth (15^{th}) day of the fourth (4^{th}) month following the close of the fiscal year, as the case may be."

Value-added Tax

In the case of VAT, the filing of Quarterly VAT Returns must be made within twenty-five (25) days after the close of each taxable quarter prescribed for each taxpayer. Hence, if the return was filed earlier than the last day allowed by law, the period to assess shall still be counted from the last day prescribed by law for filing of the return. However, if the return was filed beyond the period prescribed by law, the three-year period shall be counted from the day the return was filed. Section 114(A) of the NIRC of 1997 provides:

> "SEC. 114. *Return and Payment of Value-added Tax.* -
>
> (A) *In General.* - Every person liable to pay the value-added tax imposed under this Title shall file a quarterly return of the amount of his gross sales or receipts within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer: *Provided, however*, That VAT-registered persons shall pay the value-added tax on a monthly basis."

Expanded Withholding Tax

Section 58 of the NIRC of 1997, as amended, provides that:

> "SEC. 58. *Returns and Payment of Taxes Withheld at Source.* - (A) *Quarterly Returns and Payments of Taxes Withheld.* - Taxes deducted and withheld under Section 57 by withholding agents shall be covered by a return and paid to, except in cases where the Commissioner otherwise permits, an authorized Treasurer of the city or municipality where the withholding agent has his legal residence or principal place of business, or where the withholding agent is a corporation, where the principal office is located.
>
> The taxes deducted and withheld by the withholding agent shall be held as a special fund in trust for the government until paid to the collecting officers.
>
> The return for final withholding tax shall be filed and the payment made within twenty-five (25) days from the close of each calendar quarter, while the return for creditable withholding taxes shall be filed

and the payment made not later than the last day of the month following the close of the quarter during which withholding was made: *Provided*, That the Commissioner, with the approval of the Secretary of Finance, may require these withholding agents to pay or deposit the taxes deducted or withheld at more frequent intervals when necessary to protect the interest of the government."

Further, Sections 2.58(A)(2) and 2.81 of Revenue Regulations No. 2-98[43] dated April 17, 1998, as amended by Revenue Regulations No. 06-01[44] dated July 31, 2001, and Revenue Regulations No. 17-03[45] dated March 31, 2003 provide for the period for filing the required returns, to wit:

"REVENUE REGULATIONS NO. 06-01

xxx xxx xxx

SECTION 4. *Time for Filing of Withholding Tax and Value-Added Tax Returns and the Payment of Taxes Due Thereon.* - The time for filing of the various tax returns as indicated below and the payment of the taxes due thereon shall be revised in accordance with the appropriate amendments to the existing regulations, as presented below.

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[43] Implementing Republic Act No. 8424, "An Act Amending The National Internal Revenue Code, as Amended, "Relative to the Withholding on Income Subject to the Expanded Withholding Tax and Final Withholding Tax, Withholding of Income Tax on Compensation, Withholding of Creditable Value-Added Tax and Other Percentage Tax".

[44] Amending Pertinent Provisions of Revenue Regulations Nos. 1-98, 2-98, as Amended, and 7-95, as Amended, and Revenue Memorandum Circular No. 1-98 Relative to the Inclusion of Additional Taxpayers to be Subject to Final Withholding Tax, Revision of the Withholding Tax Rates on Certain Income Payments Subject to Creditable Withholding Tax, Time for the Filing of Various Tax Returns and Payment of the Taxes Due Thereon and Others.

[45] Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as Amended, Providing for Additional Transactions Subject to Creditable Withholding Tax; Re-Establishing the Policy that the Capital Gains Tax on the Sale, Exchange or Other Disposition of Real Property Classified as Capital Assets Shall be Collected as a Final Withholding Tax, Thereby Further Amending Revenue Regulations Nos. 8-98 and 13-99, as Amended by Revenue Regulations No. 14-2000; and for Other Purposes.

(1) Sections 2.58(A)(2) and 2.81 of Revenue Regulations No. 2-98, as amended, are hereby further amended to read as follows:

xxx xxx xxx

'SECTION 2.81. *FILING OF RETURN AND PAYMENT OF INCOME TAX WITHHELD ON COMPENSATION (FORM NO. 1601).* - Every person required to deduct and withhold the tax on compensation, including large taxpayers as determined by the Commissioner, shall make a return and pay such tax on or before the 10th day of the month following the month in which withholding was made to any authorized agent bank within the Revenue District Office (RDO) or in places where there are no agent banks, to the Revenue District Officer of the City or Municipality where the withholding agent/employer's legal residence or place of business or office is located; provided, however, that taxes withheld from the last compensation (December) for the calendar year shall be paid not later than January 15 of the succeeding year; *Provided, however*, that with respect to taxpayers, whether large or non-large, who availed of the EFPS, the deadline for electronically filing the aforesaid withholding tax return and paying the tax due thereon via the EFPS shall be five (5) days later than the deadlines set above.' "

"REVENUE REGULATIONS NO. 17-03

xxx xxx xxx

SECTION 5. *Returns and Payments of Taxes Withheld at Source.* - Section 2.58 of Revenue Regulations No. 2-98, as amended, is hereby further amended to read as follows:

'Sec. 2.58. RETURNS AND PAYMENT OF TAXES WITHHELD AT SOURCE.

(A) *Monthly return and payment of taxes withheld at source*. -

xxx xxx xxx

(2) WHEN TO FILE -

(a) For both large and non-large taxpayers, the withholding tax return, whether creditable or final (including final withholding taxes on interest from any currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements) shall be filed and payments should be made, within ten (10) days after the end of each month, except for taxes withheld for the month of December of each year, which shall be filed on or before January 15 of the following year; and except for the final capital gains tax on the sale or other onerous disposition of real property considered as capital asset which must be taken/withheld from the seller by the buyer and remitted within thirty (30) days from the date of notarization of the transfer document to the collecting agent of the RDO having jurisdiction over the place where the property is located.

Nonetheless, in case of disposition of real property classified as capital asset by an individual to the government, the tax to be imposed shall be determined either under the normal income tax rate imposed in Sec. 24(A) or under a final capital gains tax of six percent (6%) imposed under Sec. 24(D)(1) of the Code, at the option of the taxpayer-seller. Thus, if the seller chooses the first option, the buyer does not have to withhold the six percent (6%) final capital gains tax but no Certificate Authorizing Registration shall be issued for the transaction until the seller or the buyer shows the seller's filed income tax return reflecting the result of the subject real estate transaction.

(b) With respect, however, to taxpayers, whether large or non-large, who availed of the electronic filing and payment system (EFPS), the deadline for electronically filing the applicable withholding tax returns and paying the taxes due thereon via the EFPS shall be five (5) days later than the deadlines set above, unless the EFPS regulations provide for different deadline dates and except for the final capital gains tax on the sale, barter or exchange of real property where the law fixes a definite deadline for the payment thereof."

From the foregoing, the basis of the three-year prescriptive period is reckoned on the tenth (10th) day of the month following the month the withholding was made, except for taxes withheld for the month of December which shall be filed and paid on or before January 15 of the succeeding year or the actual date of filing of such return, whichever comes later.

The table below will help shed light into the reckoning date of the three-year period to assess:

Deficiency Taxes	Last Day to File Return	Actual Date of Filing	Last Day to Assess
IT	April 15, 2008	April 15, 2008[46]	April 15, 2011
VAT	April 25, 2007	April 24, 2007[47]	April 25, 2010
	July 25, 2007	July 23, 2007[48]	July 25, 2010
	October 25, 2007	October 23, 2007[49]	October 25, 2010
	January 25, 2008	January 25, 2008[50]	January 25, 2011
EWT	February 10, 2007	February 12, 2007[51]	February 12, 2010
	March 10, 2007	March 12, 2007[52]	March 12, 2010
	April 10, 2007	April 10, 2007[53]	April 10, 2010
	May 10, 2007	May 11, 2007[54]	May 11, 2010
	June 10, 2007	June 12, 2007[55]	June 12, 2010
	July 10, 2007	July 10, 2007[56]	July 10, 2010
	August 10, 2007	August 8, 2007[57]	August 10, 2010
	September 10, 2007	September 7, 2007[58]	September 10, 2010

c

[46] Exhibit "KK".
[47] Exhibit "AA".
[48] Exhibit "BB.
[49] Exhibit "CC".
[50] Exhibit"DD".
[51] BIR Form No. 1601-E, BIR Records, p. 21.
[52] BIR Form No. 1601-E, BIR Records, p. 25.
[53] BIR Form No. 1601-E, BIR Records, p. 31.
[54] BIR Form No. 1601-E, BIR Records, p. 37.
[55] BIR Form No. 1601-E, BIR Records, p. 44.
[56] BIR Form No. 1601-E, BIR Records, p. 48.
[57] BIR Form No. 1601-E, BIR Records, p. 52.

	October 10, 2007	October 9, 2007[59]	October 10, 2010
	November 10, 2007	November 9, 2007[60]	November 10, 2010
	December 10, 2007	December 7, 2007[61]	December 10, 2010
	January 15, 2008	January 11, 2008[62]	January 15, 2011

Respondent issued and sent the Formal Letter of Demand/Final Assessment Notice on January 14, 2011, and since assessment is deemed made when notice to this effect is released, mailed or sent to the taxpayer,[63] the three-year period within which to asses a taxpayer shall be counted therefrom. Consequently, only the income tax, the value-added tax for the 4th quarter, and the expanded withholding tax for the month of December can be the proper subject of respondent's assessments.

In the case of *Commissioner of Internal Revenue vs. FMF Development Corporation*,[64] the Supreme Court held that:

> "Under Section 203 of the NIRC, internal revenue taxes must be assessed within three years counted from the period fixed by law for the filing of the tax return or the actual date of filing, whichever is later. This mandate governs the question of prescription of the government's right to assess internal revenue taxes primarily to safeguard the interests of taxpayers from unreasonable investigation. **Accordingly, the government must assess internal revenue taxes on time so as not to extend indefinitely the period of assessment and deprive the taxpayer of the assurance that it will no longer be subjected to further investigation for taxes after the expiration of reasonable period of time**." *(Emphasis supplied)*

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[58] BIR Form No. 1601-E, BIR Records, p. 56.
[59] BIR Form No. 1601-E, BIR Records, p. 60.
[60] BIR Form No. 1601-E, BIR Records, p. 64.
[61] BIR Form No. 1601-E, BIR Records, p. 68.
[62] BIR Form No. 1601-E, BIR Records, p. 72.
[63] *Basilan Estates, Inc. vs. The Commissioner of Internal Revenue, et. al.,* G.R. No. L-22492, September 5, 1967.
[64] G.R. No. 167765, June 30, 2008.

The Court shall now proceed to determine the merits of the assessments involving petitioner's deficiency income tax for the year 2007 and deficiency VAT for the fourth quarter of 2007.

In respondent's FDDA[65] dated July 18, 2011, petitioner was found liable for the following deficiency internal revenue taxes for the taxable year 2007 in the total amount of ₱31,698,153.50, inclusive of 20% interest per annum up to August 31, 2011:

TAX TYPE	BASIC	INTEREST	TOTAL
Income Tax	₱14,153,782.11	₱9,554,772.36	₱ 23,708,554.47
VAT	4,612,365.15	3,318,375.58	7,930,740.73
EWT	34,122.30	24,736.00	58,858.30
			₱31,698,153.50

I. DEFICIENCY INCOME TAX - ₱23,708,554.47

Respondent computed the deficiency income tax in the amount of ₱23,708,554.47 as follows:

Taxable Income (Loss) per Return		₱ (1,222,485.80)
Add: Adjustments		
Disallowed salaries and wages due to non-withholding of tax	₱ 1,331,450.31	
Unaccounted income payments	20,880,331.95	
Undeclared revenue	6,043,841.73	28,255,623.99
Total		₱ 27,033,138.19
Add: Net operating loss carry-over (NOLCO)		1,222,485.80
Total Adjusted taxable income		₱ 28,255,623.99
Tax Due		₱ 9,889,468.40
Less: Tax Credits/Payments per Return		
Prior year's excess credits	₱ 19,672,994.60	
Creditable tax withheld per BIR Form No. 2307	4,264,313.71	
Total	₱ 23,937,308.31	
Less: Unsupported creditable tax withheld	4,264,313.71	
Excess minimum corporate income tax carry-over	248,421.42	
Excess credit carried-over to succeeding period	23,688,886.89	(4,264,313.71)
Basic deficiency tax		₱ 14,153,782.11
Add: Interest (4/16/08 to 8/31/11)		9,554,772.36
TOTAL AMOUNT DUE		**₱23,708,554.47**

[65] Exhibit "A".

As can be gleaned from the above computation, the assessment arose from the following items:

1. Disallowed salaries and wages due to non-withholding of tax	₱ 1,331,450.31
2. Unaccounted income payments	20,880,331.95
3. Undeclared revenue	6,043,841.73
4. Net operating loss carry-over (NOLCO)	1,222,485.80
5. Excess minimum corporate income tax carry-over	248,421.42
6. Excess credit carried-over to succeeding period	23,688,886.89
7. Unsupported creditable tax withheld	4,264,313.71

1. Disallowed Salaries and Wages due to non-withholding of tax - ₱1,331,450.31

Invoking Section 34(K) of the NIRC of 1997, as amended, respondent disallowed petitioner's claimed salaries and wages in the amount of ₱1,331,450.31, which was computed by comparing the salaries and wages per petitioner's income tax return (ITR) as against its Alphalist, as shown below:

Salaries and wages per ITR	₱ 55,374,798.44
Less: Salaries and wages per Alphalist	54,043,348.13
Disallowed salaries and wages for non-withholding of tax	**₱1,331,450.31**

Petitioner alleges that the amount of salaries and wages per ITR stated in the FLD is inaccurate and should be ₱55,280,455.83 per its records instead of ₱55,374,798.44. The difference should only be ₱1,237,108.10 instead of ₱1,331,450.31, which can be reconciled as follows:

Salaries and wages per Alphalist		₱ 54,043,348.73
Add/(Less):	Retirement Pay contribution included in Alphalist	(1,299,104.39)
	Accrual of 2006 SL/VL balance released in 2007	(1,671,297.21)
	Expenses not subject to withholding tax	3,355,475.98
	Accrual of 2007 SL/VL balance released in 2008	852,033.72
	Total	₱ 55,280,455.83
Salaries and wages per ITR (correct)		**₱55,280,455.83**
Difference		**0**

Petitioner then explains the above reconciling items in the following manner:[66]

> "28.1 The retirement pay amounting to ₱1,299,104.39 pertains to Petitioner's disbursements for its noncontributory and defined benefit retirement plan covering substantially all its officers and employees. Such expenses should not have been included as part of salaries and wages in the Alphalist but the petitioner inadvertently included the same. Thus, the same is not subject to withholding taxes on compensation and should be allowed as a deduction from gross income pursuant to Section 34(J) of the Tax Code, as amended.
>
> 28.2 Accrual for 2006 paid in 2007 amounting to ₱1,671,297.21 pertains to accruals for 2006 for vacation/sick leave conversion that was paid in 2007 wherein the corresponding withholding tax was paid in 2007, thus, should be deducted from the salaries and wages per alphalist of 2007.
>
> 28.3 With regard to the expenses that was not included in the Alphalist amounting to ₱3,355,475.98, the same pertains to payment contribution to SSS, Medicare, Pag-ibig contributions and union dues in line with its policy of uplifting the general welfare and benefits of its employees. The said payments or benefits paid provided by the Petitioner for its employees are tax-exempt, and thus, should not be subject to withholding tax. Thus, should be included in the salaries and wages in the alphalist for 2007.
>
> 28.4 Accrual for 2007 paid in 2008 amounting to ₱852,033.72 pertains to accruals for 2007 for vacation/sick leave conversion that was paid in 2008 wherein the corresponding withholding tax was paid in 2008, thus, should be considered in the salaries and wages per alphalist of 2007 for reconciliation with the salaries and wages per ITR."

---

[66] Petition for Review, Docket, p. 15.

This Court finds the disallowance proper. A perusal of petitioner's Annual Income Tax Return[67] for the taxable year 2007 shows that the amount of ₱55,374,798.44 and not ₱55,280,455.83 was reflected as Direct Charges-Salaries, Wages and Benefits.

Based on its reconciliation schedule, petitioner deducted from the amount of ₱54,043,348.73 salaries and wages per Alphalist, the amounts of ₱1,299,104.39 and ₱1,671,297.21 representing alleged retirement pay and accrual for 2006 for vacation/sick leave conversion that was paid in 2007, respectively, indicating that these figures were included per Alphalist but did not form part of its alleged salaries and wages of ₱55,280,455.83 per its 2007 ITR.

Petitioner submitted documents proving payment of the amount of ₱1,203,459.75 as retirement pay to the following employees:

PAYEE	**AMOUNT**	**EXHIBIT**
Maida S. Briones	₱ 456,093.75	"LL" to "LL-2"
Lito L. Aldecoa	132,050.00	"MM" to "MM-2"
Evelyn Cacayan	418,000.00	"NN" to "NN-2"
Lydia Nuguit	197,316.00	"OO" to "OO-2"
TOTAL	**₱1,203,459.75**	

While the aforesaid retirement pay was included in petitioner's Alphalist, petitioner however failed to establish that the same did not form part of its claimed salaries and wages per ITR.

As regards the alleged 2006 accrual of sick leave/vacation leave (SL/VL) in the amount of ₱1,671,297.21 that was paid in 2007, no document was presented by petitioner in order for this Court to validate the said amount. Neither did petitioner provide a schedule as reference thereof.

[67] Exhibit "KK", Schedule 3, Line 46.

In its reconciliation schedule, petitioner also added to the ₱54,043,348.73 salaries and wages per Alphalist, the amounts of ₱3,355,475.98 and ₱852,033.72 supposedly representing expenses not subject to withholding tax and accrual of 2007 SL/VL balance released in 2008, respectively, signifying that these were not included in its Alphalist but were claimed as part of its salaries and wages per ITR.

Petitioner avers that the amount of ₱3,355,475.98 pertains to the employer's share of SSS, Philhealth and Pag-ibig contributions and other benefits for its employees which are tax-exempt.

Indeed, contributions remitted to SSS, Medicare (Philhealth), and Pag-ibig are excluded from the computation of taxable income, thus, not subject to withholding tax. Section 32(B)(7) of the NIRC of 1997, as amended, provides:

> "SEC. 32. *Gross Income*. –
>
> xxx xxx xxx
>
> (B) *Exclusions from Gross Income*. – The following items shall not be included in gross income and shall be exempt from taxation under this title:
>
> xxx xxx xxx
>
> (7) *Miscellaneous Items*. –
>
> xxx xxx xxx
>
> (f) *GSIS, SSS, Medicare and Other Contributions*. – GSIS, SSS, Medicare and Pag-ibig contributions, and union dues of individuals."

However, other than the Tentative Trial Balance[68] as of December 31, 2007, nothing more was presented by petitioner to establish its claim. Petitioner should have submitted proof of remittance of contributions to SSS, Philhealth, and Pag-ibig.

Regarding the alleged accrual of 2007 SL/VL, petitioner's Tentative Trial Balance as of December 31, 2007 shows the following debits to sick leave/vacation leave totaling to ₱740,240.65:

ACCOUNT NO.	DESCRIPTION	DEBIT
51207-508-1000-EXE	Sick Leave/Vacation Leave HRD	₱ 33,781.96
51207-508-1101-FIN	Sick Leave/Vacation Leave ACT	260,201.83
51207-508-1104-FIN	Sick Leave/Vacation Leave TRS	20,474.56
51207-508-1107-FIN	Sick Leave/Vacation Leave LBK	6,708.78
51207-508-1200-EXE	Sick Leave/Vacation Leave ADM	147,317.70
51207-508-1201-EXE	Sick Leave/Vacation Leave MMD	51,706.80
51207-508-1501-CPL	Sick Leave/Vacation Leave PMG	146,033.07
51207-508-1705-CPL	Sick Leave/Vacation Leave PMD	5,200.38
51207-508-1800-CPL	Sick Leave/Vacation Leave MIS	68,815.57
TOTAL		**₱740,240.65**

While Section 2.79(A) of RR No. 2-98, as amended, requires the withholding of tax upon payment of compensation and not upon accrual thereof, petitioner failed to present documents proving that the compensation of ₱740,240.65 was merely accrued as of December 31, 2007. No supporting documents were submitted by petitioner to show that the amount of ₱740,240.65 was paid in the next taxable year.

Considering petitioner's failure to reconcile the discrepancy of ₱1,331,450.31 in its salaries and wages as

[68] Exhibit "JJ".

reflected in its Alphalist and as shown in its ITR, respondent's disallowance of the said amount shall be upheld.

2. Unaccounted Income Payments - ₱20,880,331.95

Respondent's examiner compared the income payments per petitioner's ITR/financial statements (FS) as against those shown per petitioner's Alphalist and considered the difference in the amount of ₱20,880,331.95 as petitioner's undeclared income, computed as follows:

INCOME PAYMENTS		PER ITR/FS	PER ALPHALIST	UNACCOUNTED
Professional fees		₱ 1,109,825.95	₱ 1,405,152.20	₱ (295,326.25)
Rentals		-	51,740.00	(51,740.00)
Prime contractors & sub-contractors/Purchase of local services				
Security services	₱ 509,287.52			
Outside services	3,080,802.28			
Advertising	25,000.00			
Insurance	128,515.61			
Communication, light and water	536,229.94			
Association dues	67,816.18			
Miscellaneous	441,393.29			
Direct Charges – Others	4,298,161.13	9,087,205.95	29,620,471.65	(20,533,265.70)
Total		**₱10,197,031.90**	**₱31,077,363.85**	**(₱20,880,331.95)**

This Court is not convinced.

Since the expenses reflected per petitioner's Alphalist were higher than the amounts reported in its ITR/FS, respondent concluded that the difference pertains to petitioner's undeclared income. By doing so, respondent merely relied on assumptions without obtaining any evidence corroborating such findings. This is contrary to the doctrine laid down by the Supreme Court in the case of *Collector of Internal Revenue vs. Benipayo*,[69] wherein it was held that:

[69] G.R. No. L-13656, January 31, 1962.

> "(A)n assessment fixes and determines the tax liability of a taxpayer. As soon as it is served, an obligation arises on the part of the taxpayer concerned to pay the amount assessed and demanded. Hence, assessments should not be based on mere presumptions no matter how reasonable or logical said presumptions may be. xxx
>
> In order to stand the test of judicial scrutiny, the assessment must be based on actual facts. The presumption of correctness of assessment being a mere presumption cannot be made to rest on another presumption xxx"

Even if these alleged unaccounted income payments are to be treated as income, the same shall be offset by reporting the equivalent payments as expenses. Hence, no taxable income will result from the said transactions, as illustrated below:

Undeclared income from unaccounted income payments:			
	Professional fees	₱ 295,326.25	
	Rentals	51,740.00	
	Prime contractors & sub-contractors/Purchase of local services		
	Security services	509,287.52	
	Outside services	3,080,802.28	
	Advertising	25,000.00	
	Insurance	128,515.61	
	Communication, light and water	536,229.94	
	Association dues	67,816.18	
	Miscellaneous	441,393.29	
	Direct Charges – Others	4,298,161.13	₱20,880,331.95
Less:	Undeclared expenses		
	Professional fees	₱ 295,326.25	
	Rentals	51,740.00	
	Prime contractors and sub-contractors/Purchase of local services		
	Security services	509,287.52	
	Outside services	3,080,802.28	
	Advertising	25,000.00	
	Insurance	128,515.61	
	Communication, light and water	536,229.94	
	Association dues	67,816.18	
	Miscellaneous	441,393.29	
	Direct Charges – Others	4,298,161.13	20,880,331.95
Taxable Income			₱ -

For lack of factual basis, the deficiency income tax assessment pertaining to the alleged undeclared income from unaccounted income payments of ₱20,880,331.95 should be cancelled.

3. Undeclared Revenue - ₱6,043,841.73

The alleged undeclared income of petitioner in the amount of ₱6,043,841.73 was based on the examiner's analysis of petitioner's Accounts Receivable beginning and ending balances, as shown below:

Accounts receivable, beginning (net of VAT)	₱ 39,970,823.21
Add: Revenue during the year	72,094,025.00
Total	₱ 112,064,848.21
Less: Accounts receivable, ending (net of VAT)	98,202,540.18
Gross receipts per review	₱ 13,862,308.04
Gross receipts per VAT returns	19,906,149.77
Undeclared Revenue	**(₱6,043,841.73)**

As correctly found by the Court-commissioned Independent CPA, respondent's computation of the undeclared income is based on petitioner's Unaudited FS and that respondent picked up the amount of "Trade & Other Receivables" (net of VAT) per Tentative Balance Sheets[70] as of December 31, 2007 and December 31, 2006.

A scrutiny of petitioner's Tentative Trial Balance[71] as of December 31, 2007 reveals that the Accounts Receivable, ending (net of VAT) in the amount of ₱98,202,540.18 per the examiner's computation comprised of the following:

	INCLUSIVE OF VAT	NET OF VAT
A/R Trade – Management	₱ 102,399,091.79	₱ 91,427,760.53
A/R Non-Trade Clearing Account	(1,368,918.86)	(1,222,248.98)
Advances to Officers & Employees	84,693.55	75,619.24
Receivable from Employees	559,615.92	499,657.07
A/R Non-Trade Others	8,312,362.32	7,421,752.07
Total	**₱109,986,844.72**	**₱98,202,539.93**

[70] Exhibit "O".
[71] Exhibit "JJ".

Based on the table above, the Advances to Officers and Employees in the amount of ₱75,619.24 and Receivable from Employees in the amount of ₱499,657.07 shall be excluded in determining petitioner's taxable gross receipts. Thus, the Accounts Receivable, ending (net of VAT) for purposes of computing petitioner's taxable gross receipts amounts to ₱97,627,263.62, broken down as follows:

	INCLUSIVE OF VAT	NET OF VAT
A/R Trade – Management	₱ 102,399,091.79	₱ 91,427,760.53
A/R Non-Trade Clearing Account	(1,368,918.86)	(1,222,248.98)
A/R Non-Trade Others	8,312,362.32	7,421,752.07
TOTAL	**₱109,342,535.25**	**₱97,627,263.62**

It is to be noted that the A/R Non-Trade Clearing Account in the amount of (₱1,222,248.98) and A/R Non-Trade Others in the amount of ₱7,421,752.07 were included in the balance of Accounts Receivable, ending (net of VAT) because petitioner failed to explain the actual nature thereof.

On the other hand, the composition of the Accounts Receivable, beginning (net of VAT) in the amount of ₱39,970,823.21 per the examiner's computation cannot be verified from the records because petitioner did not submit its Tentative Trial Balance as of December 31, 2006. As a result, the amount of ₱39,970,823.21 used by respondent's examiner as Accounts Receivable, beginning (net of VAT) shall remain.

Adopting the examiner's method in computing the purported undeclared revenue but using the amount of ₱39,970,823.21 as Accounts Receivable, beginning (net of VAT) and the amount of ₱97,627,263.62 as Accounts Receivable, ending (net of VAT), petitioner's gross receipts per review would be ₱14,437,584.59, which is an amount lower by ₱5,468,565.18 when compared with the gross receipts of ₱19,906,149.77 declared per petitioner's 2007 Quarterly VAT Returns, thus:

Accounts receivable, beginning (net of VAT)	₱ 39,970,823.21
Add: Revenue during the year	72,094,025.00
Total	₱112,064,848.21
Less: Accounts receivable, ending (net of VAT)	97,627,263.62
Gross receipts per review	₱ 14,437,584.59
Gross receipts per VAT returns	19,906,149.77
Difference	**(₱5,468,565.18)**

Since petitioner failed to account for the discrepancy in gross receipts of ₱5,468,565.18, the same shall be treated as petitioner's undeclared revenue for the taxable year 2007. Consequently, petitioner shall be held liable to pay the corresponding deficiency income tax.

4. **Net operating loss carry-over (NOLCO) - ₱1,222,485.80**
5. **Excess minimum corporate income tax carry-over - ₱248,421.42**
6. **Excess credit carried over to succeeding period - ₱23,688,886.89**

Respondent treated the NOLCO of ₱1,222,485.80, Minimum Corporate Income Tax (MCIT) of ₱248,421.42, and excess credits of ₱23,688,886.89 as additions to petitioner's taxable income for the year 2007 on the basis that the tax benefit therefrom had already been forwarded to the succeeding years.

However, respondent failed to present evidence to prove that petitioner used its 2007 net loss as NOLCO in the succeeding year. Assuming *arguendo* that petitioner actually deducted its 2007 net loss as NOLCO in the succeeding year and the said deduction was not proper as petitioner did not incur net loss, the same can only be the subject of assessment when it was claimed as deduction in the succeeding year and not in the year 2007, for such is beyond the scope of the present assessment. Hence, adding back the net loss amount of ₱1,222,485.80 to petitioner's taxable income for the year 2007 is erroneous.

The same holds true with the MCIT of ₱248,421.42 and excess tax credits of ₱23,688,886.89. It was improper for respondent to disallow the said amounts because any tax benefit derived by petitioner from the carry-over redounds to the succeeding year 2007. Since the tax benefit will be in the succeeding year, at most, petitioner may only be assessed in the said succeeding year.

7. Unsupported creditable tax withheld - ₱4,264,313.71

Respondent disallowed petitioner's claimed creditable tax withheld in the amount of ₱4,264,313.71 on the ground that it was not supported with sufficient evidence in violation of Section 2.58.3(B) of Revenue Regulations No. 02-98, as amended.

To refute respondent's findings, petitioner submitted various Certificates of Creditable Tax Withheld at Source (BIR Form No. 2307)[72] for the year 2007 which were examined by the Independent CPA.

As aptly found by the Independent CPA, the certificates reflected creditable withholding taxes in the amount of ₱6,531,002.36,[73] which far exceeds the amount of ₱4,264,313.71 disallowed by respondent. As a consequence, petitioner may validly claim the amount of ₱4,264,313.71 as tax credits for the year 2007.

In sum, notwithstanding petitioner's disallowed salaries and wages in the amount of ₱1,331,450.31 and undeclared revenues of ₱5,468,565.18, the income tax due thereon

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[72] Exhibits "BL" to "BY".
[73] Exhibit "C4", Annex "I".

shall be offset against petitioner's total tax credits of ₱23,937,308.31. *Ergo*, petitioner would not be liable for any deficiency income tax for the taxable year 2007, as shown below:

Net Loss per ITR		₱ (1,222,485.80)
Add:	Adjustments/Disallowances	
	Disallowed Salaries and Wages due to non-withholding of tax	1,331,450.31
	Undeclared Revenue	5,468,565.18
Taxable Income per Investigation		₱ 5,577,529.69
Income Tax at 35%		₱ 1,952,135.39
Less:	Tax Credits	
	Prior Year's Excess Credits	₱ 19,672,994.60
	Creditable Tax Withheld per BIR Form No. 2307	4,264,313.71
	Total Tax Credits	₱ 23,937,308.31
Income Tax Overpayment		**(₱21,985,172.92)**

II. DEFICIENCY VAT

Respondent computed the deficiency VAT assessment of ₱7,930,740.73 by adding the alleged unaccounted income payments in the amount of ₱20,880,331.95 to petitioner's VATable sales per VAT returns for the year 2007, by disallowing petitioner's claimed input taxes in the amount of ₱2,106,725.31, and by adding back petitioner's excess input tax credit carried over to succeeding period in the amount of ₱365,863.29, as shown below:

VATable sales per VAT returns			₱19,906,149.77
Add:	Unaccounted income payments		20,880,331.95
Taxable Sales per audit			₱40,786,481.72
Output Tax			₱ 4,894,377.81
Less:	Creditable Input Tax		
	Input tax for the year	₱ 2,106,725.31	
Less:	Disallowed Input Tax	2,106,725.31	
	Excess credit carried over to succeeding period	365,863.29	(365,863.29)
VAT Due			₱ 5,260,241.10
Less:	VAT payments		647,875.95

Deficiency Value-added Tax			₱ 4,612,365.15
Add :	Interest (1/26/08 to 8/31/11)		3,318,375.58
TOTAL AMOUNT DUE			**₱7,930,740.73**

1. Unaccounted Income Payments - ₱20,880,331.95

This assessment was based on the same finding under the deficiency income tax assessment that there were expenses per petitioner's Alphalist, the sources of which were not accounted for in its ITR/FS. Respondent concluded that petitioner had earned income which it failed to declare.

As discussed earlier, the assessment is devoid of merit as it was based merely on respondent's inference that the difference between the expenses reflected per petitioner's Alphalist *vis-à-vis* the amounts reported in its ITR/FS represents petitioner's alleged undeclared income.

2. Excess input tax carried over to succeeding period - ₱365,863.29

Finding that petitioner's excess input tax of ₱365,863.29 was carried over to the succeeding year, respondent disallowed the said amount from petitioner's total allowable tax credit for the year 2007.

It was improper for respondent to disallow the amount of ₱365,863.29 because any tax benefit derived by petitioner from the carry-over of the said amount redounds to the succeeding year 2008. Hence, at most, petitioner may only be assessed in the said succeeding year.

3. Disallowed Input Tax - ₱2,106,725.31

Respondent disallowed petitioner's claimed input VAT related to all its purchases during the year in the amount of ₱2,106,725.31 due to alleged failure of petitioner to substantiate the claim with valid evidence pursuant to Sections 110 and 113 of the NIRC of 1997, as amended. Since the deficiency VAT assessment for the first three quarters of 2007 already prescribed, only the amount corresponding to the fourth quarter of 2007 shall be considered for review.

In its Quarterly VAT Return filed with the BIR for the fourth quarter of 2007, petitioner reflected the following:

Exh.	Year 2007	VATable Sales/ Receipts	Output VAT	Input VAT	Net VAT Payable	Tax Credits/ Payments	Tax Still Payable/ (Overpayment)
"EE"	4th Qtr	7,051,088.33	846,130.60	966,354.33	(120,223.73)	255,681.41	(375,905.14)

The Independent CPA reported that she was able to verify petitioner's VATable purchases of ₱15,994,468.54 with the related input VAT of ₱1,919,336.22[74] for the taxable year 2007.

A careful evaluation of petitioner's supporting documents reveals that out of the ₱1,919,336.22 input VAT for the year 2007 verified by the Independent CPA, only the amount of ₱584,062.90 pertains to the fourth quarter of 2007, detailed as follows:

Date	Supplier	Amount	VAT	Supporting Document	Exhibit
04-Oct-07	Advance Computer Forms, Inc.	1,705.36	204.64	S.I. # 42241	UY-1
04-Oct-07	Kaizen Works & Innovations, Inc.	554.40	66.53	O.R. # 2720	OQ-1
05-Oct-07	Panasonic Manufacturing, Phil. Corp.	36,319.82	4,358.38	O.R. # 6729	AAK-1
05-Oct-07	Integrated Computer Systems, Inc.	2,366.07	283.93	O.R. # 377208	WX-1
05-Oct-07	Mansion Electrical Supply	4,017.86	482.14	O.R. # 12771	MX-1
05-Oct-07	Next Wave Communication	18,571.43	2,228.57	O.R. # 4543	BBJ-1

[74] Exhibit "C4", Annex M.

	Network				
05-Oct-07	RJC Security and Investigation Agency, Inc.	20,792.45	2,495.09	O.R. # 14228	CCL
05-Oct-07	Center for Training & Development, Inc.	13,350.00	1,602.00	O.R. # 4539	DDL
05-Oct-07	Integrated Computer Systems, Inc.	5,062.50	607.50	O.R. # 377205	EEU
11-Oct-07	Kaizen Works & Innovations, Inc.	5,912.55	709.51	O.R. # 2723	OS-1
26-Oct-07	Varken Printing Press	1,696.43	203.57	O.R. # 0206	JJK-1
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529303	ZZM
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529304	ZZN
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529296	ZZP
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529301	ZZQ
**10/10/2007	Philippine Long Distance Telephone Co.	2,236.75	268.41	Invoice No. 15010529302	ZZR
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010504705	ZZS
**10/10/2007	Philippine Long Distance Telephone Co.	1,377.33	165.28	Invoice No. 15010529274	ZZT
**10/10/2007	Philippine Long Distance Telephone Co.	2,383.83	286.06	Invoice No. 15010529298	ZZU
11-Oct-07	Copy Quest Corp.	8,243.83	989.26	O.R. # 020405	IIT-1
11-Oct-07	Imax Technologies, Inc.	3,571.43	428.57	O.R. # 1281	PT-1
11-Oct-07	Dominance IT Solutions	152,142.86	18,257.14	O.R. # 1458	BBM-1
19-Oct-07	E. D. Suarez	857.14	102.86	O.R. # 77446	GGD-1
19-Oct-07	Integrated Computer Systems, Inc.	5,062.50	607.50	O.R. # 372724	GGN-1
19-Oct-07	Mansion Electrical Supply	1,522.32	182.68	O.R. # 12783	MW-1
19-Oct-07	Next Wave Communication Network	4,910.71	589.29	O. R. # 4605	BBK-1
19-Oct-07	Magneto Enterprises	10,714.29	1,285.71	O.R. # 7538	CCD-1
19-Oct-07	RJC Security and Investigation Agency, Inc.	20,440.31	2,452.84	O.R. # 14313	CCJ
19-Oct-07	Pentathlon	12,000.00	1,440.00	O.R # 233	EEG
*10/21/07	Globe Telecom	3,303.58	396.43	Acct./Billing No. 31370022-55	VVJ
*10/21/07	Globe Telecom	1,677.08	201.25	Acct./Billing No. 31367013-55	UUM
26-Oct-07	Panasonic Manufacturing, Phil. Corp.	18,159.91	2,179.19	O.R. # 14467	AAL-1
26-Oct-07	RNV5 Enterprises	11,649.29	1,397.91	O.R. # 174	CI-1

26-Oct-07	Dominance IT Solutions	253,571.43	30,428.57	O.R. # 1471	BBL-1
31-Oct-07	Kaizen Works & Innovations, Inc.	21,131.25	2,535.75	S.I. # 3643	WZ-1
31-Oct-07	Philippine Charter Insurance Corp.	910.00	109.20	O.R. # 357365	EES
Nov 2007	Universal Magazine Exchange Corp.	2,089.29	250.71	O. R. # 10951	CM-1
06-Nov-07	Legend Hotel Intl. Corp.	7,698.44	923.81	O.R. # 40655	AAH-1
09-Nov-07	Kaizen Works & Innovations, Inc.	714.29	85.71	O.R. # 2745	AAAP-1
09-Nov-07	Romeo V. Austria Trading	4,464.29	535.71	O.R. # 77115	FFM-1
09-Nov-07	Dinlys Industrial Sales	1,473.21	176.79	O.R. # 41975	HHF-1
09-Nov-07	Ilium Philippines, Inc.	26,718.75	3,206.25	O.R. # 0649	PS-1
09-Nov-07	Brady Electrical Supply Corp.	4,866.07	583.93	O.R. # 14215	QU-1
09-Nov-07	Tamsons Enterprises, Inc.	3,035.71	364.29	O.R. # 0862	QW-1
09-Nov-07	Dominance IT Solutions	4,285.71	514.29	O.R. # 1478	BBO-1
09-Nov-07	RJC Security and Investigation Agency, Inc.	20,369.64	2,444.36	O.R. # 14344	CCK
**11/10/2007	Philippine Long distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635660	ZZD
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635657	ZZG
**11/10/2007	Philippine Long Distance Telephone Co.	2,421.50	290.58	Invoice No. 15010635658	ZZH
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635659	ZZI
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635652	ZZJ
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010611049	ZZK
**11/10/2007	Philippine Long Distance Telephone Co.	3,267.08	392.05	Invoice No. 15010635654	ZZL
**11/10/2007	Philippine Long Distance Telephone Co.	1,718.58	206.23	Invoice No. 15010635630	ZZO
13-Nov-07	Dominance IT Solutions	334.82	40.18	S.I. # 1686	IIH-1
13-Nov-07	Pentathlon	120,000.00	14,400.00	S.I. # 299	EEF
14-Nov-07	J. Tancio Enterprises, Inc.	6,238.54	748.62	O.R. # 27272	FFD-1
15-Nov-07	Microphase Corp.	41,051.79	4,926.21	O.R. # 11650	AAM-1
15-Nov-07	Microphase Corp.	2,041,526.79	244,983.21	O.R. # 11625	BBQ-1
16-Nov-07	St. Paulina's Marketing	2,290.18	274.82	O.R. # 37627	HHZ-1
16-Nov-07	The Next Wave Communication Network	3,660.71	439.29	O.R. # 4629	VX-1

16-Nov-07	Kaizen Works & Innovations, Inc.	14,493.24	1,739.19	O.R. # 2751	NY-1
16-Nov-07	Dominance IT Solutions	158,750.00	19,050.00	O.R. # 1506	BBN-1
16-Nov-07	Power Coolaire System, Inc.	6,919.64	830.36	O.R. # 0334	CCE-1
16-Nov-07	RJC Security and Investigation Agency, Inc.	22,194.82	2,663.38	O.R. # 14460	CCH
16-Nov-07	Center for Training & Development, Inc.	13,350.00	1,602.00	O.R. # 4659	DDM
16-Nov-07	Center for Training & Development, Inc.	18,350.00	2,202.00	O.R. # 4660	DDN
16-Nov-07	Anson Premium Corp.	11,250.00	1,350.00	O.R. dated 11/16/07	EEV
20-Nov-07	Pentathlon	28,281.25	3,393.75	O.R. # 236	EEE
*11/21/2007	Globe Telecom	3,305.33	396.64	Acct./Billing No. 31367315-56	VVA
*11/21/2007	Globe Telecom	80,100.00	9,612.00	Acct./Billing No. 810012395-71	VVB
*11/21/2007	Globe Telecom	2,940.25	352.83	Acct./Billing No. 101215800-113	VVC
*11/21/2007	Globe Telecom	725.25	87.03	Acct./Billing No. 31366416-56	VVD
*11/21/2007	Globe Telecom	716.17	85.94	Acct./Billing No. 31367102-56	VVE
*11/21/2007	Globe Telecom	934.00	112.08	Acct./Billing No. 41450193-25	VVF
*11/21/2007	Globe Telecom	840.08	100.81	Acct./Billing No. 31368818-56	VVH
*11/21/2007	Globe Telecom	3,305.33	396.64	Acct./Billing No. 31370022-56	VVT
*11/21/2007	Globe Telecom	1,875.00	225.00	Acct./Billing No. 31366602-56	XXD
*11/21/2007	Globe Telecom	2,947.42	353.69	Acct./Billing No. 37189184-41	XXE
*11/21/2007	Globe Telecom	3,330.33	399.64	Acct./Billing No. 40235108-29	XXF
*11/21/2007	Globe Telecom	1,250.67	150.08	Acct./Billing No. 41454806-25	XXG
*11/21/2007	Globe Telecom	782.17	93.86	Acct./Billing No. 40238476-29	XXH
*11/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 45737659-6	XXI
*11/21/2007	Globe Telecom	3,390.42	406.85	Acct./Billing No. 31366688-56	XXJ
*11/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 44355507-11	XXK
*11/21/2007	Globe Telecom	1,651.75	198.21	Acct./Billing No. 31366335-56	XXN
*11/21/2007	Globe Telecom	758.92	91.07	Acct./Billing No. 41450126-25	XXO
*11/21/2007	Globe Telecom	758.92	91.07	Acct./Billing No. 31369377-56	XXP
*11/21/2007	Globe Telecom	1,931.25	231.75	Acct./Billing No. 31366734-56	XXQ
*11/21/2007	Globe Telecom	2,043.92	245.27	Acct./Billing No. 31367013-56	XXR
*11/21/2007	Globe Telecom	1,408.25	168.99	Acct./Billing No. 101215743-113	XXS
*11/21/2007	Globe Telecom	9,216.42	1,105.97	Acct./Billing No. 101416934-110	XXT

*11/21/2007	Globe Telecom	1,099.33	131.92	Acct./Billing No. 31367544-56	XXU
*11/21/2007	Globe Telecom	4,662.50	559.50	Acct./Billing No. 40235078-29	XXV
*11/21/2007	Globe Telecom	1,858.75	223.05	Acct./Billing No. 31364316-56	XXW
*11/21/2007	Globe Telecom	1,458.67	175.04	Acct./Billing No. 37474865-40	XXX
*11/21/2007	Globe Telecom	1,457.33	174.88	Acct./Billing No. 101215651-113	XXY
*11/21/2007	Globe Telecom	3,539.25	424.71	Acct./Billing No. 31368621-56	UUL
*11/21/2007	Globe Telecom	1,473.25	176.79	Acct./Billing No. 41450142-25	UUN
*11/21/2007	Globe Telecom	2,033.67	244.04	Acct./Billing No. 31366661-56	UUO
*11/21/2007	Globe Telecom	532.00	63.84	Acct./Billing No. 31365142-56	UUP
*11/21/2007	Globe Telecom	1,494.08	179.29	Acct./Billing No. 31367153-56	UUQ
*11/21/2007	Globe Telecom	2,869.00	344.28	Acct./Billing No. 101215720-113	UUR
*11/21/2007	Globe Telecom	1,624.75	194.97	Acct./Billing No. 101215780-113	UUS
*11/21/2007	Globe Telecom	2,419.00	290.28	Acct./Billing No. 31368702-56	UUT
*11/21/2007	Globe Telecom	2,481.50	297.78	Acct./Billing No. 31366807-56	UUU
*11/21/2007	Globe Telecom	3,125.00	375.00	Acct./Billing No. 31367234-56	UUV
*11/21/2007	Globe Telecom	1,762.08	211.45	Acct./Billing No. 31366408-56	UUW
*11/21/2007	Globe Telecom	770.08	92.41	Acct./Billing No. 31369423-56	UUX
*11/21/2007	Globe Telecom	841.75	101.01	Acct./Billing No. 44995492-9	UUY
*11/21/2007	Globe Telecom	1,029.50	123.54	Acct./Billing No. 31369555-56	UUZ
23-Nov-07	Integrated Computer Systems, Inc.	723.21	86.79	O.R. # 375514	GGO-1
23-Nov-07	Integrated Computer Systems, Inc.	3,500.00	420.00	O.R. # 375513	GGP-1
23-Nov-07	Copy Quest Corp.	8,035.71	964.29	O.R. # 21030	IIQ-1
23-Nov-07	Ricoh (Philippines), Inc.	142,857.14	17,142.86	O.R. # 65924	AAE-1
23-Nov-07	Kaizen Works & Innovations, Inc.	2,079.00	249.48	O.R. # 2755	NX-1
23-Nov-07	Ilium Philippines, Inc.	15,267.86	1,832.14	O.R. # 0655	PR-1
23-Nov-07	Clinton Commercial Corp.	1,908.48	229.02	O. R. # 54075	PZ-1
26-Nov-07	Integrated Computer Systems, Inc.	2,625.00	315.00	S.I. # 310041080	GGR-1
26-Nov-07	Microphase Corp.	860,700.56	103,284.07	P.R. # 01432	BBP-1
27-Nov-07	Integrated Computer Systems, Inc.	1,750.00	210.00	S.I. # 310041145	GGS-1
03-Dec-07	Dominance IT Solutions	18,482.14	2,217.86	S.I. # 1722	AAN-2
06-Dec-07	Kaizen Works & Innovations, Inc.	554.40	66.53	S.I. # 3707	NW-1
07-Dec-07	Romeo V. Austria Trading	11,607.14	1,392.86	O.R. # 77275	FFL-1

07-Dec-07	Integrated Computer Systems, Inc.	1,267.86	152.14	P.R. # 0009	GGQ-1
07-Dec-07	Advance Computer Forms, Inc.	1,705.36	204.64	O.R. # 29536	HHC-1
07-Dec-07	Advance Computer Forms, Inc.	12,790.18	1,534.82	O.R. # 29535	HHD-1
07-Dec-07	Dinlys Industrial Sales	289.29	34.71	O.R. # 42135	HHG-1
07-Dec-07	Goldex Manufacturing & Trading Corp.	5,267.86	632.14	O. R. # 21076	MQ-1
07-Dec-07	Mansion Electrical Supply	1,160.71	139.29	O.R. # 13064	MV-1
07-Dec-07	Kaizen Works & Innovations, Inc.	10,005.97	1,200.72	S.I. # 3711	NT-1
07-Dec-07	RJC Security and Investigation Agency, Inc.	21,330.58	2,559.67	O.R. # 14495	CCI
14-Dec-07	Integrated Computer Systems, Inc.	1,571.43	188.57	O.R. # 373571	JJS-1
14-Dec-07	E. D. Suarez	2,745.54	329.46	O.R. # 77870	FFZ-1
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742325	YYX
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742327	YYY
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742328	YYZ
**12/10/2007	Philippine Long Distance Telephone Co.	5,066.50	607.98	Invoice No. 15010742322	ZZA
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742320	ZZB
**12/10/2007	Philippine Long Distance Telephone Co.	2,339.50	280.74	Invoice No. 15010742326	ZZC
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010717721	ZZE
**12/10/2007	Philippine Long Distance Telephone Co.	1,476.25	177.15	Invoice No. 15010742298	ZZF
14-Dec-07	E.G.Y Engineering Consultants	31,818.18	3,818.18	O.R. # 066	RU-1
14-Dec-07	Conluck Infinity Industrial, Inc.	1,769.64	212.36	S.I. # 9446	TZ-1
14-Dec-07	Kaizen Works & Innovations, Inc.	2,656.50	318.78	O.R. # 2778	NV-1
14-Dec-07	Microphase Corp.	26,785.71	3,214.29	O.R. # 12016	BBR-1
14-Dec-07	Dominance IT Solutions	19,107.14	2,292.86	O.R. # 1554	BBS-1
14-Dec-07	Dominance IT Solutions	19,107.14	2,292.86	O.R. # 1553	BBT-1
14-Dec-07	RJC Security and Investigation Agency, Inc.	20,734.80	2,488.18	O.R. # 15075	CCG
15-Dec-07	Home Center Construction Supply Corp.	3,995.54	479.46	Inv No. 131875	RW-1
17-Dec-07	Citylight Telecom Centre	7,767.86	932.14	O.R # 2736	VZ-1

20-Dec-07	Citylight Telecom Centre	3,839.29	460.71	O.R. # 2806	VY-1
*12/21/2007	Globe Telecom	828.67	99.44	Acct./Billing No. 31368818-57	VVG
*12/21/2007	Globe Telecom	3,303.58	396.43	Acct./Billing No. 31370022-57	VVS
*12/21/2007	Globe Telecom	1,901.33	228.16	Acct./Billing No. 31366734-57	WWA
*12/21/2007	Globe Telecom	1,739.83	208.78	Acct./Billing No. 41450142-26	WWB
*12/21/2007	Globe Telecom	1,323.58	158.83	Acct./Billing No. 31366408-57	WWC
*12/21/2007	Globe Telecom	1,875.00	225.00	Acct./Billing No. 31366602-57	WWD
*12/21/2007	Globe Telecom	798.33	95.80	Acct./Billing No. 31365142-57	WWE
*12/21/2007	Globe Telecom	3,633.92	436.07	Acct./Billing No. 31367315-57	WWF
*12/21/2007	Globe Telecom	2,189.08	262.69	Acct./Billing No. 31366807-57	WWG
*12/21/2007	Globe Telecom	1,830.42	219.65	Acct./Billing No. 31368702-	WWH
*12/21/2007	Globe Telecom	1,678.42	201.41	Acct./Billing No. 31367153-57	WWI
*12/21/2007	Globe Telecom	3,125.00	375.00	Acct./Billing No. 31367234-57	WWJ
*12/21/2007	Globe Telecom	1,425.92	171.11	Acct./Billing No. 31364316-57	WWK
*12/21/2007	Globe Telecom	1,830.33	219.64	Acct./Billing No. 31366661-57	WWL
*12/21/2007	Globe Telecom	1,347.58	161.71	Acct./Billing No. 44995492-10	WWM
*12/21/2007	Globe Telecom	668.00	80.16	Acct./Billing No. 31366416-57	WWN
*12/21/2007	Globe Telecom	1,243.83	149.26	Acct./Billing No. 31367544-57	WWO
*12/21/2007	Globe Telecom	2,804.25	336.51	Acct./Billing No. 31368621-57	WWP
*12/21/2007	Globe Telecom	1,083.42	130.01	Acct./Billing No. 37474865-41	WWQ
*12/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 31369555-57	WWR
*12/21/2007	Globe Telecom	1,068.50	128.22	Acct./Billing No. 31367102-57	WWS
*12/21/2007	Globe Telecom	1,362.08	163.45	Acct./Billing No. 31367013-57	WWT
*12/21/2007	Globe Telecom	1,150.33	138.04	Acct./Billing No. 41454806-26	WWU
*12/21/2007	Globe Telecom	2,874.83	344.98	Acct./Billing No. 31366688-57	WWV
*12/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 44355507-12	WWW
*12/21/2007	Globe Telecom	625.67	75.08	Acct./Billing No. 47083885-1	WWX
*12/21/2007	Globe Telecom	852.25	102.27	Acct./Billing No. 31369423-57	WWY
*12/21/2007	Globe Telecom	869.67	104.36	Acct./Billing No. 40238476-30	WWZ
*12/21/2007	Globe Telecom	842.83	101.14	Acct./Billing No. 41450193-26	XXA
*12/21/2007	Globe Telecom	880.50	105.66	Acct./Billing No. 31369377-57	XXB
*12/21/200	Globe Telecom	758.92	91.07	Acct./Billing No.	XXC

7				41450126-26	
*12/21/2007	Globe Telecom	4,911.58	589.39	Acct./Billing No. 40235078-30	XXL
*12/21/2007	Globe Telecom	3,237.75	388.53	Acct./Billing No. 40235108-30	XXM
21-Dec-07	United Star Hardware	2,455.36	294.64	O.R. # 16463	ST-1
21-Dec-07	Varken Printing Press	892.86	107.14	O.R. # 228	WY-1
21-Dec-07	Mansion Electrical Supply	2,098.21	251.79	O.R. # 13124	MU-1
21-Dec-07	E.M. Zalamea Actuarial Services, Inc.	6,600.00	792.00	O.R. # 7591	DDK
21-Dec-07	Pentathlon Systems Resources, Inc.	120,000.00	14,400.00	O.R. # 240	EED
26-Dec-07	Romeo V. Austria Trading	2,232.14	267.86	S.I. # 97160	FFJ-1
26-Dec-07	Integrated Computer Systems, Inc.	723.21	86.79	S.I. # 310042647	GGT-1
27-Dec-07	Integrated Computer Systems, Inc.	1,669.64	200.36	S.I. # 310042696	GGU-1
		4,867,190.71	**584,062.90**		
	*due date				
	**cut-off date				

It must be noted that the above input VAT of ₱548,062.90 is lower than the input VAT of ₱966,354.33 reflected in petitioner's Quarterly VAT Return for the fourth quarter of 2007. Therefore, the discrepancy of ₱382,291.43 shall be disallowed for petitioner's failure to submit corresponding VAT invoices or official receipts.

Further, out of the ₱584,062.90 input VAT verified by the Independent CPA, the amount of ₱563,346.60 shall be denied for failure to meet the substantiation requirements under Section 110(A)(1) in relation to Section 113(A) and (B) of the NIRC of 1997, as amended, which are all quoted hereunder for ready reference:

"SEC. 110. *Tax Credits.* -

(A) Creditable Input Tax. -

(1) Any input tax evidenced by a VAT invoice or official receipt issued in accordance with Section 113 hereof on the following transactions shall be creditable against the output tax:"

"SEC. 113. *Invoicing and Accounting Requirements for VAT-Registered Persons.* -

(A) *Invoicing Requirements.* - A VAT-registered person shall issue:

(1) A VAT invoice for every sale, barter or exchange of goods or properties; and

(2) A VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.

(B) *Information Contained in the VAT Invoice or VAT Official Receipt.* - The following information shall be indicated in the VAT invoice or VAT official receipt:

xxx xxx xxx

(2) The total amount which the purchaser pays or is obligated to pay to the seller with the indication that such amount includes the value-added tax: *Provided*, That:

(a) The amount of the tax shall be shown as a separate item in the invoice or receipt;" *(Emphases supplied)*

Below is the detailed breakdown of the disallowed input VAT of ₱563,346.60:

DATE	SUPPLIER	VATABLE PURCHASE	VAT AMOUNT	SUPPORTING DOCUMENT	EXHIBIT
Input VAT on purchase of goods or services supported by VAT invoice or official receipt without BIR permit number					
05-Oct-07	Panasonic Manufacturing, Phil. Corp.	36,319.82	4,358.38	S.I. #15100067	AAK-1
31-Oct-07	Philippine Charter Insurance Corp.	910.00	109.20	O.R. # 357365	EES

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Input VAT on purchase of goods supported by a partly photocopied invoice					
15-Dec-07	Home Center Construction Supply Corp.	3,995.54	479.46	Inv No. 131875	RW-1
Input VAT on purchase of goods without supporting VAT invoice					
26-Oct-07	Panasonic Manufacturing, Phil. Corp.	18,159.91	2,179.19	O.R. # 14467	AAL-1
26-Nov-07	Microphase Corp.	860,700.56	103,284.07	P.R. # 01432	BBP-1
15-Nov-07	Microphase Corp.	2,041,526.79	244,983.21	O.R. # 11625	BBQ-1
14-Dec-07	Dominance IT Solutions	19,107.14	2,292.86	O.R. # 1554	BBS-1
19-Oct-07	Magneto Enterprises	10,714.29	1,285.71	O.R. # 7538	CCD-1
Nov 2007	Universal Magazine exchange Corp.	2,089.29	250.71	O. R. # 10951	CM-1
07-Dec-07	Romeo V. Austria Trading	11,607.14	1,392.86	O.R. # 77275	FFL-1
09-Nov-07	Romeo V. Austria Trading	4,464.29	535.71	O.R. # 77115	FFM-1
14-Dec-07	E. D. Suarez	2,745.54	329.46	O.R. # 77870	FFZ-1
19-Oct-07	Integrated Computer Systems, Inc.	5,062.50	607.50	O.R. # 372724	GGN-1
23-Nov-07	Integrated Computer Systems, Inc.	723.21	86.79	O.R. # 375514	GGO-1
23-Nov-07	Integrated Computer Systems, Inc.	3,500.00	420.00	O.R. # 375513	GGP-1
07-Dec-07	Integrated Computer Systems, Inc.	1,267.86	152.14	P.R. # 0009	GGQ-1
07-Dec-07	Advance Computer Forms, Inc.	1,705.36	204.64	O.R. # 29536	HHC-1
07-Dec-07	Advance Computer Forms, Inc.	12,790.18	1,534.82	O.R. # 29535	HHD-1
09-Nov-07	Dinlys Industrial Sales	1,473.21	176.79	O.R. # 41975	HHF-1
07-Dec-07	Dinlys Industrial Sales	289.29	34.71	O.R. # 42135	HHG-1
16-Nov-07	St. Paulina's Marketing	2,290.18	274.82	O.R. # 37627	HHZ-1
07-Dec-07	Goldex Manufacturing & Trading Corp.	5,267.86	632.14	O. R. # 21076	MQ-1
21-Dec-07	Mansion Electrical Supply	2,098.21	251.79	O.R. # 13124	MU-1
07-Dec-07	Mansion Electrical Supply	1,160.71	139.29	O.R. # 13064	MV-1
19-Oct-07	Mansion Electrical Supply	1,522.32	182.68	O.R. # 12783	MW-1
05-Oct-07	Mansion Electrical Supply	4,017.86	482.14	O.R. # 12771	MX-1
23-Nov-07	Clinton Commercial Corp.	1,908.48	229.02	O. R. # 54075	PZ-1
09-Nov-07	Brady Electrical Supply Corp.	4,866.07	583.93	O.R. # 14215	QU-1
09-Nov-07	Tamsons Enterprises, Inc.	3,035.71	364.29	O.R. # 0862	QW-1
21-Dec-07	United Star Hardware	2,455.36	294.64	O.R. # 16463	ST-1
16-Nov-07	The Next Wave Communication Network	3,660.71	439.29	O.R. # 4629	VX-1
20-Dec-07	Citylight Telecom Centre	3,839.29	460.71	O.R. # 2806	VY-1
17-Dec-07	Citylight Telecom Centre	7,767.86	932.14	O.R # 2736	VZ-1
05-Oct-07	Integrated Computer Systems, Inc.	2,366.07	283.93	O.R. # 377208	WX-1
26-Oct-07	RNV5 Enterprises	11,649.29	1,397.91	O.R. # 174	CI-1
Input VAT on purchase of goods supported by VAT invoice but the VAT was not separately indicated therein					
03-Dec-07	Dominance IT Solutions	18,482.14	2,217.86	S.I. # 1722	AAN-2
26-Dec-07	Romeo V. Austria Trading	2,232.14	267.86	S.I. # 97160	FFJ-1
13-Nov-07	Dominance IT Solutions	334.82	40.18	S.I. # 1686	IIH-1
26-Oct-07	Dominance IT Solutions	253,571.43	30,428.57	O.R. # 1471	BBL-1
11-Oct-07	Dominance IT Solutions	152,142.86	18,257.14	O.R. # 1458	BBM-1
16-Nov-07	Dominance IT Solutions	158,750.00	19,050.00	O.R. # 1506	BBN-1

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09-Nov-07	Dominance IT Solutions	4,285.71	514.29	O.R. # 1478	BBO-1
14-Dec-07	Dominance IT Solutions	19,107.14	2,292.86	O.R. # 1553	BBT-1
16-Nov-07	Power Coolaire System, Inc.	6,919.64	830.36	O.R. # 0334	CCE-1
14-Nov-07	J. Tancio Enterprises, Inc.	6,238.54	748.62	O.R. # 27272	FFD-1
19-Oct-07	E. D. Suarez	857.14	102.86	O.R. # 77446	GGD-1
14-Dec-07	RJC Security and Investigation Agency, Inc.	20,734.80	2,488.18	O.R. # 15075	CCG
16-Nov-07	RJC Security and Investigation Agency, Inc.	22,194.82	2,663.38	O.R. # 14460	CCH
07-Dec-07	RJC Security and Investigation Agency, Inc.	21,330.58	2,559.67	O.R. # 14495	CCI
19-Oct-07	RJC Security and Investigation Agency, Inc.	20,440.31	2,452.84	O.R. # 14313	CCJ
09-Nov-07	RJC Security and Investigation Agency, Inc.	20,369.64	2,444.36	O.R. # 14344	CCK
05-Oct-07	RJC Security and Investigation Agency, Inc.	20,792.45	2,495.09	O.R. # 14228	CCL
23-Nov-07	Kaizen Works & Innovations, Inc.	2,079.00	249.48	O.R. # 2755	NX-1
16-Nov-07	Kaizen Works & Innovations, Inc.	14,493.24	1,739.19	O.R. # 2751	NY-1
11-Oct-07	Kaizen Works & Innovations, Inc.	5,912.55	709.51	O.R. # 2723	OS-1
23-Nov-07	Ilium Philippines, Inc.	15,267.86	1,832.14	O.R. # 0655	PR-1
09-Nov-07	Ilium Philippines, Inc.	26,718.75	3,206.25	O.R. # 0649	PS-1
11-Oct-07	imax Technologies Inc.	3,571.43	428.57	O.R. # 1281	PT-1
14-Dec-07	E.G. Y Engineering Consultants	31,818.18	3,818.18	O.R. # 066	RU-1
09-Nov-07	Kaizen Works & Innovations, Inc.	714.29	85.71	O.R. # 2745	AAAP-1
14-Dec-07	Kaizen Works & Innovations, Inc.	2,656.50	318.78	O.R. # 2778	NV-1
23-Nov-07	Ricoh (Philippines), Inc.	142,857.14	17,142.86	O.R. # 65924	AAE-1
21-Dec-07	Pentathlon	120,000.00	14,400.00	O.R. # 240	EED
20-Nov-07	Pentathlon	28,281.25	3,393.75	O.R. # 236	EEE
14-Dec-07	Integrated Computer Systems, Inc.	1,571.43	188.57	O.R. # 373571	JJS-1
16-Nov-07	Anson Premium Corp.	11,250.00	1,350.00	O.R. dated 11/16/07	EEV
19-Oct-07	Pentathlon	12,000.00	1,440.00	O.R # 233	EEG
05-Oct-07	Integrated Computer Systems, Inc.	5,062.50	607.50	O.R. # 377205	EEU
Input VAT on purchase of services without VAT OR and supported only by account billing, statement of account or sales invoice					
13-Nov-07	Pentathlon	120,000.00	14,400.00	S.I. # 299	EEF
07-Dec-07	Kaizen Works & Innovations, Inc.	10,005.97	1,200.72	S.I. # 3711	NT-1
06-Dec-07	Kaizen Works & Innovations, Inc.	554.40	66.53	S.I. # 3707	NW-1
31-Oct-07	Kaizen Works & Innovations, Inc.	21,131.25	2,535.75	S.I. # 3643	WZ-1
*11/21/2007	Globe Telecom	3,539.25	424.71	Acct./Billing No. 31368621-56	UUL
*10/21/07	Globe Telecom	1,677.08	201.25	Acct./Billing No. 31367013-55	UUM
*11/21/2007	Globe Telecom	1,473.25	176.79	Acct./Billing No. 41450142-25	UUN
*11/21/2007	Globe Telecom	2,033.67	244.04	Acct./Billing No. 31366661-56	UUO
*11/21/2007	Globe Telecom	532.00	63.84	Acct./Billing No. 31365142-56	UUP
*11/21/2007	Globe Telecom	1,494.08	179.29	Acct./Billing No. 31367153-56	UUQ
*11/21/2007	Globe Telecom	2,869.00	344.28	Acct./Billing No. 101215720-113	UUR
*11/21/2007	Globe Telecom	1,624.75	194.97	Acct./Billing No. 101215780-113	UUS
*11/21/2007	Globe Telecom	2,419.00	290.28	Acct./Billing No. 31368702-56	UUT

*11/21/2007	Globe Telecom	2,481.50	297.78	Acct./Billing No. 31366807-56	UUU
*11/21/2007	Globe Telecom	3,125.00	375.00	Acct./Billing No. 31367234-56	UUV
*11/21/2007	Globe Telecom	1,762.08	211.45	Acct./Billing No. 31366408-56	UUW
*11/21/2007	Globe Telecom	770.08	92.41	Acct./Billing No. 31369423-56	UUX
*11/21/2007	Globe Telecom	841.75	101.01	Acct./Billing No. 44995492-9	UUY
*11/21/2007	Globe Telecom	1,029.50	123.54	Acct./Billing No. 31369555-56	UUZ
*11/21/2007	Globe Telecom	3,305.33	396.64	Acct./Billing No. 31367315-56	VVA
*11/21/2007	Globe Telecom	80,100.00	9,612.00	Acct./Billing No. 810012395-71	VVB
*11/21/2007	Globe Telecom	2,940.25	352.83	Acct./Billing No. 101215800-113	VVC
*11/21/2007	Globe Telecom	725.25	87.03	Acct./Billing No. 31366416-56	VVD
*11/21/2007	Globe Telecom	716.17	85.94	Acct./Billing No. 31367102-56	VVE
*11/21/2007	Globe Telecom	934.00	112.08	Acct./Billing No. 41450193-25	VVF
*12/21/2007	Globe Telecom	828.67	99.44	Acct./Billing No. 31368818-57	VVG
*11/21/2007	Globe Telecom	840.08	100.81	Acct./Billing No. 31368818-56	VVH
*10/21/07	Globe Telecom	3,303.58	396.43	Acct./Billing No. 31370022-55	VVJ
*12/21/2007	Globe Telecom	3,303.58	396.43	Acct./Billing No. 31370022-57	VVS
*11/21/2007	Globe Telecom	3,305.33	396.64	Acct./Billing No. 31370022-56	VVT
*12/21/2007	Globe Telecom	1,901.33	228.16	Acct./Billing No. 31366734-57	WWA
*12/21/2007	Globe Telecom	1,739.83	208.78	Acct./Billing No. 41450142-26	WWB
*12/21/2007	Globe Telecom	1,323.58	158.83	Acct./Billing No. 31366408-57	WWC
*12/21/2007	Globe Telecom	1,875.00	225.00	Acct./Billing No. 31366602-57	WWD
*12/21/2007	Globe Telecom	798.33	95.80	Acct./Billing No. 31365142-57	WWE
*12/21/2007	Globe Telecom	3,633.92	436.07	Acct./Billing No. 31367315-57	WWF
*12/21/2007	Globe Telecom	2,189.08	262.69	Acct./Billing No. 31366807-57	WWG
*12/21/2007	Globe Telecom	1,830.42	219.65	Acct./Billing No. 31368702-	WWH
*12/21/2007	Globe Telecom	1,678.42	201.41	Acct./Billing No. 31367153-57	WWI
*12/21/2007	Globe Telecom	3,125.00	375.00	Acct./Billing No. 31367234-57	WWJ
*12/21/2007	Globe Telecom	1,425.92	171.11	Acct./Billing No. 31364316-57	WWK
*12/21/2007	Globe Telecom	1,830.33	219.64	Acct./Billing No. 31366661-57	WWL
*12/21/2007	Globe Telecom	1,347.58	161.71	Acct./Billing No. 44995492-10	WWM
*12/21/2007	Globe Telecom	668.00	80.16	Acct./Billing No. 31366416-57	WWN
*12/21/2007	Globe Telecom	1,243.83	149.26	Acct./Billing No. 31367544-57	WWO
*12/21/2007	Globe Telecom	2,804.25	336.51	Acct./Billing No. 31368621-57	WWP
*12/21/2007	Globe Telecom	1,083.42	130.01	Acct./Billing No. 37474865-41	WWQ
*12/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 31369555-57	WWR
*12/21/2007	Globe Telecom	1,068.50	128.22	Acct./Billing No. 31367102-57	WWS
*12/21/2007	Globe Telecom	1,362.08	163.45	Acct./Billing No. 31367013-57	WWT

*12/21/2007	Globe Telecom	1,150.33	138.04	Acct./Billing No. 41454806-26	WWU
*12/21/2007	Globe Telecom	2,874.83	344.98	Acct./Billing No. 31366688-57	WWV
*12/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 44355507-12	WWW
*12/21/2007	Globe Telecom	625.67	75.08	Acct./Billing No. 47083885-1	WWX
*12/21/2007	Globe Telecom	852.25	102.27	Acct./Billing No. 31369423-57	WWY
*12/21/2007	Globe Telecom	869.67	104.36	Acct./Billing No. 40238476-30	WWZ
*12/21/2007	Globe Telecom	842.83	101.14	Acct./Billing No. 41450193-26	XXA
*12/21/2007	Globe Telecom	880.50	105.66	Acct./Billing No. 31369377-57	XXB
*12/21/2007	Globe Telecom	758.92	91.07	Acct./Billing No. 41450126-26	XXC
*11/21/2007	Globe Telecom	1,875.00	225.00	Acct./Billing No. 31366602-56	XXD
*11/21/2007	Globe Telecom	2,947.42	353.69	Acct./Billing No. 37189184-41	XXE
*11/21/2007	Globe Telecom	3,330.33	399.64	Acct./Billing No. 40235108-29	XXF
*11/21/2007	Globe Telecom	1,250.67	150.08	Acct./Billing No. 41454806-25	XXG
*11/21/2007	Globe Telecom	782.17	93.86	Acct./Billing No. 40238476-29	XXH
*11/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 45737659-6	XXI
*11/21/2007	Globe Telecom	3,390.42	406.85	Acct./Billing No. 31366688-56	XXJ
*11/21/2007	Globe Telecom	1,026.75	123.21	Acct./Billing No. 44355507-11	XXK
*12/21/2007	Globe Telecom	4,911.58	589.39	Acct./Billing No. 40235078-30	XXL
*12/21/2007	Globe Telecom	3,237.75	388.53	Acct./Billing No. 40235108-30	XXM
*11/21/2007	Globe Telecom	1,651.75	198.21	Acct./Billing No. 31366335-56	XXN
*11/21/2007	Globe Telecom	758.92	91.07	Acct./Billing No. 41450126-25	XXO
*11/21/2007	Globe Telecom	758.92	91.07	Acct./Billing No. 31369377-56	XXP
*11/21/2007	Globe Telecom	1,931.25	231.75	Acct./Billing No. 31366734-56	XXQ
*11/21/2007	Globe Telecom	2,043.92	245.27	Acct./Billing No. 31367013-56	XXR
*11/21/2007	Globe Telecom	1,408.25	168.99	Acct./Billing No. 101215743-113	XXS
*11/21/2007	Globe Telecom	9,216.42	1,105.97	Acct./Billing No. 101416934-110	XXT
*11/21/2007	Globe Telecom	1,099.33	131.92	Acct./Billing No. 31367544-56	XXU
*11/21/2007	Globe Telecom	4,662.50	559.50	Acct./Billing No. 40235078-29	XXV
*11/21/2007	Globe Telecom	1,858.75	223.05	Acct./Billing No. 31364316-56	XXW
*11/21/2007	Globe Telecom	1,458.67	175.04	Acct./Billing No. 37474865-40	XXX
*11/21/2007	Globe Telecom	1,457.33	174.88	Acct./Billing No. 101215651-113	XXY
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742325	YYX
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742327	YYY
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742328	YYZ
**12/10/2007	Philippine Long Distance Telephone Co.	5,066.50	607.98	Invoice No. 15010742322	ZZA
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010742320	ZZB
**12/10/2007	Philippine Long Distance Telephone Co.	2,339.50	280.74	Invoice No. 15010742326	ZZC

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**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635660	ZZD
**12/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010717721	ZZE
**12/10/2007	Philippine Long Distance Telephone Co.	1,476.25	177.15	Invoice No. 15010742298	ZZF
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635657	ZZG
**11/10/2007	Philippine Long Distance Telephone Co.	2,421.50	290.58	Invoice No. 15010635658	ZZH
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635659	ZZI
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010635652	ZZJ
**11/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010611049	ZZK
**11/10/2007	Philippine Long distance Telephone Co.	3,267.08	392.05	Invoice No. 15010635654	ZZL
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529303	ZZM
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529304	ZZN
**11/10/2007	Philippine Long Distance Telephone Co.	1,718.58	206.23	Invoice No. 15010635630	ZZO
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529296	ZZP
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010529301	ZZQ
**10/10/2007	Philippine Long Distance Telephone Co.	2,236.75	268.41	Invoice No. 15010529302	ZZR
**10/10/2007	Philippine Long Distance Telephone Co.	1,259.00	151.08	Invoice No. 15010504705	ZZS
**10/10/2007	Philippine Long Distance Telephone Co.	1,377.33	165.28	Invoice No. 15010529274	ZZT
**10/10/2007	Philippine Long Distance Telephone Co.	2,383.83	286.06	Invoice No. 15010529298	ZZU
06-Nov-07	Legend Hotel Intl. Corp.	7,698.44	923.81	O.R. # 40655	AAH-1
	TOTAL	**4,694,554.99**	**563,346.60**		
	*due date				
	**cut-off date				

Consequently, only the following input VAT in the amount of ₱20,716.30 represents petitioner's valid input VAT for the fourth quarter of 2007:

Date	Supplier	VATable Purchase	VAT Amount	Supporting Document	Exhibit
04-Oct-07	Advance Computer Forms, Inc.	1,705.36	204.64	S.I. # 42241	UY-1
04-Oct-07	Kaizen Works & Innovations, Inc.	554.40	66.53	O.R. # 2720	OQ-1
05-Oct-07	Next Wave Communication Network	18,571.43	2,228.57	S.I. # 1953	BBJ-2
05-Oct-07	Center for Training & Development, Inc.	13,350.00	1,602.00	O.R. # 4539	DDL
11-Oct-07	Copy Quest Corp.	8,243.83	989.26	O.R. # 020405	IIT-1
19-Oct-07	Next Wave Communication Network	4,910.71	589.29	S.I. # 1988	BBK-2
26-Oct-07	Varken Printing Press	1,696.43	203.57	O.R. # 0206	JJK-1
15-Nov-07	Microphase Corp.	41,051.79	4,926.21	S.I. # 15370	AAM-2
16-Nov-07	Center for Training & Development, Inc.	13,350.00	1,602.00	O.R. # 4659	DDM

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16-Nov-07	Center for Training & Development, Inc.	18,350.00	2,202.00	O.R. # 4660	DDN
23-Nov-07	Copy Quest Corp.	8,035.71	964.29	O.R. # 21030	IIQ-1
26-Nov-07	Integrated Computer Systems, Inc.	2,625.00	315.00	S.I. # 310041080	GGR-1
27-Nov-07	Integrated Computer Systems, Inc.	1,750.00	210.00	S.I. # 310041145	GGS-1
14-Dec-07	Conluck Infinity Industrial, Inc.	1,769.64	212.36	S.I. # 9446	TZ-1
14-Dec-07	Microphase Corp.	26,785.71	3,214.29	O.R. # 12016	BBR-1
21-Dec-07	E.M. Zalamea Actuarial Services, Inc.	6,600.00	792.00	O.R. # 7591	DDK
21-Dec-07	Varken Printing Press	892.86	107.14	O.R. # 228	WY-1
26-Dec-07	Integrated Computer Systems, Inc.	723.21	86.79	S.I. # 310042647	GGT-1
27-Dec-07	Integrated Computer Systems, Inc.	1,669.64	200.36	S.I. # 310042696	GGU-1
		172,635.72	**20,716.30**		

In sum, petitioner is liable to pay the basic deficiency VAT for the fourth quarter of 2007 in the amount of ₱569,732.89, computed as follows:

VATable Sales Per Return		₱7,051,088.33
Output Tax Due		₱ 846,130.60
Less :	Creditable Input Tax	
	Previous Quarter	₱ 255,681.41
	Current Quarter	20,716.30
	Total	₱ 276,397.71
Deficiency VAT		**₱ 569,732.89**

III. DEFICIENCY EWT

Respondent assessed petitioner of deficiency EWT for the taxable year 2007 in the amount of ₱58,858.30, computed as follows:

Basic Deficiency Tax	₱ 34,122.30
Add: interest	24,736.00
Total amount Due	**₱58,858.30**

She arrived at the basic deficiency EWT of ₱34,122.30 by comparing petitioner's purchase of Office Supplies as well as Property, Plant and Equipment (PPE) per ITR/FS with those shown per petitioner's Alphalist, to wit:

INCOME PAYMENTS	PER ITR/FS	PER ALPHALIST	DISCREPANCY	RATE	EWT DUE
Purchase of local goods					
Office Supplies	₱ 946,839.48				
Acquisition of property and equipment	7,011,207.09				
TOTAL	**₱7,958,046.57**	**₱4,545,816.18**	**₱3,412,230.39**	**1%**	**₱34,122.30**

Accordingly, this Court finds the assessment proper.

A perusal of the case records shows that the amount of ₱946,839.48 was actually claimed by petitioner as deduction for office supplies in its 2007 ITR[75] and that the amount of ₱7,011,207.09 represents petitioner's acquisition of PPE for the taxable year 2007 as reflected in its Tentative Balance Sheet[76] as of December 31, 2007.

However, petitioner did not provide a detailed breakdown of the said amounts to reconcile the same with the income payments reflected in its Alphalist for the taxable year 2007. Consequently, the income payments in the sum of ₱7,958,046.57 shall be considered subject to 1% EWT under Section 2.57.2 of Revenue Regulations No. 2-98, as amended; and since only the income payment of ₱4,545,816.18 was subjected to 1% EWT, petitioner is liable for the corresponding deficiency 1% EWT in the amount of ₱34,122.30.

It must be noted that while respondent's right to assess petitioner of the deficiency EWT for the months of January to November 2007 had already prescribed, petitioner was unable to point out which portion of the basic deficiency EWT assessment of ₱34,122.30 refers to the months of January

[75] Exhibit "KK", Section D, Line 90.
[76] Exhibit "O".

to November 2007. As a result, the entire assessment shall be considered as pertaining to the month of December 2007.

WHEREFORE, premises considered, the instant Petition for Review is hereby **PARTIALLY GRANTED**. The deficiency income tax assessment in the amount of ₱23,708,554.47 is hereby **CANCELLED**, while the deficiency VAT and EWT are **UPHELD** with modifications. Accordingly, petitioner is hereby **ORDERED TO PAY** respondent the amount of **₱754,818.99**, inclusive of the twenty-five percent (25%) surcharge imposed under Section 248(A)(3) of the NIRC of 1997, computed as follows:

	BASIC	SURCHARGE	TOTAL
Deficiency VAT	₱ 569,732.89	₱ 142,433.22	₱ 712,166.11
Deficiency EWT	34,122.30	8,530.58	42,652.88
TOTAL	**₱712,166.11**	**₱150,963.80**	**₱754,818.99**

In addition, petitioner is hereby **ORDERED TO PAY** the following:

(a) deficiency interest at the rate of twenty percent (20%) per annum on the basic deficiency VAT of ₱569,732.89 and on the basic deficiency EWT in the amount of ₱34,122.30 computed from January 25, 2008 and January 15, 2008, respectively, until full payment thereof pursuant to Section 249(B) of the NIRC of 1997, as amended; and

(b) delinquency interest at the rate of 20% per annum on the total amount of ₱754,818.99 and on the 20% deficiency interest which have accrued as afore-stated in (a), computed from July 21, 2011 until full payment thereof pursuant to Section 249(C) of the NIRC of 1997.

SO ORDERED.

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

WE CONCUR:

(with Dissenting Opinion)
ROMAN G. DEL ROSARIO
Presiding Justice

ERLINDA P. UY
Associate Justice

C E R T I F I C A T I O N

Pursuant to Article VIII, Section 13 of the Constitution, 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
Chairperson, 1st Division

REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

FIRST DIVISION

ARMADILLO HOLDINGS, INC., Petitioner,	**CTA CASE NO. 8323**
	Members:
- versus -	**DEL ROSARIO,** *Chairperson,* **UY,** *and* **MINDARO-GRULLA,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: JUN 11 2014 ; 3:40p.m.

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DISSENTING OPINION

DEL ROSARIO, P.J.:

In her *ponencia,* my esteemed and learned colleague, the Honorable Associate Justice Cielito N. Mindaro-Grulla, partially granted the Petition for Review filed by petitioner Armadillo Holdings, Inc. by cancelling the income tax assessment in the amount of Php23,708,554.47 and upholding the deficiency VAT and EWT assessment in the total amount of Php754,818.99.

With all due respect, after a careful examination of the pertinent facts of the case, in relation to applicable laws and jurisprudence, I vote to dismiss the present Petition for Review and uphold the assessment of the Bureau of Internal Revenue (BIR) for the following reasons:

The protest letter is void and without force and effect.

Section 228 of the National Internal Revenue Code (NIRC) of 1997, as amended, provides:

> "**SEC. 228. Protesting of Assessment.** - When the Commissioner or his duly authorized representative finds that proper taxes should be

assessed, he shall first notify the taxpayer of his findings: provided, however, That a preassessment notice shall not be required in the following cases:

xxx xxx xxx.

The taxpayers shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.

Within a period to be prescribed by implementing rules and regulations, the taxpayer shall be required to respond to said notice. If the taxpayer fails to respond, the Commissioner or his duly authorized representative shall issue an assessment based on his findings.

Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations.

Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; otherwise, the assessment shall become final.

xxx xxx xxx." *(Emphasis supplied)*

Corollary thereto, Section 3.1.5 of Revenue Regulations No. 12-99[1] provides:

"3.1.5 *Disputed Assessment.* – The taxpayer or his duly authorized representative may protest administratively against the aforesaid formal letter of demand and assessment notice within thirty (30) days from the date of receipt thereof. xxx

The taxpayer shall state the facts, the applicable law, rules and regulations, or jurisprudence on which his protest is based, **otherwise, his protest shall be considered *void and without force and effect*.** xxx

xxx xxx xxx.

If the taxpayer fails to file a valid protest against the formal letter of demand and assessment notice within thirty (30) days from date of receipt thereof, the assessment shall become final, executory and demandable." *(Emphases supplied)*

Pursuant to the above provisions, the protest letter must state the **facts, the applicable law, rules and regulations or jurisprudence on which the protest is based**. Failure to comply therewith shall render the protest letter void and without force and effect. OM

[1] Dated September 6, 1999.

In this regard, a careful scrutiny of the protest letter shows that petitioner failed to state the facts and applicable law on which the protest is based. **Petitioner merely attached reconciliation schedules, and did not even submit any documents in support of the said schedules**, *viz.*:

> "February 18, 2010
>
> Mr. Jaime B. Santiago
> Regional Director
> Revenue region No. 8
> Makati City
>
> Dear Sir:
>
> Glory to GOD!
>
> This is in reference to your Formal Assessment Notice for LOA # 00001046 dated January 14, 2011 which we received on January 20, 2011 covering 2007 deficiency tax, we would like to submit the following reconciliations for your copy and review:
>
> 1. Reconciliation of Deficiency Tax.
> 2. Analysis on Withholding Tax – Compensation (Sched1).
> 3. Reconciliation of Unaccounted Income Payments (Sched 2).
> 4. Reconciliation of Undeclared Revenue (Sched 3).
>
> We are available at your most convenient time and place to explain the above analysis and reconciliations. Please call us at our cell nos. 0917-890-7796 for Len Grande and 0917-8913663 for Mhina Simafranca.
>
> Thank you and God Bless You.
>
> (signed)
> Eleanor B. Grande
> Group Accounting Manager"

Pursuant to Section 228 of the NIRC of 1997, as amended, and as implemented by Revenue Regulations 12-99, the protest letter is void and without force and effect.

Petitioner did not only fail to state the applicable law, rules and regulations or jurisprudence on which its protest is based; it also failed to substantiate, with relevant supporting documents, the reconciliation schedules which petitioner submitted to the Bureau of Internal Revenue (BIR). There is no denying that in the Final Decision on Disputed Assessment[2] (FDDA), the BIR emphasized that petitioner failed to submit

[2] Exhibit "12", BIR Records, pp. 291 to 294.

the documents in support of its protest within sixty (60) days from the date of filing of the protest.

Since the petitioner failed to file a valid protest against the subject Final Assessment Notices (FANs), the FANs have become final, executory and demandable

The protest letter was belatedly filed.

Pursuant to the afore-quoted provision of Section 228 of the NIRC of 1997, as amended, a valid protest must be filed **with thirty (30) days from receipt of the assessment notice**.

In its protest, petitioner alleges that it received the FANs on January 20, 2011. This allegation, however, is completely belied by the BIR records. A perusal of the BIR records shows that petitioner received the FANs, dated January 14, 2011, on the same date.[3] Petitioner, therefore, had **until February 13, 2011** to file a protest. Petitioner filed its protest only on **February 18, 2011**, which is five (5) days beyond the 30-day reglementary period within which to file the same.

It is true that the FANs, as can be found in the BIR Records, have not formally offered as evidence by either of the parties. Although the rule is that "evidence not formally offered during the trial cannot be used for or against a party litigant", but once the BIR records are elevated to this Court, they form part of the records of the case which the Court may aptly consider in deciding the case.

Section 5(b) of the Revised Rules of the Court of Tax Appeals provides:

> "(b) *Transmittal of records*. – The respondent Commissioner of Internal Revenue, Commissioner of Customs, the Secretary of Finance, the Secretary of Agriculture, or the Secretary of Trade and Industry, within ten days after filing an answer, the chairman of the Central Board of Assessment Appeals and the presiding judges of the Regional Trial Courts, within ten days from receipt of notice, shall certify and forward to the Court all the records of the case in their possession, with the pages duly numbered, and, if the records are in separate folders, then the folders will also be numbered. If there are no records, such fact shall be manifested to the Court within the same period of ten days. xxx"

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[3] See BIR Records, pp. 279 to 286.

In *Commissioner of Customs v. Court of Tax Appeals, et al.*,[4] the Supreme Court ruled that records of the proceedings before the Collector of Customs form part of the records of the case which the Court can properly consider. Applying the principle laid down in *Commissioner of Customs* to the present case, I am of the humble view that this Court can consider the BIR Records in deciding the case since the administrative proceedings before the BIR is not rendered inexistent when an appeal is filed before this Court.

Considering that the protest is void and without force and effect for failure to state the factual and legal basis and for having been filed way beyond the 30-day prescribed period, the FANs have long become final and executory. In fine, this Court has no jurisdiction to take cognizance of the Petition for Review filed by petitioner.

For all the foregoing, I vote to dismiss the present Petition for Review for lack of jurisdiction.

ROMAN G. DEL ROSARIO
Presiding Justice

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[4] G.R. No. 132929, July 3, 2000.