REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

ANITA DELA VEGA LACAMBACAL,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11113

Present:

REYES-FAJARDO,
Chairperson, and
ANGELES, *JJ.*

Promulgated:

JAN 19 2026
4:00 p.m.

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DECISION

ANGELES, J.:

Before the Court is a *Petition for Review*[1] filed by Anita Dela Vega Lacambacal (Petitioner) on March 30, 2023. Petitioner prays that she be declared entitled to, and that respondent be ordered to refund, the amount of erroneously paid donor's tax from her waiver of her share in the Estate of Victorino P. Lacambacal (Estate of Lacambacal) amounting to One Million One Hundred Eighty Thousand Six Hundred Eighty-Three Pesos and Eighty-Seven Centavos (PHP1,180,683.87).[2]

THE PARTIES

Petitioner is a Filipino, of legal age, with address at 11 Tiamsic St., Tabacalera, Pateros, Metro Manila.[3]

Respondent, on the other hand, is the duly appointed Commissioner (CIR) of the Bureau of Internal Revenue (BIR) vested

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[1] Docket, pp. 6 to 26.
[2] Prayer, *Petition for Review*, Docket, p. 22; Statement of the Case, *Pre-Trial Order*, Docket, p. 369.
[3] Par. 1, Stipulation of Facts, *Pre-Trial Order*, Docket, p. 370.

with authority, among others, to act upon and approve claims for refund or tax credit of overpaid or erroneously paid internal revenue taxes, including donor's tax.[4]

THE ANTECEDENT FACTS

On March 13, 2020, Victorino P. Lacambacal died[5] without any will and without any outstanding obligations. He was survived by his spouse, Anita Dela Vega Lacambacal – who is the petitioner in this case, and four (4) children namely: Nova D. Lacambacal; Noemi D. Lacambacal; Nanette L. De Guzman; and Alvin D. Lacambacal (herein referred to as "heirs").[6]

The Estate of Lacambacal was registered with the BIR with Tax Identification (TIN) No. 600-124-472-00000. The heirs are likewise registered with the BIR and have their respective TINs.[7]

On March 05, 2021, the heirs executed an Extrajudicial Settlement of Estate with Renunciation of Rights (EJS).[8] In the EJS, they divided among themselves the properties of the Estate of Lacambacal. Furthermore, it is in such EJS where petitioner executed a general waiver of her rights to the Estate of Lacambacal in favor of her co-heirs.[9]

On March 31, 2021[10] and April 06, 2021,[11] petitioner allegedly mistakenly paid donor's tax in the total amount of Php1,180,638.87 with BIR Revenue District Office (RDO) No. 44.[12]

Moreover, petitioner alleged that she filed with BIR RDO No. 44, an application for the issuance of a Certificate Authorizing Registration (CAR) together with its supporting documents.[13] The One-Time Transaction (ONETT) Team of BIR RDO No. 44 likewise provided a computation of the taxes due on the Estate of Lacambacal (ONETT Computation).[14] It allegedly found that only estate tax in the amount of

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[4] Par. 2, Stipulation of Facts, *Pre-Trial Order*, Docket, p. 370.
[5] Exhibit "P-54", Docket, pp. 541 to 542.
[6] Pars. 4 and 6, Docket, p. 7.
[7] Pars. 5 and 7, Docket, p. 7.
[8] Exhibit "P-2", Docket, pp. 401 to 406.
[9] Pars. 8 and 9, Docket, p. 8.
[10] Exhibits "P-4", "P-6", "P-8", Docket, pp. 409, 412, 415.
[11] Exhibit "P-11", Docket, p. 416.
[12] Par. 10, Docket, p. 8.
[13] Par. 11, Docket, p. 8.
[14] Exhibit "P-13", Docket, pp. 418 to 419.

Php3,676,935.87 was due from the Estate of Lacambacal, to which the latter paid[15] on March 12, 2021.[16]

On November 19, 2021, the respondent issued the CARs for the Estate of Lacambacal.[17]

On March 27, 2023, petitioner then filed an administrative claim with the BIR praying for the refund of or issuance of a tax credit certificate in the amount of Php1,180,683.87, representing the donor's tax which was allegedly erroneously paid in view of the general renunciation of petitioner of her share in the Estate of Lacambacal.[18]

THE PROCEEDINGS BEFORE THIS COURT

On March 30, 2023, petitioner elevated the matter before the Court and the present *Petition for Review* was filed.[19]

On May 18, 2023, Summons[20] was issued to the respondent.

Thereafter, within the extended period granted by the Court,[21] respondent posted his *Answer with Motion to Dismiss*, praying that the case be dismissed for lack of merit and jurisdiction.[22]

The Pre-Trial Conference was then set[23] on October 12, 2023. Prior thereto, *Petitioner's Pre-Trial Brief* and *Respondent's Pre-Trial Brief* were both filed on October 06, 2023.[24] However, considering that respondent's *Answer* was accompanied by a motion to dismiss, the Court ordered petitioner to comment thereon and the pre-trial conference was reset to a later date.[25]

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[15] Exhibit "P-15", Docket, p. 426.
[16] Pars. 11 to 13, Docket, p. 8.
[17] Par. 14, Docket, p. 8.
[18] Par. 15, Docket, p. 8, Exhibit "P-74", Docket, pp. 565 to 568.
[19] Docket, pp. 6 to 26.
[20] Docket, p. 240.
[21] *Motion for Extension of Time to File Answer*, Docket, pp. 242 to 243; and Minute Resolution dated July 7, 2023, Docket, p. 249.
[22] Docket, pp. 250 to 255.
[23] Notice of Pre-Trial Conference dated August 8, 2023, Docket, p. 259 to 260.
[24] Docket, pp. 261 to 273.
[25] Minute Resolution dated October 11, 2023, Docket, p. 285.

On October 31, 2023, the Court received petitioner's *Comment (To Respondent's Motion to Dismiss).*[26] In a Resolution[27] dated December 21, 2023, the Court denied the motion to dismiss for lack of merit. In the same resolution, the pre-trial conference was set on March 06, 2024.

Following the completion of the pre-trial proceedings, the parties filed their *Joint Stipulation of Facts and Issues* (JSFI) on April 05, 2024.[28] In a Resolution dated April 24, 2024, the Court approved the same and the pre-trial was deemed terminated.[29] Accordingly, a Pre-Trial Order was issued on June 24, 2024.[30]

Moreover, respondent likewise previously transmitted the BIR Records of the case consisting of one (1) folder, with ten (10) pages.[31]

Subsequently, trial ensued, and the petitioner presented her testimonial and documentary evidence.

Petitioner presented the lone testimony of Atty. Racquel R. Dujunco.[32] On August 13, 2024, petitioner filed her *Formal Offer of Evidence*,[33] with respondent's *Comment/Objection (To Petitioner's Formal Offer of Evidence)* filed on August 27, 2024.[34] In the Resolution dated November 08, 2024,[35] the Court admitted petitioner's offered exhibits.

On the other hand, counsel for respondent manifested in open court that they will no longer present any witness.[36]

On December 23, 2024, petitioner[37] and respondent[38] filed their respective *Memorandum*. Hence, the case was submitted for decision on January 20, 2025.

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[26] Docket, pp. 289 to 306.
[27] Docket, pp. 309 to 312.
[28] Docket, pp. 338 to 349.
[29] Docket, p. 351.
[30] Docket, pp. 369 to 376.
[31] Docket, p. 362.
[32] Exhibit "P-77", Docket, pp. 27 to 38; Minutes of the hearing held on July 4, 2024, Docket, p. 377; and Hearing Order dated July 4, 2024, Docket, pp. 378 to 379.
[33] Docket, pp. 385 to 400.
[34] Docket, pp. 624 to 626.
[35] Docket, pp. 631 to 632.
[36] Minutes of the hearing held on November 21, 2024, Docket, p. 633; and Hearing Order dated November 21, 2024, Docket, pp. 634 to 635.
[37] Docket, pp. 640 to 652.
[38] Docket, pp. 656 to 661.

THE ISSUE

As duly stipulated, the parties have limited the sole issue for this Court's resolution as follows:

> **Whether or not petitioner is entitled to a refund in the amount of Php1,180,683.37, representing erroneously paid donor's tax arising from her general waiver of her share in the Estate if Lacambacal.**[39]

THE ARGUMENTS

Petitioner's arguments:

Petitioner mainly contends that she is entitled to the refund of donor's tax which she previously paid in the amount of PHP1,180,683.87. She claims that the same is erroneously paid in view of the general renunciation she executed in the EJS in favor of the other heirs – her four (4) children.

She explained that as provided in the Civil Code of the Philippines (Civil Code), when a person renounces his or her share in the inheritance, the same is transferred proportionally to his or her co-heirs by virtue of the right of accretion, and is retroactive to the time of death of the decedent. In effect, it is as if no such share has transferred to the petitioner upon the death of Victorino P. Lacambacal. Hence, no donation has taken place in favor of the heirs and therefore, no donor's tax is due in relation thereto.

Thus, under Section 204 of the National Internal Revenue Code (NIRC) of 1997, as amended, the CIR is authorized to refund or credit taxes; and as provided under Section 229 of the same law, a judicial claim for refund of such erroneously or illegally paid taxes shall be filed within two (2) years from payment.

Petitioner likewise contends that she timely made her administrative and judicial claims for refund, and is entitled thereto.

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[39] Stipulation of Issue, *Pre-Trial Order*, Docket, p. 370.

Respondent's counter-arguments:

Respondent, on the other hand, argues that Section 229 of the NIRC of 1997, as amended, only applies to illegally or erroneously collected taxes, and that the case of petitioner's claim is not of such import. He argues that petitioner was fully aware of the situation at the time she made such payments, and that respondent did not make any demands in relation thereto. In view of the voluntary act of payment by petitioner, the same may not be considered erroneous. Instead, it is considered a natural obligation on the part of petitioner which gives rise to the authority of the BIR to retain what has been voluntarily delivered to it. Respondent anchored such argument on Article 1423 of the Civil Code which provides that, *"Obligations are civil or natural. Civil obligations give a right of action to compel their performance. Natural obligations, not being based on positive law but on equity and natural law, do not grant a right of action to enforce their performance, but after voluntary fulfillment by the obligor, they authorize the retention of what has been delivered or rendered by reason thereof. Some natural obligations are set forth in the following articles."*[40]

Furthermore, respondent contends that a claim for refund must be strictly construed against the claimant, and that the petitioner in this case failed to exhaust her administrative remedies prior to the filing of the present judicial action. He contends that petitioner filed her administrative claim for refund only seven (7) days prior to the filing of her judicial claim. Therefore, it deprived the CIR the opportunity to assess the claim and render a decision.

Lastly, respondent emphasized that aside from bare allegations, petitioner failed to sufficiently show proof in support of its claim, and that the documents attached to the petitioner contradicts her allegations.

THE RULING

The *Petition for Review* must be denied.

Before addressing the reasons for the denial of this judicial claim for refund, We shall first establish the Court's jurisdiction, the timeliness of the claims, and the contention of respondent regarding petitioner's failure to exhaust administrative remedies.

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[40] Civil Code of the Philippines, Republic Act No. 386, June 18, 1949.

The Court has jurisdiction over the present case.

The administrative and judicial claims for refund were both filed within the two (2)-year reglementary period under Section 229 of the NIRC of 1997, as amended.

As provided in the Revised Rules of the Court of Tax Appeals (RRCTA),[41] the Court of Tax Appeals (CTA), has exclusive original or appellate jurisdiction over claims for refund of erroneously or illegally collected taxes, which must be filed before the expiration of the two (2)-year period under Section 229 of the NIRC of 1997, as amended, to wit:

RULE 4
Jurisdiction of the Court

> SECTION 1. Jurisdiction of the Court. — The Court shall exercise exclusive original jurisdiction over or appellate jurisdiction to review by appeal the cases specified in Republic Act No. 1125, Section 7, as amended by Republic Act No. 9282, Section 7. (n)
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> xxx xxx xxx
>
> SECTION 3. Cases Within the Jurisdiction of the Court in Divisions. — The Court in Divisions shall exercise:
>
> (a) **Exclusive original or appellate jurisdiction** to review by appeal the following:
>
> (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;
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> (2) Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties

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[41] Revised Rules of the Court of Tax Appeals, A.M. No. 05-11-07-CTA, November 22, 2005.

in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code or other applicable law provides a specific period for action: Provided, that in case of disputed assessments, the inaction of the Commissioner of Internal Revenue within the one hundred eighty day-period under Section 228 of the National Internal Revenue Code shall be deemed a denial for purposes of allowing the taxpayer to appeal his case to the Court and does not necessarily constitute a formal decision of the Commissioner of Internal Revenue on the tax case; Provided, further, that should the taxpayer opt to await the final decision of the Commissioner of Internal Revenue on the disputed assessments beyond the one hundred eighty day-period abovementioned, the taxpayer may appeal such final 2005 Revised Rules of the CTA, as amended 24 decision to the Court under Section 3(a), Rule 8 of these Rules; and **Provided, still further, that in the case of claims for refund of taxes erroneously or illegally collected, the taxpayer must file a petition for review with the Court prior to the expiration of the two-year period under Section 229 of the National Internal Revenue Code**; *(Emphasis supplied)*

On the other hand, a reading of Section 229 of the NIRC of 1997, as amended, provides:

SEC. 229. Recovery of Tax Erroneously or Illegally Collected. - No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, **until a claim for refund or credit has been duly filed with the Commissioner**; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.

In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment: *Provided, however*, That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid. *(Emphasis supplied)*

Essentially, it is crucial to read Section 204 together with Section 229 of the NIRC of 1997, as amended, as this provides for the authority and procedure by which the CIR may refund or credit taxes, to wit:

> **The Commissioner may –**
>
> xxx xxx xxx
>
> (C) Credit or **refund taxes erroneously or illegally received** or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. **No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty** x x x *(Emphasis supplied)*

In sum, the foregoing laws provide the jurisdiction and procedure by which the CTA may take cognizance of a claim for refund of erroneously or illegally collected taxes under Section 229 in this wise: within two (2) years from the payment of the alleged erroneously paid taxes, the party must file a (administrative) claim for refund with the CIR. Prior to the expiration of the same period a (judicial) claim for refund must likewise be filed before the court – the CTA.

Jurisprudence spell out and specify the two (2) conditions for an action to recover erroneously paid or illegally collected taxes under Section 229 of the NIRC of 1997, as amended, namely: (1) that an administrative claim must first be filed with the BIR; and (2) that the judicial claim must be filed within two (2) years from payment of the tax.[42]

In the present case, respondent argues that the Court does not have jurisdiction in view of the failure of petitioner to exhaust administrative remedies. He contends that petitioner failed to exhaust her administrative remedies when she filed her administrative claim for refund only seven (7) days prior to the filing of the judicial claim. Thus, depriving the CIR the opportunity to assess the claim and render a decision.

Respondent is mistaken.

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[42] *Commissioner of Internal Revenue v. Carrier Air Conditioning Philippines, Inc.*, G.R. No. 226592, July 27, 2021.

Well-settled is the rule that a taxpayer claiming for refund of erroneously paid taxes under Section 229, need not await the decision of the CIR before it may elevate his or her claim before the courts. The Supreme Court, in *CBK Power Company Ltd. v. Commissioner of Internal Revenue*,[43] provides for the rationale behind the requirement of first filing an administrative claim with the BIR before elevating the matter before the CTA, in this light:

> In the foregoing instances, attention must be drawn to the Court's ruling in *P.J. Kiener Co., Ltd. v. David (Kiener)*,wherein it was held that **in no wise does the law**, *i.e.*, Section 306 of the old Tax Code (**now, Section 229 of the NIRC**), **imply that the Collector of Internal Revenue first act upon the taxpayer's claim, and that the taxpayer shall not go to court before he is notified of the Collector's action**. In *Kiener,* the Court went on to say that the **claim with the Collector of Internal Revenue was intended primarily as a notice of warning that unless the tax or penalty alleged to have been collected erroneously or illegally is refunded, court action will follow**, *viz.*:
>
>> The controversy centers on the construction of the aforementioned section of the Tax Code which reads:
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>>> SEC. 306.*Recovery of tax erroneously or illegally collected.* — No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Collector of Internal Revenue; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress. In any case, no such suit or proceeding shall be begun after the expiration of two years from the date of payment of the tax or penalty.
>>
>> The preceding provisions seem at first blush conflicting. It will be noticed that, whereas the first sentence requires a claim to be filed with the Collector of Internal Revenue before any suit is commenced, the last makes imperative the bringing of such suit within two years from the date of collection. But the conflict is only apparent and the two provisions easily yield to reconciliation, which it is the office of statutory construction to effectuate, where possible, to give effect to the entire enactment.
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>> To this end, and bearing in mind that the Legislature is presumed to have understood the language it used and to have acted with full idea of what it wanted to accomplish, it is fair and reasonable to say without doing violence to the context or either of

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[43] G.R. Nos. 193383-84 & 193407-08, January 14, 2015.

> the two provisions, that by the first is meant simply that the Collector of Internal Revenue shall be given an opportunity to consider his mistake, if mistake has been committed, before he is sued, but not, as the appellant contends that pending consideration of the claim, the period of two years provided in the last clause shall be deemed interrupted. **Nowhere and in no wise does the law imply that the Collector of Internal Revenue must act upon the claim, or that the taxpayer shall not go to court before he is notified of the Collector's action. ....We understand the filing of the claim with the Collector of Internal Revenue to be intended primarily as a notice of warning that unless the tax or penalty alleged to have been collected erroneously or illegally is refunded, court action will follow**..... (Emphases supplied)

Furthermore, in the case of *Commissioner of Internal Revenue v. Estate of Mr. Charles Marvin Romig*,[44] the administrative and judicial claims for refund were even filed on the same day, and the High Court proceeded to rule that the number of days in between the filing of the administrative and judicial claim for refund is immaterial as long both claims have been filed within two (2) years from payment, *viz.*:

> According to the CIR, the Estate's filing of its administrative claim with the BIR at 8:00 a.m. and its judicial claim before the CTA at 4:47 p.m. both on June 28, 2017 — just two days prior the lapse of the two-year period, deprived the BIR the opportunity to act on the administrative claim for refund. **The CIR argues that, with less than nine hours given to him, he was not "afforded a complete chance to pass upon the matter" nor "given an opportunity to act and correct the errors committed in the administrative forum."**
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> **The contention is untenable.**
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> Sections 204 and 229 of the 1997 NIRC provide for the refund of erroneously or illegally collected taxes. Section 204 applies to administrative claims for refund, while Section 229 to judicial claims for refund. Said provisions state:
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> xxx xxx xxx
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> **Based on the above-quoted provisions, it is manifestly clear that an administrative claim for refund must precede the filing of a judicial claim and that both claims must be filed within the two years from the payment of the tax**. In the instant case, the two-year period to file a claim for refund is reckoned from June 30, 2015, the date respondent paid the estate tax amounting to PHP4,565,439.07. Since the Estate first filed its administrative claim at 8:00 a.m. on June 28, 2017, and thereafter its judicial claim at 4:47 p.m. on even date, both claims were filed on time or within the two-year prescriptive period provided by law.

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[44] G.R. No. 262092, October 09, 2024.

> **It is of no moment that there is only a short interval between the filing of the two claims. The law merely requires that both claims are filed within the two-year period.** In Commissioner of Internal Revenue v. Carrier Air Conditioning Philippines, Inc., where therein petitioner similarly argued that the judicial claim for refund, which was filed barely 10 days from the filing of the administrative claim, was premature and violative of the doctrine of exhaustion of administrative remedies, **this Court held that, "from the plain language of the law, it does not matter how far apart the administrative and judicial claims were filed, or whether the [CIR] was actually able to rule on the administrative claim, so long as both claims were filed within the two-year prescriptive period."** (Emphasis supplied)

To reiterate, it is of no moment that the CIR was not able to assess the administrative claim and render a decision in relation thereto. The minimum and necessary requirement before the Court may take cognizance of a judicial claim is that it is filed within two (2) years from payment.

We now discuss the timeliness of the present appeal.

Again, Section 7 (a)(2) of the CTA Law, and the RRCTA[45] provides that the CTA Division has exclusive appellate jurisdiction over the inactions of CIR in disputed assessments and refunds. Furthermore, the rules have been specific in stating that in claims for erroneously and illegally collected taxes, a petition for review must be filed before the CTA within two (2) years from the date of payment, as provided in Rule 8, Section 3 of the RRCTA, to wit:

> SEC. 3. Who may appeal; **period to file petition.** – (a) **A party adversely affected by** a decision, ruling or **the inaction of the Commissioner of Internal Revenue on** disputed assessments or **claims for refund of internal revenue taxes**, or by a decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry, the Secretary of Agriculture, or a Regional Trial Court in the exercise of its original jurisdiction **may appeal to the Court by petition for review filed within thirty days** after receipt of a copy of such decision or ruling, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. ***In case of inaction of the Commissioner of Internal Revenue on claims for refund of internal revenue taxes erroneously or illegally collected, the taxpayer must file a petition for review within the two-year period prescribed by law from***

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[45] Revised Rules of the Court of Tax Appeals, A.M. No. 05-11-07-CTA, November 22, 2005.

