Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

En Banc

TYCO INFORMATION SOLUTIONS CORP., Petitioner,	**CTA EB No. 1426** (CTA Case No. 8592)
-versus-	
BUREAU OF INTERNAL REVENUE, Respondent.	
x---x	**CTA EB No. 1436** (CTA Case No. 8592)
COMMISSIONER OF INTERNAL REVENUE, Petitioner,	Present: DEL ROSARIO, P.J., CASTAÑEDA, JR. UY, CASANOVA, FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN, and MANAHAN, JJ.
-versus-	
TYCO INFORMATION SOLUTIONS CORP., Respondent.	Promulgated: AUG 14 2018 3:05 p.m.

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RESOLUTION

CASANOVA, J.:

This resolves the Commissioner of Internal Revenue's ("CIR") Motion for Reconsideration[1], filed on May 8, 2018, with Tyco Information Solutions Corp.'s ("TISC") Comment to Motion for Reconsideration, filed on July 6, 2018.

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[1] En Banc Rollo (EB No. 1426), pp. 149-161.

The CIR seeks reconsideration of this Court's Decision[2] promulgated on April 3, 2018, the dispositive portions of which reads:

> "**WHEREFORE,** premises considered, the instant Petitions for Review are **DENIED** for lack of merit. The assailed Decision and Resolution of the CTA-Third Division in CTA Case No. 8592 are **AFFIRMED,** with the following modifications, to wit:
>
> > '**WHEREFORE,** the Petition for Review dated December 21, 2012 filed by Tyco Information Solutions Corp. is **PARTIALLY GRANTED**. The assessment issued by respondent against petitioner for taxable year 2006 covering deficiency income tax and value-added tax is hereby **MODIFIED.** Accordingly, petitioner is **ORDERED TO PAY** the amount of **THIRTEEN MILLION NINE HUNDRED FIFTY-TWO THOUSAND TWO HUNDRED FOUR PESOS AND THIRTY-FOUR CENTAVOS** (₱13,952,204.34) representing deficiency income tax and value-added tax for taxable year 2006, inclusive of the twenty-five percent (25%) surcharge imposed under Section 248 (A) (3) of the NIRC of 1997, as amended, computed as follows:

Deficiency Tax	**Basic Tax**	**25% Surcharge**	**Total**
Income Tax	₱7,490,159.41	₱1,872,539.85	₱9,362,699.26
Value-added Tax	3,671,604.06	917,901.02	4,589,505.08
Total	**₱11,161,763.47**	**₱2,790,440.87**	**₱13,952,204.34**

> > In addition, petitioner is hereby **ORDERED TO PAY**:
> >
> > a) Deficiency interest at the rate of twenty percent (20%) per annum on the basic deficiency income tax and value-added tax computed from the dates indicated below **until December 31, 2017** pursuant to Section 249 (B) of the NIRC of 1997, as amended:

[2] Ibid., pp. 120-138.

	Basic Tax	20% Deficiency Interest Computed from
Income Tax	₱7,490,159.41	April 15, 2007
Value-added Tax	₱3,671,604.06	January 25, 2007

b) Delinquency interest at the rate of 20% per annum on the total amount of P13,952,204.34 and on the 20% deficiency interest which have accrued as afore-stated in (a), computed from November 26, 2012 **until December 31, 2017** pursuant to Section 249 (C) of the NIRC of 1997, as amended; and

c) **Delinquency interest at the rate of 12% on the unpaid amount (basic tax plus surcharge plus interests computed in (a) and (b) above) from January 1, 2018 until the amount is fully paid pursuant to the relevant provisions of the Republic Act No. 10963[3] or more commonly known as the TRAIN Law, which took effect on January 1, 2018."[4]**

SO ORDERED"

In support of his Motion, the CIR raised the following grounds for consideration of the Court:

1.) The power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under the Code administered by

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[3] Section 249. Interest.—

(A) In General. There shall be assessed and collected on any unpaid amount of legal interest at the rate of **DOUBLE THE LEGAL INTEREST RATE FOR LOANS OR FORBEARANCE OF ANY MONEY IN THE ABSENCE OF ANY EXPRESS STIPULATION AS SET BY THE BANGKO SENTRAL NG PILIPINAS**, from the date prescribed for payment until the amount is fully paid, **PROVIDED THAT IN NO CASE SHALL THE DEFICIENCY AND DELINQUENCY INTEREST PRESCRIBED UNDER SUBSECTION (B) AND (C) HEREOF, BE IMPOSED SIMULTANEOUSLY**.'

(B) Deficiency Interest— Any deficiency in the tax due as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected from the date prescribed for its payment until the full payment thereof, **OR UPON ISSUANCE OF A NOTICE AND DEMAND BY THE COMMISSIONER OF INTERNAL REVENUE, WHICHEVER COMES EARLIER**. (with emphasis supplied on the amended provisions)

[4] Moog Controls Corporation-Philippine Branch vs. Commissioner of Internal Revenue, CTA Case No. 9077, February 22, 2018.

the Bureau of Internal Revenue is solely vested with the Commissioner of Internal Revenue, and the Revenue District Officer cannot issue decisions that are appealable to the Court of Tax Appeals; and

2.) The CIR points out the existence of fraud in several purchases made by TISC from the following suppliers: United Global Stylus Trading Inc., Eurosales Corporation and ERRB Buy and Sell Trading Inc., which, accordingly, justifies his disallowance thereof.

On the other hand, TISC argues that the grounds relied upon by the CIR in his Motion "were merely rehashed and were substantially covered by the arguments and discussion by the parties and extensively discussed by the Honorable Court of Tax Appeals En Banc in its Decision."

Upon review of the records, the Court En Banc agrees with TISC that all the arguments presented by the CIR deal with the very same issues which have been thoroughly passed upon in the assailed Decision.

All told, the Court En Banc finds no compelling reason or substantial justification to modify its findings much more reverse the assailed Decision.

WHEREFORE, premises considered, the CIR's Motion for Reconsideration is hereby **DENIED** for lack of merit.

SO ORDERED.

CAESAR A. CASANOVA
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

I reiterate my Concurring & Dissenting Opinion

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

ERLINDA P. UY
Associate Justice

(On Leave)
ESPERANZA R. FABON-VICTORINO
Associate Justice

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

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice