REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

<u>Second Division</u>

LIGHT RAIL TRANSIT AUTHORITY,
Petitioner,

- *versus* -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 11537

Members:

RINGPIS-LIBAN, *Chairperson,*
MODESTO-SAN PEDRO, and
FERRER-FLORES, *JJ.*

Promulgated:

OCT 0 3 2024 11:30 AM

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RESOLUTION

Before this Court is petitioner's *Motion to Refer the Case to the Department of Justice* filed on September 5, 2024.

In the said *Motion*, petitioner prays of this Court to refer the present case to the Department of Justice (DOJ) as the latter is the proper forum to resolve the same pursuant to the Supreme Court's ruling in *Power Sector Assets and Liabilities Management Corporation v. Commissioner of Internal Revenue.*[1]

It may be recalled that on June 24, 2024, the present *Petition for Review* was filed together with a *Motion for Exemption from Payment of Filing Fees.* In a Resolution dated July 30, 2024, this Court granted petitioner's *Motion for Exemption from Payment of Filing Fees.*

After a more circumspect review of the case, this Court finds that it must be dismissed for lack of jurisdiction.

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[1] G.R. No. 198146. August 8, 2017, 815 Phil 966-1035 ("*PSALM*").

In *Mitsubishi Motors Philippines Corporation v. Bureau of Customs*,[2] the Supreme Court emphatically provides:

> "Jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter. It is axiomatic that jurisdiction over the subject matter is the power to hear and determine the general class to which the proceedings in question belong; it is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. **Thus, when a court has no jurisdiction over the subject matter, the only power it has is to dismiss the action.**" *(Emphasis supplied and citations omitted)*

Corollarily, the Supreme Court in *Alemar's (Sibal & Sons), Inc. v. The Honorable Court of Appeals, et. al.*,[3] categorically ruled as follows:

> "It is a basic rule of procedure that **'jurisdiction of the court over the subject matter of the action is determined by the allegations of the complaint, irrespective of whether or not the plaintiff is entitle[d] to recover upon all or some of the claims asserted therein**. The jurisdiction of the court cannot be made to depend upon the defenses set up in the answer or upon the motion to dismiss, for otherwise, the question of jurisdiction would almost entirely depend upon the defendant.' **'What determines the jurisdiction of the court is the nature of the action pleaded as appearing from the allegations in the complaint. The averments therein and the character of the relief sought are the ones to be consulted.'"** *(Emphasis supplied and citations omitted)*

It is settled that "all disputes, claims, and controversies, solely between or among executive agencies, including disputes on tax assessments, must perforce be submitted to administrative settlement by the Secretary of Justice or the Solicitor General, as the case may be." This is the ruling in *PSALM* as reiterated in subsequent cases.[4] This rule is embodied under PD 242 as amended by Sections 66 to 71, Chapter 14, Book IV of the Administrative Code of 1987.

The above rule, however, is not without exceptions. The law expressly provides that it is not applicable to disputes involving the Congress, the Supreme Court, the Constitutional Commissions, and local governments. In one case,[5] this Court *En Banc* also did not apply this rule to the *Bangko Sentral ng Pilipinas (BSP)*

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[2] G.R. No. 209830, June 17, 2015, 760 Phil 954.
[3] G.R. No. 94996. January 26, 2001.
[4] *Commissioner of Internal Revenue v. The Secretary of Justice and Metropolitan Cebu Water District (MCWD)*, G.R. No. 209289, July 9, 2018; *The Department of Energy v. Court of Tax Appeals*, G.R. No. 260912, August 17, 2022.
[5] *Bangko Sentral ng Pilipinas v. Commissioner of Internal Revenue*, C.T.A. EB Case No. 2732 (C.T.A. Case No. 10097), July 19, 2024.

based on the finding that while *BSP* is a government instrumentality, it is neither under the Executive Branch of the government nor under the President's supervision and control.

Guided by the foregoing, a perusal of the averments in the present Petition for Review plainly shows that this Court has no jurisdiction over the present case, involving as it does a tax dispute solely between government agencies, *i.e.*, Bureau of Internal Revenue (a revenue-collecting agency of the Government) and Light Rail Transit Authority (a government instrumentality with corporate powers).[6] Unlike in *BSP*'s case, LRTA is clearly under the control of the Executive Branch, being an attached agency of the Department of Transportation (DOTr).

Once a court is found to have no jurisdiction over a case, it cannot perform any other action on the same except to order its dismissal.[7] Accordingly, petitioner's *Motion to Refer the Case to the Department of Justice* must necessarily be denied.

WHEREFORE, the *Petition for Review* filed on June 24, 2024 is **DISMISSED** for lack of jurisdiction.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

(On Leave)

CORAZON G. FERRER-FLORES
Associate Justice

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[6] LRTA was created under Executive Order No. 603, s. 1980 as an attached agency of the DOTr. The Supreme Court had previously ruled that LRTA is in the nature of a government instrumentality with corporate powers. See *Light Rail Transit Authority v. Quezon City*, G.R. No. 221626, October 9, 2019; *Light Rail Transit Authority v. City of Pasay*, G.R. No. 211299, June 28, 2022 (En Banc).

[7] *Mitsubishi Motors Philippines Corporation v. Bureau of Customs*, G.R. No. 209830, June 17, 2015, 760 Phil 954.