> ***payment or collection of the taxes.*** *(Emphases and italics supplied)*

As borne by the records of this case, petitioner filed an administrative claim for refund on **March 27, 2023**, as evidenced by the BIR's stamped receipt thereof.[46] Thereafter, the present appeal, being a judicial claim for refund, was then filed on **March 30, 2023**. It may be recalled that petitioner allegedly made payments of donor's taxes on **March 31, 2021** and **April 6, 2021**.[47] Hence, the present appeal, being the judicial claim for refund, was timely filed within two (2) years from payment. For ease of reference, the relevant timeline is summarized as follows:

Kind of Tax	Amount Paid	Date of Payment	Date of Filing of Administrative Claim	Judicial Claim	End of the Two (2)-Year Prescriptive Period
Donor's Tax	498,905.44	March 31, 2021	March 27, 2023	March 30, 2023	March 31, 2023
	222,779.15	March 31, 2021			
	196,351.55	March 31, 2021			
	262,647.72	April 6, 2021			April 6, 2023

Therefore, petitioner did not fail to exhaust her administrative remedies as she was able to satisfy the minimum requirement to timely and duly file her administrative and judicial claims for refund within two (2) years from payment. Hence, this Court has jurisdiction to rule on the merits of the present judicial claim for refund, as will be discussed in length below.

Petitioner failed to prove her entitlement to the present judicial claim for refund of donor's taxes.

To recall, the present appeal is in the nature of a judicial claim for refund as regards the donor's taxes which herein petitioner alleged to have erroneously paid in relation to her renounced share in the Lacambacal Estate.

We discuss the reasons for Our denial below.

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[46] Exhibit "P-74", Docket, p. 565.
[47] Exhibit "P-11", Docket, p. 416.

As a rule, the NIRC of 1997, as amended, provides that (donor's) taxes are due upon the transfer of any property, tangible or intangible, by way of gift, to wit:

CHAPTER II
DONOR'S TAX

SEC. 98. *Imposition of Tax.* –

(A) There shall be levied, assessed, collected and paid upon the transfer by any person, resident or nonresident, of the property by gift, a tax, computed as provided in Section 99.

(B) (B) The tax shall apply whether the transfer is in trust or otherwise, whether the gift is direct or indirect, and whether the property is real or personal, tangible or intangible.

In the case at hand, petitioner argues that she is not liable for the donor's taxes previously paid in the total amount of PHP1,180,683.87 relative to her share of properties in the Estate of Lacambacal which she renounced/transferred in favor of her children by virtue of the general renunciation in the EJS. She finds support in Section 12, Revenue Regulations (RR) No. 12-18, to wit:[48]

> Renunciation by the surviving spouse of his/her share in the conjugal partnership or absolute community after the dissolution of the marriage in favor of the heirs of the deceased spouse or any other person/s is subject to donor's tax whereas **general renunciation by an heir, including the surviving spouse, of his/her share in the hereditary estate left by the decedent is not subject to donor's tax, unless specifically and categorically done in favor of identified heir/s to the exclusion or disadvantage of the other co-heirs in the hereditary estate.** *(Emphasis supplied)*

Corrollarily, a reading of the relevant portion of the EJS[49] provides the alleged general renunciation as follows:

EXTRAJUDICIAL SETTLEMENT OF ESTATE WITH RENUNCIATION OF RIGHTS

xxx xxx xxx

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[48] Consolidated Revenue Regulations on Estate Tax and Donor's Tax Incorporating the Amendments Introduced by Republic Act No. 10963, Otherwise Known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law", Revenue Regulations No. 12-18, January 25, 2018.

[49] Exhibit "P-2", Docket, p. 403.

The heirs hereby agree:

THAT, that Anita Dela Vega Lacambacal, do hereby renounce and relinquish her rights over her proportional share as legitime in the estate of Victorino Pili Lacambacal;

Given this general renunciation, petitioner claims she is not liable for donor's tax as provided by the relevant BIR issuances. Consequently, she maintains that her previous payments were erroneous and seeks a refund under Section 229 of the NIRC of 1997, as amended.

However, upon perusal of the evidence offered by petitioner and admitted by the Court, petitioner has **not** effectively and **generally** renounced her share in the Estate of Lacambacal.

We explain.

While indeed on its face, such EJS contains a provision where petitioner appears to have renounced and relinquished her rights over the Estate of Lacambacal, it was revealed to this Court that the same is negated by and inconsistent with other pieces of evidence. Upon careful scrutiny of the donor's tax returns, petitioner actually, *categorically*, and *specifically* designated certain properties to certain heirs – thereby negating the supposed general nature of her previous renunciation.

Exhibit No.	Document	Donee	Description of Donated Property	Amounts
P-3[50]	BIR Form No. 1800 Donor's Tax Return in the amount Php196,351.55, stamped received on 31 March 2021	Nova Dela Vega Lacambacal	(1) ANVIC Shares; (2) ¼ of East Ridge Share; (3) ¼ of Share in Vehicles; and (4) ¼ of DMCI Share	(1) 2,540,950.55 (2) 137,500.00 (3) 785,512.85 (4) 58,562.50
P-5[51]	BIR Form No. 1800 Donor's Tax Return in the amount Php498,905.44, stamped received on 31 March 2021	Alvin Dela Vega Lacambacal	(1) ANVIC Share; (2) Southwoods Share; (3) ¼ of East Ridge Share; (4) ¼ of Share in Vehicles; and (5) ¼ of DMCI Share	(1) 5,895,450.55 (2) 1,438,064.83 (3) 137,500.00 (4) 785,512.85 (5) 58,562.50

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[50] Docket, pp. 407 to 408.
[51] Docket, pp. 410 to 411.

P-7[52]	BIR Form No. 1800 Donor's Tax Return in the amount Php222,779.15, stamped received on 31 March 2021	Noemi Dela Vega Lacambacal	(1) ANVIC Shares; (2) ¼ of East Ridge Share; (3) ¼ of Share in Vehicles; and (4) ¼ of DMCI Share	(1) 2,731,410.55 (2) 137,500.00 (3) 785,512.85 (4) 58,562.50

Moreover, the payments of different amounts of donor's tax in relation to different heirs were likewise admitted and detailed in petitioner's administrative claim for refund dated March 26, 2023, as follows:[53]

DONEE'S NAME	DONEE'S TIN NO.	AMOUNT OF DONOR'S TAX
Noemi Dela Vega Lacambacal	101-867-220	222,779.15
Alvin Dela Vega Lacambacal	135-792-613	498,905.44
Nova Dela Vega Lacambacal	137-740-104	196,351.55
Nanette Lacambacal De Guzman	237-952-203	262,647.73

As may be gleaned from the foregoing pieces of evidence, it is apparent that the renunciation of the inheritance was **not general** in nature. The act of petitioner designating specific properties to specific heirs constitutes an act of ownership which would naturally entail that she had previously and tacitly accepted the inheritance in order to exercise her right to dispose such properties. Articles 1049 and 1050 of the New Civil Code is instructive on the matter, *viz.*:[54]

> **ARTICLE 1049. Acceptance** may be express or **tacit**.
>
> An express acceptance must be made in a public or private document.
>
> **A tacit acceptance is one resulting from acts by which the intention to accept is necessarily implied**, or which one would have no right to do except in the capacity of an heir.
>
> Acts of mere preservation or provisional administration do not imply an acceptance of the inheritance if, through such acts, the title or capacity of an heir has not been assumed. (999a)
>
> **ARTICLE 1050. An inheritance is deemed accepted**:
>
> (1) If the heirs sells, **donates**, or assigns **his right to** a stranger, or to **his co-heirs, or to any of them**;
> (2) If the **heir renounces the same, even though gratuitously, for the benefit of one or more of his co-heirs**;

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[52] Docket, pp. 413 to 414.
[53] Exhibit "P-74", Docket, p. 566.
[54] Civil Code of the Philippines, Republic Act No. 386, June 18, 1949.

> (3) If he renounces it for a price in favor of all his co-heirs indiscriminately; but if this renunciation should be gratuitous, and the co-heirs in whose favor it is made are those upon whom the portion renounced should devolve by virtue of accretion, the inheritance shall not be deemed as accepted. (1000)

The acts of transferring different properties to different heirs likewise made her supposed renounced share unequal and disadvantageous to the other co-heirs in the hereditary estate. These run contrary to the scope of RR No. 12-2018. Again, the latter provides that general renunciation by an heir of his/her share in the hereditary estate is not subject to donor's tax, *unless specifically and categorically done in favor of identified heir/s to the exclusion or disadvantage of the other co-heirs.* Clearly, petitioner cannot benefit from what the law provides.

Furthermore, in the recent Revenue Memorandum Circular (RMC) No. 94-2021,[55] it was likewise confirmed that donor's taxes are due even when a renunciation has been made in favor of co-heirs yet the latter received lower or higher shares than the value of what should have been his rightful share in all the properties of the decedent.

Additionally, during trial, the witness for petitioner also admitted that the heirs claimed specific properties from the inheritance:

Justice Manahan:	Can we, just for the quick reference of the Court? Atty. Tin, can you flash the annex of the Deed of Extrajudicial Settlement to focus on the alleged general renunciation made by the taxpayer, which is the basis for the deficiency tax in this case. Just to

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[55] Clarifying the Computation of Donor's Tax in Case the Heir Waives/Renounces His Share from the Specific Property Forming Part of the Estate of the Decedent, Revenue Memorandum Circular No. 94-2021, July 21, 2021.

x x x

General renunciation of an heir on his share from the inheritance is not subject to Donor's Tax. However, there are instances where in the settlement of the estate of the decedent, instead of all the heirs receiving their respective shares in all the properties of the decedent, the heirs will agree among themselves for a specific property that each one of them will receive. **In this scenario, there will definitely be an heir who will receive a share lower or higher than the value of what should have been his rightful share in all the properties of the decedent. In this case, there is actually a partial renunciation of inheritance since the heir is waiving his share to only identified properties but not to the entire properties of the decedent. Hence, donor's tax shall be imposed on the value forgone as a result of such waiver/renunciation.** *(Emphasis supplied)*

	prove that there was no specific, person to whom the waiver was executed. Atty. Dujunco, what page, please, of the EJS contains the general renunciation, which is, I think, the crooks of the matter?
Witness:	Your Honors in this case, there are five heirs. And the estate of the deceased actually consisted of several properties. **So what happened, Your honors, is that, each of the heir actually made a claim over a specific property** and made a general renunciation as to the rest.
Justice Manahan:	Okay. So, does that general renunciation clause appear in the Deed of Extrajudicial Settlement?
Witness:	May I?
Justice Manahan:	Or was there's a separate document?
Witness:	It should be, Your Honor, if I may.
Justice Manahan:	So that the Court can quickly see the text of the renunciation. Would you like to read, because it's kind of blurred I cannot read it. Atty. Tin, can you please read it please.
Atty. Guarin:	Yes, Your Honors. The heirs hereby agree that Anita Dela Vega Lacambacal do hereby renounce and relinquish her rights over her proportional share as legitime in the estate of Victorino P. Lacambacal. *(Emphasis supplied)*[56]

Furthermore, the reliance of petitioner on the ONETT Computation[57] is misplaced. This document does not in any way conclusively prove that only estate taxes are due and that she is no longer liable for any other taxes. In fact, a persual of the same explicitly provides that the BIR is *"not precluded from assessing and collecting any deficiency internal revenue tax(es)' discovered upon further examination."*

Finally, it is worthy to emphasize the long standing concept that tax refunds are a derogation of the State's taxing power, and it is upon

[56] Transcript of Stenographic Notes for the hearing held on July 4, 2024, pp. 6 to 8.
[57] Exhibit "P-13", Docket, pp. 418 to 419.

the claimant to prove his or her entitlement thereof. The Supreme Court stressed the same in *Commissioner of Internal Revenue v. Filminera Resources Corp.*,[58] to wit:

> We stress that the **taxpayer-claimant has the burden of proving the legal and factual bases of its claim for tax credit or refund.** After all, tax refunds partake the nature of exemption from taxation, and as such, must be looked upon with disfavor. It is regarded as in derogation of the sovereign authority, and should be construed in *strictissimi juris* against the person or entity claiming the exemption. **The taxpayer who claims for exemption must justify his claim** by the clearest grant of organic or statute law and should not be permitted to stand on vague implications. **The burden of proof rests upon the taxpayer to establish by sufficient and competent evidence its entitlement to a claim for refund**. *(Emphasis supplied)*

All told, on the basis of the totality of evidence which this Court considered, petitioner failed to prove her entitlement to refund of donor's taxes.

WHEREFORE, in light of the foregoing, the *Petition for Review* filed on March 30, 2023 is **DENIED** for lack of merit.

SO ORDERED.

HENRY S. ANGELES
Associate Justice

I CONCUR:

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

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[58] G.R. No. 236325, September 16, 2020.

ATTESTATION

I attest 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.

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

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's Attestation, 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 Court's Division.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice