REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

DOLE PHILIPPINES, INC. - STANFILCO DIVISION,
Petitioner,

CTA EB NO. 3098
(CTA AC NO. 286)

-versus-

Present:
Ringpis-Liban, *P.J.,*
Bacorro-Villena,
Modesto-San Pedro,
Reyes-Fajardo,
Cui-David,
Ferrer-Flores, *and*
Angeles, *JJ.*

THE SANGGUNIANG PANLUNGSOD OF THE CITY OF DAVAO, AND THE HON. SARA Z. DUTERTE-CARPIO AND HON. LAWRENCE D. BANTIDING, IN THEIR RESPECTIVE CAPACITIES AS MAYOR AND ACTING TREASURER OF THE CITY OF DAVAO,
Respondents.

Promulgated:
JUN 11 2026
2:21 p.m.

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DECISION

RINGPIS-LIBAN, P.J.:

Before this Court is the Petition for Review filed by petitioner on February 26, 2025[1] assailing the Decision[2] dated June 7, 2024, and Resolution[3] dated February 3, 2025, promulgated by the Third Division of this Court entitled *DOLE Philippines Inc. – Stanfilco Division vs. The Sangguniang Panlungsod of the City of Davao, and the Hon. Sara Z. Duterte- Carpio and Hon. Lawrence D. Bantiding, in their respective capacities as Mayor and Acting Treasurer of the City of Davao,* docketed as CTA AC No. 286.

The dispositive portion of the Decision reads:

[1] Rollo, CTA EB No. 3098, pp.1-38, with Annexes.
[2] Ibid., pp. 63-75.
[3] Ibid., pp. 59-61.

> "**WHEREFORE**, the Petitioner for Review dated February 27, 2023, filed by DOLE Philippines Inc. – Stanfilco Division, is **DISMISSED**, for lack of jurisdiction.
>
> **SO ORDERED**."

The dispositive portion of the Resolution reads:

> "**WHEREFORE**, petitioner's Motion for Reconsideration (of the Decision dated 07 June 2024) is **DENIED**, for lack of merit. The Decision dated June 7, 2024 is **AFFIRMED**.
>
> **SO ORDERED**."

THE PARTIES

Petitioner is a domestic corporation duly organized and existing under Philippine laws. Petitioner has a Stanfilco Division, operating its business at Doña Socorro Street, Belisario Heights Subdivision, Lanang, Davao City. Petitioner may be served with court notices and processes, through its legal counsel Platon Martinez Flores San Pedro and Leaño Law Offices, located at 6/F Tuscan Building, 114 V.A. Rufino Street, Legaspi Village, Makati City, Metro Manila.[4]

Respondent Sangguniang Panlungsod of the City of Davao is the local legislative body empowered to enact ordinances, levying taxes, fees, and charges, upon such conditions and for such purposes, intended to promote the general welfare of the inhabitants of the city. It may be served with summons, notices, and other pertinent processes at the City Hall, San Pedro Street, Davao City.[5]

Respondent Hon. Sara Z. Duterte-Carpio is being sued in her capacity as Mayor of the City of Davao, who is mandated to enforce laws and ordinances relative to the governance of, and the exercise of corporate powers by the city. She may be served with summons, notices, and other processes at the City Hall Bldg., San Pedro Street, Davao City.[6]

Respondent Hon. Lawrence D. Bantiding, is being sued in his capacity as Acting Treasurer of the City of Davao, and as such is tasked to collect all taxes and fees imposed by the city, and is the custodian of its funds. He may be served

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[4] Decision, p. 2.
[5] Ibid., p. 2
[6] Ibid., p.2

with summons, notices, and other Court processes at the office of the City Treasurer, San Pedro Street, Davao City.[7]

THE FACTS

The facts as found by the Court in Division are as follows:

"On January 3, 2020, petitioner received respondent [Acting City Treasurer] ACT's Tax Order Payments, demanding payment of environmental taxes for Taxable Year (TY) 2020, in the total amount of ₱3,324,825.00, the details of which are as follows:

ADDRESS	KIND OF TAX	LAND AREA (IN HECTARES)	SQUARE METERS	ANNUAL TAX (FOR TY 2020)
Barangay Tamayong (Calinan District)	Environmental Tax ₱0.25/SQM	329.93	3,299,300	₱824,825.00
Barangay Tamugun Marilog District)	Environmental Tax ₱0.25/SQM	500	5,000,000	1,250,000.00
Barangay Malagos (Baguio District)	Environmental Tax ₱0.25/SQM	100	1,000,000	250,000.00
Barangays Tawan-Tawan, Cadalian, and Carmen (Baguio District)	Environmental Tax ₱0.25/SQM	400	4,000,000	1,000,000.00
TOTAL		**1329.93**		**₱3,324,825.00**

On January 10, 2020, petitioner paid under protest said environmental tax assessments for TY 2020, based on the following Official Receipts:

ADDRESS	OR No.	Amount Paid
Barangay Tamayong (Calinan District)	3297030	₱824,825.00
Barangay Tamugan (Marilog District)	3297031	1,250,000.00
Barangay Malagos (Baguio District)	3297032	250,000.00
Barangays Tawan-Tawan, Cadalian, and Carmen (Baguio District)	3297033	1,000,000.00
TOTAL		**₱3,324,825.00**

[7] Ibid. p. 2.

On February 7, 2020, petitioner filed its protest before respondent ACT, impugning the environmental tax assessments for TY 2020 issued by the latter, and praying for the refund of the environmental taxes it paid on said year.

Through Letter dated March 5, 2020, respondent ACT denied petitioner's protest of February 7, 2020.

On June 30, 2020, petitioner filed an Appeal before the RTC-Davao, docketed as Civil Case No. R-DVO-20-02052-CV.

On September 27, 2022, the RTC-Davao rendered the challenged Decision, the *fallo* of which states:

> **WHEREFORE, premises considered**, the Court hereby renders judgment[,] DISMISSING the instant case.
>
> **SO ORDERED.**

On November 10, 2022, petitioner posted its Motion for Reconsideration, praying that the challenged Decision dated September 27, 2022 be overturned.

On January 4, 2023, the RTC-Davao issued the assailed Order, denying petitioner's Motion for Reconsideration, as follows;

> Despite the arguments raised in the **"Motion for Reconsideration"**, the Court finds no cogent reason to alter, modify[,] or set aside the assailed Decision dated September 27, 2022.
>
> As such, the instant **"Motion for Reconsideration"** is hereby **DENIED.**
>
> **SO ORDERED.**

On February 27, 2023, petitioner filed a Petition for Review, docketed as CTA AC No. 286, *sans* respondents' comment.

Under Resolution dated June 9, 2023, this case was submitted for decision."[8]

On June 7, 2024, the Court in Division issued the assailed Decision.[9]

[8] Decision, pp. 3-5.
[9] Docket, CTA AC No. 286, pp. 349-361.

Records show that on June 28, 2024, petitioner filed its "Motion for Reconsideration (of the Decision dated 07 June 2024)."[10]

On October 7, 2024, respondents filed their "Comments/Opposition to the Motion for Reconsideration (Filed on June 28, 2024)."[11]

On February 3, 2025, the Court in Division issued the assailed Resolution denying for lack of merit the Motion for Reconsideration.[12]

Hence, this "Petition for Review" was filed by petitioner on February 26, 2025.

On April 2, 2025, the Court issued a Minute Resolution[13] directing petitioner to submit copies of the assailed Decision and Resolution, within five (5) days from notice; and order respondents to file their Comment on the Petition for Review filed on February 26, 2025, within ten (10) days from notice.

On April 4, 2025, petitioner filed its "Compliance"[14] submitting the Certified True Copies of the Resolution dated February 3, 2025, and Decision dated June 7, 2024.

On May 5, 2025, the Court *En Banc* issued a Minute Resolution[15] noting petitioner's "Compliance."

On May 7, 2025, respondents filed by registered mail their "Comment/Opposition to the Petition for Review (Dated February 26, 2025)," which was received by the Court on May 19, 2025.

On May 23, 2025, the Judicial Records Division issued a Records Verification Report[16] stating that respondents failed to transmit via electronic mail, a Portable Document Format (PDF) copy of their "Comment/Opposition to the Petition for Review (dated February 26, 2025)" filed via registered mail on May 7, 2025, and received by the Court on May 19, 2025.

On July 2, 2025, the Court *En Banc* issued a Minute Resolution[17] 1) noting the Records Verification Report; 2) deeming the Comment/Opposition to the Petition for Review (dated February 26, 2025) filed by respondents, as not filed

[10] Ibid., pp. 362-382.
[11] Ibid., pp. 388-394.
[12] Ibid., pp. 404-406.
[13] CTA EB No. 3098, p. 50.
[14] Ibid., pp. 52-54.
[15] Ibid., p. 76.
[16] Ibid., p. 102.
[17] Ibid., p. 76.

for failure to provide the e-mail/of copy of the said Comment, pursuant to Court of Tax Appeals (CTA) *En Banc* Resolution No. 8-2024; and 3) submit for decision the instant "Petition for Review."

On July 23, 2025, the Court received the e-mail transmittal of the "Comment/Opposition to the Petition for Review (Dated February 26, 2025)" filed by respondents.[18]

On July 24, 2025, the Court received the e-mail transmittal of the "Motion for Reconsideration on the En Banc Resolution dated July 2, 2025" filed by respondents.[19] On the same date, respondents filed by registered mail the copy of their "Motion for Reconsideration on the En Banc Resolution dated July 2, 2025," which was received by the Court on July 31, 2025.[20]

THE ISSUES

Petitioner raises the following issues for the consideration of the Court En Banc *viz:*

1. Whether the Court of Tax Appeals erred in ruling that it has no jurisdiction over the Petition for Review;
2. Whether Ordinance No. 0310-07 (Watershed Protection, Conservation and Management Ordinance, or Watershed Code) meets the requirements of a valid ordinance;
3. Whether the Watershed Code complies with the DENR-DILG Joint Memorandum Circular (JMC) No. 1998-01;
4. Whether the Environmental Tax imposed by the Watershed Code is a valid regulatory fee;
5. Whether the OCT's assessment of Stanfilco for Environmental Tax for taxable year 2020 should be upheld.

THE ARGUMENTS

Petitioner insists that the CTA has jurisdiction over the Petition for Review, since disputed local tax assessment falls under the definition of a local tax case as it is a protest on the assessment along with a request for refund, filed under Section 195 of the Local Government Code (LGC) regardless of the trial court's ruling that the City Treasurer's basis to impose the assessment is a regulatory ordinance rather than a tax ordinance.

[18] Ibid., p. 107.
[19] Ibid., p. 108.
[20] Ibid., pp. 109-112.

Petitioner claims that Watershed Code is not a valid ordinance because it is partial, discriminatory, unfair, excessive, restricts trade by exceeding costs and failed to comply with the publication requirements. Moreover, the said ordinance is an ultra vires act of the Sangguniang Panlungsod. It failed to comply with the conditions prescribed by DENR-DILG JMC No. 1998-01 known as the Manual of Procedures for DENR-DILG-LGU Partnership on Delved and Other Forest Management Functions as strengthened by JMC No. 2003-01. The Sangguninang Panlungsod proceeded with the enactment and implementation of Watershed Code notwithstanding its non-compliance with the requirements outlined by the DENR and the DILG in their JMCs.

Petitioner maintains that the Court erred in holding that the Watershed Code is a regulatory fee and not a tax. Respondent's refusal to produse documents pertaining to the cost of regulating the watersheds and their consequent failure to establish that imposition was commensurate to the actual cost of and inspection bolster the fact that the same is indeed not intended to regulation.

Moreover, the ACT erred in its assessments of Stanfilco for Environmental Tax in taxable year 2020. Petitioner states that assuming respondents may validly assess the Environmental Tax agasint Stanfilco, the assessed amount should be reduced based only on the actual hectarage within Stanfilco operates, or in the amount of Php137,500.00 for Barangay Malagos and P687,050.00 for Barangay Tamagun, respectively.

THE RULING OF THE COURT *EN BANC*

Respondent's Motion for Reconsideration on the En Banc Resolution dated July 2, 2025

The Court shall first rule on respondents' Motion for Reconsideration on the Minute Resolution dated July 2, 2025.

After consideration of the arguments raised by respondents in their Motion for Reconsideration, the Court *En Banc* resolves to deny the said Motion for Reconsideration finding the same without merit. Accordingly, the "Motion for Reconsideration on the *En Banc* Resolution dated July 2, 2025" filed by registered mail on May 7, 2025 is stricken-off the record of this case.

Timeliness of the Petition for Review

On June 13, 2024, the Petitioner received the Decision of the Court in Division, dismissing the Petition for Review for lack of jurisdiction. On June 28, 2024, petitioner filed a Motion for Reconsideration of the said Decision. On February 3, 2025, the Court in Division issued the assailed Resolution denying petitioner's motion. Said Resolution was received by petitioner through its counsel on February 11, 2025.

From receipt of the said Resolution on February 11, 2025, petitioner had until February 26, 2025 within which to file the Petition for Review before the Court *En Banc*, pursuant to Sections 3 (a), (b) and 4 (a), (b) Rule 8 of the Revised Rules of the Court of Tax Appeals, as amended.

The instant "Petition for Review" was filed on February 26, 2025. Hence, this Petition for Review was timely filed.

Jurisdiction of the Court

The CTA, being a court of special jurisdiction, can take cognizance only of matters that are clearly within its jurisdiction.[21] Section 7(a)(3) of RA No. 1125,[22] as amended by RA No. 9282,[23] confers jurisdiction to this Court relative to decisions, orders or resolutions of regional trial courts in local tax cases, to wit:

> "SEC. 7. Jurisdiction. - The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> xxx xxx xxx
>
> (3) **Decisions, orders or resolutions of the Regional Trial Courts <u>in local tax cases</u>, originally decided or resolved by them in the exercise of their original or appellate jurisdiction;**" *(Emphases and underscoring ours)*

Under the foregoing provision, the appellate jurisdiction of the Court in Division over decision, orders, or resolutions of the **RTC becomes operative when the latter has ruled on a local tax case, i.e., one which is in the nature of a tax or which primarily involves a tax issue.**

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[21] Allied Banking Corporation vs. Commissioner of Internal Revenue, G.R. No. 175097, February 5, 2010.
[22] AN ACT CREATING THE COURT OF TAX APPEALS.
[23] AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OR REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

Local taxes include those involving real property tax (RPT), which is governed by Book II, Title II of RA No. 7160, or Local Government Code (LGC) of 1991. Among the possible issues are the legality or validity of the RPT assessments; protests of assessments; disputed assessments, surcharges, or penalties; legality or validity of a tax ordinance; claims for tax refund/ credit; claims for tax exemption; actions to collect the tax due; and even prescription of assessments.

Moreover, when the appeal comes from a judicial remedy which questions the authority of the local government to impose the tax, the aforequoted Section 7(a)(3) applies.[24]

The questioned "taxes" subject of this case are the environmental taxes for taxable year 2020, paid by petitioner under protest. The collection thereof was based on Section 17(i) and (ii) of the Watershed Code, which reads as follows:

> **SECTION 17. ENVIRONMENTAL FUND.** – For the purpose of implementing the provisions of this Code, an annual Environmental Tax shall be imposed on all agricultural and other economic undertakings in the Agro-forestry/Non-Tillage Areas and Prime Agricultural Areas of not less than 50 hectares at the rate of Twenty[-]Five Centavos (Php0.25) per square meter, provided that:
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> (i) The Environmental Tax shall also be imposed on corporate entities and persons engaged in agricultural and other economic undertakings on lands covered by growership contracts and other agreements;
>
> (ii) **The Environmental Tax collected shall accrue to the General Fund and shall be appropriated in the Annual Budget solely for the purpose of the implementation of this Code, the operational expenses of the Watershed Management Council and all its instrumentalities and for watershed protection, conservation and management programs and projects**, subject to the approval of Davao City Council. *(Emphasis supplied)*

The question then is whether the Environmental Taxes collected from petitioner are in fact taxes, in order to fall within the ambit of the RTC's exclusive original jurisdiction and the Court in Division's appellate jurisdiction.

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[24] National Power Corporation vs. Municipal Government of Navotas, et al, G.R. No. 192300, November 24, 2014.

In *Smart Communications Inc. vs. Municipality of Malvar, Batangas,*[25] one of the issues raised was: *whether the fees imposed under a particular ordinance are in fact taxes.* The Supreme Court held:

> "Since the main purpose of Ordinance No. 18 is to regulate certain construction activities of the identified special projects, which included 'cell sites' or telecommunications towers, the fees imposed in Ordinance No. 18 are ***primarily regulatory in nature, and not primarily revenue-raising.*** While the fees may contribute to the revenues of the Municipality, this effect is merely incidental. Thus, the fees imposed in Ordinance No. 18 are not taxes.
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> In *Progressive Development Corporation v. Quezon City,* the Court declared that 'if the generating of revenue is the primary purpose and regulation is merely incidental, the imposition is a tax; but if regulation is the primary purpose, the fact that incidentally revenue is also obtained does not make the imposition a tax.'
>
> In *Victorias Milling Co., Inc. v. Municipality of Victorias,* the Court reiterated that the purpose and effect of the imposition determine whether it is a tax or a fee, and that the lack of any standards for such imposition gives the presumption that the same is a tax.
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>> **We accordingly say that the designation given by the municipal authorities does not decide whether the imposition is properly a license tax or a license fee.** The determining factors are the purpose and effect of the imposition as may be apparent from the provisions of the ordinance. Thus, **'[w)hen no police inspection, supervision, or regulation is provided, nor any standard set for the applicant to establish, or that he agrees to attain or maintain,** but any and all persons engaged in the business designated, without qualification or hindrance, may come, and a license on payment of the stipulated sum will issue, to do business, subject to no prescribed rule of conduct and under no guardian eye, but according to the unrestrained judgment or fancy of the applicant and licensee, the **presumption is strong that the power of taxation,** and not the police power, is being exercised.'" *(Emphases supplied)*

[25] G.R. No. 204429, February 18, 2014.

Relative thereto, it has been held that the power to "regulate" means the power to protect, foster, promote, preserve, and control, with due regard for the interests, first and foremost, of the public, then of the utility and of its patrons.[26] The nature and the parameters of the exercise of police power were explained by the High Court in *Acebedo Optical Company, Inc. vs. The Honorable Court of Appeals, et al,*[27] *as follows:*

> "**Police power** as an inherent attribute of sovereignty is the power to **prescribe regulations to promote the health**, morals, peace, education, good order or **safety and general welfare of the people**. **The State, through the legislature, has delegated the exercise of police power to local government units**, as agencies of the State, in order to effectively accomplish and carry out the declared objects of their creation. This delegation of police power is embodied in the general welfare clause of the Local Government Code which provides:
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>> Sec. 16. *General Welfare.* **Every local government unit shall exercise the powers** expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those **which are essential to the promotion of the general welfare. Within their respective territorial jurisdictions, local government units shall** ensure and support, among other things, the preservation and enrichment of culture, **promote health and safety**, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants.
>
> The scope of police power has been held to be so comprehensive as to encompass almost all matters affecting the health, safety, peace, order, morals, comfort and convenience of the community. Police power is essentially regulatory in nature and the power to issue licenses or grant business permits, if exercised for a regulatory and not revenue-raising purpose, is within the ambit of this power.
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> xxx xxx xxx

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[26] Gerochi, et al. vs. Department of Energy, G.R. No. 159796, July 17, 2007, citing Philippine Association of Service Exporters, Inc. vs. Hon. Ruben D. Torres, G.R. No. 101279, August 6, 1992, citing Philippine Communications Satellite Corporation v. Alcuaz, 180 SCRA 218 (1989).

[27] G.R. No. 100152, March 31, 2000.

(T)he issuance of business licenses and permits by a municipality or city is essentially regulatory in nature. **The authority,** which devolved upon local government units to **issue or grant such licenses or permits, is essentially in the exercise of the police power of the State within the contemplation of the general welfare clause of the Local Government Code.**" *(Emphases supplied)*

The Court *En Banc* adopts with approval the ruling of the Court in Division in the assailed Decision, when it ruled as follows:

"We then glossed over the provisions of the Watershed Code, and found that the environmental taxes imposed under Section 17 thereof are fees, and not taxes, as the object and nature thereof are mainly one for regulation. Ponder on these points:

First. As explicitly intimated on Section 17 of the Watershed Code, said environmental taxes are exacted for the purpose of watershed protection, conservation, management programs and projects. This is reinforced by Section 3 thereof, stating that the underlying principles for the enactment of the Watershed Code are primarily to protect, conserve, and manage watershed areas to achieve a balance ecosystem, foster public health and welfare, and sustain the City of Davao' s water source:

ARTICLE 3. UNDERLYING PRINCIPLES-The underlying principles of [the Watershed] Code are as follows:
a. That [healthy] watershed areas are crucial to a balanced eco-system;

b. That the watershed areas are sources of life-giving water that is vital to public health and welfare[,] and economic growth and development;

c. That water[,] despite its abundance is not an infinite resource that must be protected, conserved[,] and managed to maintain its sustainability.

To achieve these purposes and objectives, Section 9 of the Watershed Code demonstrates the regulatory nature of said ordinance, by proscribing certain acts of persons or entities engaged in agricultural or other activity in environmentally critical areas, to ensure health and sustainability of the watershed areas: N

ARTICLE 9. PROHIBITED ACTS.- **To ensure the health and sustainability of the Watershed Areas, the following shall be prohibited acts in the Environmentally Critical Areas**, immediately upon effectivity of this Code:

(a) CONSERVATION AREAS-

(i) Land conversion to whatever classification;
(ii) Commercial tree farming except those related to reforestation;
(iii) Water drilling except for household use;
(iv) Hunting, destroying, disturbing or mere possession of any plant or animal or products derived therefrom without permit from the Watershed Management Council;
(v) Dumping or disposing of any waste products detrimental to plants and animals and inhabitants thereon;
(vi) Use of motorized equipment without permit from the Watershed Management Council;
(vii) Mutilating, defacing or destroying objects of natural beauty, burial grounds, religious sites, artifacts or other objects belonging to cultural communities;
(viii) Damaging or destroying roads and trails;
(ix) Squatting, mineral exploration illegal occupation;
(x) Constructing or maintaining the any kind of structure, fence or enclosure and conducting any business enterprise;
(xi) Altering, removing, destroying or defacing boundary marks or signs;
(xii)Exploitation of quarry resources and commercial sand and gravel resources

(b) AGRO-FORESTRY AREAS/ AGRICULTURAL NON-TILLAGE AREAS-

(i) Land conversion to whatever classification;
(ii) Agri-business and other industrial undertaking without Environmental Compliance Certificate (ECC) as provided in Presidential Decree No. 1586 establishing the Environmental Impact Assessment System and Proclamation No. 2146;
(iii) Water drilling for industrial use except those issued with an ECC pursuant to Presidential Decree No. 1586 and Proclamation No. 2146 and the Davao City Water Resources Management Ordinance;
(iv) Construction of any vertical structures for commercial, industrial, institutional, religious purposes without an ECC

> except for research and scientific studies, educational purposes and community chapels and churches;
> (v) Exploitation of quarry resources and commercial sand and gravel resources;
> (vi) Monocrop agriculture activities, including but not limited to, banana and pineapple plantations, ... ;
> (vii) Aerial spray application of all kinds of farm production inputs and crop protection agents;
> (viii) Use of any kind of inorganic fertilizer, pesticide, herbicide and other farm production inputs and crop protection agents. *(Emphasis supplied)*
>
> *Second.* Said environmental taxes would defray the operational expenses of, among others, the Watershed Management Council, who, under Article 13 of the same Ordinance, is" ... the **monitoring and evaluation** council of relevant stakeholders and interest groups by common vision of ensuring the **protection, conservation[,] and management** of the watershed areas."
>
> *Third. Batangas CATV, Inc. v. The Court of Appeals, et al.* pronounced that the general welfare clause found under Section 16 of the Local Government Code (LGC) is the delegation in statutory form of the *police power* of the State to Local Government Units. Among the facets thereof found in Watershed Code, in aiming to protect, conserve, and manage watersheds, are promotion of the general welfare, health, and safety, enhancement of the right of the people to a balanced ecology."[28]

Considering that "Environmental Taxes" are collected for the purpose of watershed protection, conservation, management programs and projects, the said "taxes" imposed are primarily regulatory in nature, and not primarily for revenue-raising. Thus, the "Environmental Taxes" are not local taxes, for purposes of Section 7(a)(3) of RA No. 1125, as amended by RA No. 9282. Correspondingly, this Court is without jurisdiction to entertain the present appeal.

Jurisdiction over the subject matter or nature of an action is fundamental for a court to act on a given controversy, and is conferred only by law and not by the consent or waiver upon a court which, otherwise, would have no jurisdiction over the subject matter or nature of an action. Lack of jurisdiction of the court over an action or the subject matter of an action cannot be cured by the silence, acquiescence, or even by express consent of the parties. If the court

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[28] Decision, pp. 9-11. Citations omitted.

has no jurisdiction over the nature of an action, its only jurisdiction is to dismiss the case. The court could not decide the case on the merits.[29]

ACCORDINGLY, the Petition for Review is **DENIED** for lack of merit. The assailed Decision dated June 7, 2024 and the assailed Resolution dated February 3, 2025 are **AFFIRMED**.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

WE CONCUR:

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

(INHIBITED)
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice

[29] *Nippon Express (Philippines) Corp. vs. Commissioner of Internal Revenue*, G.R. No. 185666, February 4, 2015.

CERTIFICATION

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.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice