CTA Form No. 8 (For DCC)

22-000439-0091

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL FIRST DIVISION

CTA CASE NO. 10974

HELIX MINING AND DEVELOPMENT CORPORATUION (formerly "HOLCIM MINING AND DEVELOPMENT CORPORATION"),
Petitioner,

NOTICE OF RESOLUTION

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

To:

OFFICE OF THE SOLICITOR GENERAL
134 Amorsolo Street, Legazpi Village
Makati City

ATTY. SHERYLL P. CACAYURAN
ATTY. JARED MITCHELL V. ACUÑA
Bureau of Internal Revenue - Revenue Region No.8B
2nd Floor, Legal Division, BIR Regional Office Building
No. 313 Sen. Gil Puyat Avenue
Makati City

MATA-PEREZ, TAMAYO & FRANCISCO ATTORNEYS-AT-LAW
Unit 1002, One Corporate Plaza
845 A. Arnaiz Avenue, Legazpi Village
Makati City

GREETINGS:

You are hereby notified by these presents that on **March 11, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **March 13, 2026.**

Atty. Maria Johoanna E. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
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SPECIAL FIRST DIVISION

HELIX MINING AND DEVELOPMENT CORPORATION (formerly "HOLCIM MINING AND DEVELOPMENT CORPORATION"), *Petitioner*,	**CTA CASE NO. 10974** *Members*: **BACORRO-VILLENA**, *Acting Chairperson, and* **CUI-DAVID**, *JJ.*
- versus -	
COMMISSIONER OF INTERNAL REVENUE, *Respondent*.	Promulgated: MAR 1 1 2026; 1:30PM

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RESOLUTION

CUI-DAVID, J.:

On October 10, 2025, the Court promulgated a *Decision*,[1] the dispositive portion of which reads:

> **WHEREFORE**, premises considered, the instant *Petition for Review* filed by petitioner Helix Mining and Development Corporation (formerly "Holcim Mining and Development Corporation") is **GRANTED**.
>
> Accordingly, the Formal Letter of Demand and Final Assessment Notice dated September 30, 2019, are **CANCELLED** and **SET ASIDE**. The Final Decision on Disputed Assessment dated August 1, 2022, assessing petitioner for deficiency Income Tax and Expanded Withholding Tax for taxable year 2016, is **REVERSED** and **SET ASIDE.**

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[1] Docket – Vol. IV, pp. 3317-3336.

> Furthermore, respondent, his representatives, agents, or other persons acting on his behalf are **ENJOINED** and **PROHIBITED** from enforcing the collection of the subject deficiency taxes against petitioner.
>
> **SO ORDERED.**

Unconvinced, respondent filed the instant *Motion for Reconsideration* on November 6, 2025, praying that the Court reconsider the assailed *Decision*, based on the following grounds/arguments:

> A. The government cannot be estopped from collecting taxes by mistake, negligence, or omission of its agents;
>
> B. Petitioner was afforded due process due to it; and,
>
> C. Taxes are the lifeblood of the government; hence, their prompt and certain availability is an imperious need.

In its *Comment/Opposition (Re: Respondent's Motion for Reconsideration dated November 6, 2025),* filed on November 18, 2025, petitioner submits that respondent's *Motion for Reconsideration* should be denied for failure to establish any reversible error in the Court's *Decision.*

According to petitioner, while it is a well-settled rule that estoppel generally does not lie against the government, particularly in matters involving taxation, this principle should not be rigidly applied where its enforcement would result in injustice to the taxpayer. Petitioner alleges that a strict application of the general rule would work an injustice in its case, as it would violate its right to due process.

Petitioner also rejects respondent's assertion that it was afforded due process since it was able to file protests against the Preliminary Assessment Notice (PAN) and the Final Assessment Notice (FAN). Citing the Supreme Court's ruling in *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*[2] (*Avon case*), petitioner asserts that the

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[2] G.R. Nos. 201398 *et al.*, October 3, 2018 [Per J. Leonen, Third Division].

Court committed no error in holding that respondent never considered the arguments or submissions made by petitioner, as shown in the verbatim reiteration of the findings in the PAN and the FAN.

Finally, petitioner counters that the lifeblood doctrine cannot override its constitutional right to due process. According to petitioner, while the lifeblood doctrine gives the State the right to collect taxes most expeditiously, it is not a license to disregard the constitutional guarantee that no person shall be deprived of his/her property without due process of law. The rule is that taxes must be collected reasonably and in accordance with the prescribed procedure.

Respondent's *Motion for Reconsideration* must fail.

First, the rule against estoppel does not apply. Although the government cannot be estopped by the negligence or omission of its agents, the obligatory provision on protesting a tax assessment cannot be rendered nugatory by a mere act of respondent or his duly authorized representatives. Section 228 of the National Internal Revenue Code (NIRC) of 1997 pertinently 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: . . .
>
> . . . .
>
> **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.**" (Emphasis supplied)

Under Section 228, it is explicitly required that the taxpayer be informed in writing of the law and of the facts on which the assessment is made; otherwise, the assessment shall be void.[3] The requirement that the taxpayer must be informed of the factual and legal bases of the assessment is mandatory. It cannot be presumed. As a requirement of due process, this rule allows the taxpayer to make an effective

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[3] *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*, G.R. Nos. 201398 *et al.* October 3, 2018 [Per J. Leonen, Third Division].

protest.[4] To be sure, the requirement set by law to state in writing the factual and legal bases for the assessment is not a hollow exhortation. The law imposes a substantive, not merely a formal, requirement.[5]

In the *Avon case,* the Supreme Court eloquently discussed the utmost importance of observing due process in issuing deficiency tax assessments, to wit:

> Tax assessments issued in violation of the due process rights of a taxpayer are null and void. **While the government has an interest in the swift collection of taxes, the Bureau of Internal Revenue and its officers and agents cannot be overreaching in their efforts, but must perform their duties in accordance with law, with their own rules of procedure, and always with regard to the basic tenets of due process**.
>
> The 1997 National Internal Revenue Code, also known as the Tax Code, and revenue regulations allow a taxpayer to file a reply or otherwise to submit comments or arguments with supporting documents at each stage in the assessment process. **Due process requires the Bureau of Internal Revenue to consider the defenses and evidence submitted by the taxpayer and to render a decision based on these submissions. Failure to adhere to these requirements constitutes a denial of due process and taints the administrative proceedings with invalidity**. (Emphasis supplied)

In the instant case, the records reveal that, in issuing the Formal Letter of Demand (FLD)/FAN, the BIR never addressed or considered the arguments raised by petitioner in its *Reply* to the PAN. This is clear when respondent issued the FLD/FAN, which was a complete replica of the PAN, without even stating or explaining the demerits of petitioner's contentions.

As part of due process, the BIR must state the reason/s for rejecting petitioner's explanations, and must give the particular facts upon which its conclusions are based, and those facts must appear on record. Respondent has obviously not observed such a requirement in the issuance of the subject FLD/FAN. Thus, the inevitable conclusion is that

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[4] *Commissioner of Internal Revenue v. Spouses Magaan*, G.R. No. 232663, May 3, 2021 [Per J. Leonen, Third Division].

[5] *Commissioner of Internal Revenue v. Unioil Corporation*, G.R. No. 204405, August 4, 2021 [Per J. Hernando, Second Division].

petitioner's right to due process, as recognized under Section 228 of the NIRC of 1997, as amended, was violated by respondent.

Tax laws are civil in nature.[6] Under our Civil Code, acts executed against the mandatory provisions of law are void, except when the law itself authorizes the validity of those acts.[7] Failure to comply with Section 228 of the NIRC of 1997, as amended, not only renders the assessment void, but also finds no validation in any provision in the Tax Code. The Court cannot condone errant or enterprising tax officials, as they are expected to be vigilant and law-abiding.

Second, contrary to respondent's assertion, there was a violation of due process when he issued the FLD/FAN which was a complete replica of the PAN, without even stating or explaining the demerits of petitioner's contentions.

Lastly, on respondent's invocation of the lifeblood doctrine, suffice it to say that while taxes are the lifeblood of the government, their assessment and collection "*should be made in accordance with law as any arbitrariness will negate the very reason for government itself.*"[8] To proceed heedlessly with tax collection without first establishing a valid assessment is evidently violative of the cardinal principle in administrative investigations: that taxpayers should be able to present their case and adduce supporting evidence.

In the instant case, petitioner was not informed in writing of the facts and law on which the assessment was made. Thus, the assessment cannot stand.

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

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

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6 Aban, *Law of Basic Taxation in the Philippines* (2001), p. 143.
7 Art. 5 of the Civil Code.
8 *Marcos II v. Court of Appeals*, G.R. No. 120880, June 5, 1997 [Per J. Torres Jr., Second Division].

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I CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice