REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

INTERCREW PHILIPPINES AGENCY, INC., *Petitioner,*	**CTA Case No. 10509** Members:
-versus-	**MANAHAN,** *Chairperson,* **REYES-FAJARDO,** *and* **ANGELES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: JAN 03 2025 3:12 p.m.

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D E C I S I O N

MANAHAN, *J.*:

Before the Court is a *Petition for Review* filed on May 17, 2021,[1] seeking the cancellation of the assessment for deficiency income tax and expanded withholding tax ("**EWT**") in the aggregate amount of P20,488,283.83 for taxable year 2015, inclusive of surcharge and compromise penalty.

THE FACTS

Petitioner Intercrew Philippines Agency, Inc. ("**Intercrew**") is a domestic corporation duly organized and existing under the laws of the Philippines, with principal place of business at 2/F Rm. 204-206 and 208 VIP Bldg., Roxas Blvd., cor. Nuestra Sra. De Guia St., Brgy. 667 Zone 072, Ermita, Manila.[2] During taxable year 2015, it operated as the local manning agency of Dynacom Tankers Management, Ltd. ("**Dynacom**"), a company incorporated under the laws of Liberia.[3]

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[1] Docket – Vol. I, pp. 10 to 25.
[2] Par. 2, Stipulated Facts, *Joint Stipulation of Facts and Issues* ("***JSFI***"), Docket – Vol. I, p. 372.
[3] Par. 4, Stipulated Facts, *JSFI,* Docket – Vol. I, p. 373.

Respondent Commissioner of Internal Revenue ("**CIR**") is the head of the Bureau of Internal Revenue ("**BIR**"), the government agency tasked, among others, to collect national internal revenue taxes.[4]

On October 6, 2016, the BIR issued *Letter of Authority* ("**LOA**") SN: eLA201500019060/LOA-033-2016-00000533,[5] authorizing Revenue Officer ("**RO**") Luz Porio and Group Supervisor Dalisay Zaratan of Revenue District Office No. 033 Intramuros-Ermita-Malate, to examine the books of accounts and other accounting records of Intercrew for the period from January 1, 2015 to December 31, 2015.

On May 10, 2018, Intercrew executed a *Waiver of the Statute of Limitations.*[6]

On December 7, 2018, the BIR issued a *Notice of Informal Conference.*[7]

On June 28, 2019, Intercrew received a *Preliminary Assessment Notice* ("**PAN**") dated June 25, 2019, with *Details of Discrepancies*,[8] informing it that after investigation, the following deficiency taxes in the aggregate amount of P17,974,406.86 were found due from it:

Tax type	**Basic tax**	**Interests**	**Total**
Income tax	11,747,359.74	6,160,122.33	17,907,482.07
EWT	42,512.27	24,412.52	66,924.79
	11,789,872.01	6,184,534.85	17,974,406.86

Intercrew protested the PAN in a letter dated July 11, 2019 posted on July 12, 2019.[9] It argued that: 1.) the finding of undeclared revenues is incorrect, having been a result of an erroneous interpretation of the facts; and 2.) the unaccounted rentals were simply reclassified in the Audited Financial Statements ("**AFS**") but were not undeclared.

[4] Par. 3, Stipulated Facts, *JSFI*, Docket – Vol. I, p. 373.
[5] Exhibit "R-1", BIR Records, p. 118.
[6] Exhibit "R-9", BIR Records, p. 126.
[7] Exhibit "R-14", BIR Records, p. 207.
[8] Exhibit "P-6", Docket – Vol. I, at pp. 308 to 311; Exhibits "R-16"and "R-16-A", BIR Records, pp. 290 to 293.
[9] Exhibit "P-7", Docket – Vol. I, pp. 312 to 316; Exhibit "R-21", BIR Records, pp. 327 to 331.

On August 2, 2019, Intercrew received a *Formal Letter of Demand* ("FLD") dated July 29, 2019, with attached *Details of Discrepancies*[10] and *Assessment Notices*,[11] finding it liable for the following deficiency taxes in the aggregate amount of P18,168,212.99:

Tax type	**Basic tax**	**Interests**	**Total**
Income tax	11,747,359.74	6,353,229.62	18,100,589.36
EWT	42,512.27	25,111.36	67,623.63
	11,789,872.01	6,378,340.98	18,168,212.99

In a letter dated August 8, 2019 filed with the BIR on August 30, 2019,[12] Intercrew reiterated the arguments it raised in its protest to the PAN, further pointing out that the findings made have no merit and thereby requesting the cancellation of the assessment.

On March 26, 2021, the BIR issued the *Final Decision on Disputed Assessment* ("FDDA"), with attached *Details of Discrepancies*,[13] which effectively denied Intercrew's protest and requested it to pay deficiency income tax and EWT for taxable year 2015 in the total amount of P20,488,283.83, broken down as follows:

Tax type	**Basic tax**	**Interests**	**Total**
Income tax	11,747,359.74	8,703,988.95	20,451,348.69
EWT	20,625.00	16,310.14	36,935.14
	11,767,984.74	8,720,299.09	20,488,283.83

Proceedings before the Court

Aggrieved, Intercrew filed the present *Petition for Review* on May 17, 2021.[14] The CIR filed his *Answer* on October 20,

[10] Exhibit "P-9", Docket – Vol. I, at pp. 321 to 323; Exhibits "R-20" and "R-20-A", BIR Records, pp. 306 to 310.
[11] Exhibit "P-8", Docket – Vol. I, pp. 317 to 318; Exhibits "R-18" to "R-19", BIR Records, pp. 311 to 312.
[12] Exhibit "P-10", Docket – Vol. I, pp. 324 to 328; Exhibit "R-25", BIR Records, pp. 392 to 396.
[13] Exhibit "P-16", Docket – Vol. I, at pp. 357 to 360.
[14] Docket – Vol. I, pp. 10 to 25.

2021[15] and transmitted the BIR Records of the case to the Court on November 8, 2021.[16]

The Pre-Trial Conference was set and held on March 24, 2022.[17] Prior thereto, the CIR posted his pre-trial brief on February 4, 2022,[18] while Intercrew submitted its pre-trial brief on March 18, 2022.[19] During the Pre-Trial Conference, mediation was set on April 28, 2022.[20] However, the mediation was unsuccessful.[21]

On April 25, 2022, the parties submitted their *Joint Stipulation of Facts and Issues*[22] which was admitted and approved by the Court in a *Resolution* dated April 28, 2022.[23] Pre-trial was thereby terminated; thus, the Court issued the *Pre-Trial Order* dated January 25, 2023.[24]

Trial ensued. Intercrew offered the testimony of Ms. Aleli T. Militsala-Boniol,[25] its Director and Assistant Corporate Secretary, and filed its *Formal Offer of Evidence* on February 13, 2023.[26] The CIR filed his *Comment/Opposition (To Petitioner's Formal Offer of Evidence)* on February 16, 2023.[27] The Court admitted all of Intercrew's offered exhibits.[28] Meanwhile, the CIR offered the testimony of RO Luz F. Porio,[29] and filed *Respondent's Formal Offer of Evidence* on August 7, 2023.[30] Intercrew filed its *Comment on Respondent's Formal Offer of Evidence* filed on August 10, 2023.[31] The Court likewise admitted all of the CIR's offered exhibits.[32]

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[15] Docket – Vol. I, pp. 121 to 134.
[16] *Compliance* dated November 4, 2021, Docket – Vol. I, pp. 255 to 256.
[17] *Notice of Pre-Trial Conference* dated November 22, 2021, Docket – Vol. I, pp. 258 to 259; Minutes of the hearing held on, and *Order* dated, March 24, 2022, Docket – Vol. I, pp. 364 and 366 to 368, respectively.
[18] *Respondent's Pre-Trial Brief*, Docket – Vol. I, pp. 260 to 265.
[19] *Pre-Trial Brief*, Docket – Vol. I, pp. 268 to 273.
[20] Minutes of the hearing held on, and *Order* dated, March 24, 2022, Docket – Vol. I, pp. 364 and 366 to 368, respectively.
[21] *Mediator's Report* dated September 29, 2022, Docket – Vol. II, pp. 407 to 409; *Resolution* dated October 10, 2022, Docket – Vol. II, p. 431.
[22] Docket – Vol. I, pp. 372 to 378.
[23] Docket – Vol. I, p. 380.
[24] Docket – Vol. II, pp. 434 to 440.
[25] Exhibit "P-17", Docket – Vol. I, pp. 276 to 290; Minutes of hearing held on, and *Order* dated, February 1, 2023, Docket – Vol. II, pp. 441 to 443.
[26] Docket – Vol. II, pp. 444 to 454.
[27] Docket – Vol. II, pp. 480 to 482.
[28] *Resolution* dated March 24, 2023, Docket – Vol. II, pp. 486 to 489.
[29] Exhibit "R-28", Docket – Vol. I, pp. 137 to 148; Minutes of hearing held on, and *Order*, dated July 18, 2023, Docket – Vol. II, pp. 491 to 493.
[30] Docket – Vol. II, pp. 494 to 515.
[31] Docket – Vol. II, pp. 518 to 520.
[32] *Resolution* dated October 9, 2023, Docket – Vol. II, pp. 523 to 524.

After the parties filed their respective memoranda,[33] the case was submitted for decision on January 3, 2024.[34]

THE ISSUE

The issue is whether petitioner is liable for deficiency income tax, EWT, surcharge, and compromise penalty for taxable year 2015 in the aggregate amount of Twenty Million Four Hundred Eighty-Eight Thousand Two Hundred Eighty-Three Pesos and 83/100 (P20,488,283.83).[35]

Petitioner's arguments

Petitioner maintains that for an assessment to be valid, it must be based on sufficient evidence. Here, respondent imputed "undeclared revenues" to petitioner, but nothing on the records show that it received payments from Dynacom's clients. According to petitioner, it defies logic that it would contract with the same companies that Dynacom provides management services to while operating as the latter's local manning agency. As to the "unaccounted rentals," petitioner asserts that it already repeatedly explained to the BIR that the difference in the amounts were fully accounted for and reflected in its AFS.

Petitioner therefore claims that the issuance of the FLD and FDDA against it clearly violated its right to due process. Respondent ignored its submissions, reiterated the findings without explanations, and issued a "naked assessment."

Respondent's counter-arguments

Respondent submits that the assessment was uncontested at the administrative level, therefore it already became final, executory, and demandable. According to respondent, petitioner has the burden of showing the incorrectness of the assessment. The fact that petitioner was

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[33] *Respondent's Memorandum* filed on November 14, 2023, Docket – Vol. II, pp. 525 to 536; *Petitioner's Memorandum* filed on December 18, 2023, Docket – Vol. II, pp. 538 to 549.
[34] *Minute Resolution* dated January 3, 2024, Docket – Vol. II, p. 550.
[35] Par. 9, Issue, *JSFI*, Docket – Vol. I, p. 374.

able to file its protest letters also shows that its constitutional right to due process was not violated.

THE COURT'S RULING

The present *Petition for Review* is partly meritorious.

A portion of the assessment is void because it violated the taxpayer's right to due process

Section 228 of the Tax Code provides:

> **SEC. 228. *Protesting of Assessment.*** - When the Commissioner or his [or her] duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: ...
>
> ...
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> **The taxpayer shall be informed in writing of the law and facts on which the assessment is made; otherwise, the assessment shall be void.**[36]

The above mandate that the taxpayer be informed in writing of the factual and legal bases of the assessment is a requirement of due process. It is not merely a formal requirement but a substantive one.[37] Thus, failure to comply therewith effectively voids the assessment.[38]

Revenue Regulations (RR) No.12-99, as amended by RR No. 18-2013 and RR No. 7-2018, implementing Section 228 further outlines the following pertinent rules:

> SECTION 3. ***Due Process Requirement in the Issuance of a Deficiency Tax Assessment.*** –

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[36] *Emphasis supplied.*
[37] *Commissioner of Internal Revenue v. Spouses Remigio P. Magaan*, G.R. No. 232663, May 03, 2021 [Per J. Leonen, Third Division].
[38] *Commissioner of Internal Revenue v. Unioil Corporation*, G.R. No. 204405, August 04, 2021 [Per J. Hernando, Second Division].

> 3.1 Mode of procedure in the issuance of a deficiency tax assessment:
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> ...
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> 3.1.2. *Preliminary Assessment Notice (PAN).* – If after review and evaluation by the Commissioner or his [or her] duly authorized representative, as the case may be, it is determined that there exists sufficient basis to assess the taxpayer for any deficiency tax or taxes, the said Office shall issue to the taxpayer a Preliminary Assessment Notice (PAN) for the proposed assessment. It shall show in detail the facts and the law, rules and regulations, or jurisprudence on which the proposed assessment is based...
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> ...
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> 3.1.3. *Formal Letter of Demand and Final Assessment Notice (FLD/FAN).* – The Formal Letter of Demand and Final Assessment Notice (FLD/FAN) shall be issued by the Commissioner or his duly authorized representative. **The FLD/FAN calling for payment of the taxpayer's deficiency tax or taxes shall state the facts, the law, rules and regulations, or jurisprudence on which the assessment is based, otherwise, the assessment shall be void**...
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> ...
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> 3.1.5. *Final Decision on a Disputed Assessment (FDDA).* – The decision of the Commissioner or his [or her] duly authorized representative shall state the (i) facts, the applicable law, rules and regulations, or jurisprudence on which such decision is based, otherwise, the decision shall be void..., and (ii) that the same is his [or her] final decision.[39]

Verily, the PAN, FLD/FAN, and FDDA must respectively state, among others, the facts and the law on which they are based; otherwise, the same shall be void.

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[39] *Emphasis supplied.*

Moreover, in issuing the PAN, FLD/FAN, and FDDA, the defenses and evidence submitted by the taxpayer must be considered.[40] Jurisprudence recognizes that there are cardinal primary rights which must be respected in administrative proceedings, and these include not only the right to present evidence, but also the right to have such evidence considered, the right to a decision rendered on such evidence, and the right to know the reasons for the decision rendered.[41] As held in the seminal case of *Ang Tibay v. The Court of Industrial Relations*:[42]

> ...Not only must the party be given an opportunity to present his case and to adduce evidence tending to establish the rights which he asserts but **the tribunal must consider the evidence presented... [T]he right to adduce evidence, without the corresponding duty on the part of the board to consider it, is vain**. Such right is conspicuously futile if the person or persons to whom the evidence is presented can thrust it aside without notice or consideration.
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> ...While the duty to deliberate does not impose the obligation to decide right, it does imply a necessity which cannot be disregarded, namely, that of having something to support it is a nullity...
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> ...The decision must be rendered on the evidence presented at the hearing, or at least contained in the record and disclosed to the parties affected. Only by confining the administrative tribunal to the evidence disclosed to the parties, can the latter be protected in their right to know and meet the case against them.[43]

In *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*,[44] the Supreme Court declared the PAN, FAN, and collection letter null and void for violation of the taxpayer's right to administrative due process. It held:

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[40] *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*, G.R. Nos. 201398-99, October 03, 2018 [Per J. Leonen, Third Division].
[41] *Saunar v. Ermita*, G.R. No. 186502, December 13, 2017 [Per J. Martires, Third Division].
[42] G.R. No. 46496, February 27, 1940 [Per J. Laurel, En Banc].
[43] *Emphasis supplied.*
[44] G.R. Nos. 201398-99, October 03, 2018 [Per J. Leonen, Third Division].

> The facts demonstrate that Avon was deprived of due process. It was not fully apprised of the legal and factual bases of the assessments [which] did not even comment or address the defenses and documents submitted by Avon. Thus, **Avon was left unaware on how the Commissioner or her authorized representatives appreciated the explanations or defenses raised in connection with the assessments**...
>
> First, despite Avon's submission of its Reply, together with supporting documents, to the revenue examiners' initial audit findings, ... **[t]he Preliminary Assessment Notice reiterated the same audit findings**, except for the alleged under-declared sales which ballooned in amount from P15,700,000.00 to P62,900,000.00, **without any discussion or explanation on the merits of Avon's explanations**.
>
> Upon receipt of the Preliminary Assessment Notice, Avon submitted its protest letter and supporting documents, and even met with revenue examiners to explain. Nonetheless, **the Bureau of Internal Revenue issued the Final Letter of Demand and Final Assessment Notices, merely reiterating the assessments** in the Preliminary Assessment Notice. **There was no comment whatsoever on the matters raised by Avon, or discussion of the Bureau of Internal Revenue's findings in a manner that Avon may know the various issues involved and the reasons for the assessments**.
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> ...
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> Upon receipt of the Final Assessment Notices, Avon resubmitted its protest and submitted additional documents required by the revenue examiners... Still, the Commissioner merely issued a Collection Letter dated July 9, 2004, demanding from Avon the payment of the same deficiency tax assessments with a warning that should it fail to do so within the required period, summary administrative remedies would be instituted without further notice.
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> It is true that **the Commissioner is not obliged to accept the taxpayer's explanations... However, when he or she rejects these explanations, he or she must give some reason for doing so. He or she must give the particular facts upon which his or her** an

> **conclusions are based, and those facts must appear in the record.**[45]

Applying the foregoing precepts, the Court finds that herein petitioner's right to administrative due process was similarly violated when respondent issued an FLD containing the exactly the same basic tax deficiencies as the PAN. To be clear, the mere identity of the amounts in the FLD and PAN does not *ipso facto* establish violation of the taxpayer's right to due process. However, the circumstances of the present case indicate that respondent completely disregarded petitioner's explanations in the PAN, resulting in such identity of amounts. Pursuant to the law and jurisprudence, it is the disregard of petitioner's explanations which constitute a violation of due process rights.

In the PAN, the BIR found the following deficiency income tax and EWT for taxable year 2015 due from petitioner:

I. INCOME TAX		
Taxable Income per ITR		₱ 670,685.00
Add: Adjustments per Investigation:		
Undeclared Revenues/Receipts (Schedule 1)	38,582,622.00	
Disallowed Expenses due to Non-Withholding (Schedule 2)	137,500.00	
Unaccounted Rentals (Schedule 3)	437,745.45	39,157,867.45
Adjusted Taxable Net Income		39,828,552.45
Income Tax Due		11,948,565.74
Less: Tax payments/credits		201,206.00
Basic Tax Due		11,747,359.74
Add: 20% Interest (April 16, 2016 to December 31, 2017)	4,016,631.49	
12% Interest (January 1, 2018 to July 10, 2019)	2,143,490.84	6,160,122.33
TOTAL AMOUNT		17,907,482.07
II. EWT		
Basic Tax Due (Schedule 4)		42,512.27
Add: 20% Interest (January 16, 2016 to December 31, 2017)	16,655.49	
12% Interest (January 1, 2018 to July 10, 2019)	7,757.03	24,412.52
TOTAL AMOUNT DUE		66,924.79
GRAND TOTAL		**₱ 17,974,406.86**

[45] *Emphasis supplied.*

The *Details of Discrepancies* attached to the PAN read as follows:

"I. INCOME TAX

- Undeclared Revenues/Receipts, ₱38,582,622.00 - Comparison of the revenue/receipts earned based on information per contracts attached and the revenues/receipts declared per Annual Income Tax Return (ITR) showed underdeclaration of revenues/receipts amounting to ₱38,582,622.00. The said income was then assessed in accordance with the provisions of Section 32 of the NIRC of 1997, as amended.

  Schedule 1:

Agency Fees per Audit (Schedule 1.1)	₱ 49,143,024.00
Gross Income per Annual Income Tax Return	10,560,402.00
Undeclared Revenues/Receipts	₱ 38,582,622.00

  Schedule 1.1:

- Disallowed Expense due to Non-Withholding, ₱137,500.00 - Verification disclosed that you have not withheld the appropriate withholding tax due on income payment enumerated hereunder. Section 34 (K) of the NIRC of 1997, as amended, expressly provides that '... any amount paid or payable which is otherwise deductible from, or taken into account in computing the gross income or for which depreciation or amortization maybe allowed under this Section, shall be allowed as a deduction if it is shown that the tax required to be deducted and withheld therefrom has been paid to the Bureau of Internal Revenue in accordance with this Section of this Code..' Hence, the amounts have been disallowed as expenses pursuant to the above provision of the law, as amended by RR No. 12-2013

- Unaccounted Rentals, ₱437,745.45 - Verification disclosed that some of your purchases and income payments/receipts per audit investigation were not accounted/reflected in the Audited Financial Statements (AFS). The differences were then treated as Unaccounted Source of Cash which was considered as Undeclared Income pursuant to Section 32 of the NIRC of 1997, as amended.

II. EXPANDED WITHHOLDING TAX

- Basic Tax Due, ₱42,512.27 - Since you have failed to withholding/remit the corresponding withholding tax due on income payments previously disallowed as deduction and unaccounted expense in computing your taxable income (refer to Schedule 2&3), you are still liable to pay the deficiency Expanded Withholding Tax thereon pursuant to Section 2.57.2 of RR No. 2-98, as amended.

PERIOD OF PRESCRIPTION

Since you has executed a waiver of the defense of prescription under the statute of limitations prescribed in Section 203 and 222, and other related provisions of the NIRC of 1997, as amended, on May 10, 2018 and have consented to the assessment and/or collection of tax or taxes of said year which may be found due after investigation/ reinvestigation/ re-evaluation at any time before or after the lapse of the period of limitations fixed by said sections of the NIRC of 1997, as amended, but not later than December 31, 2019, the period of prescription, therefore, is suspended from the date of execution up to December 31, 2019.

It is requested that your aforesaid deficiency taxes be paid within fifteen (15) days upon receipt hereof, inclusive of applicable penalties, otherwise, Formal Letter of Demand and Final Assessment Notice shall be issued."

In its protest to the PAN, petitioner laid down its defenses against the deficiency income tax and EWT imposed by the BIR. Specifically, it explained that it did not receive any income from the contractors with existing Management Agreements with Dynacom as it transacts only with the latter, and that the unaccounted rentals were in fact reflected but classified in its financial statements as non-current assets, repairs and maintenance, lights and water, and utilities. However, the FLD dated July 29, 2019 only adjusted the interest but retained the same deficiency tax assessments, without any explanation or response to petitioner's defenses. Notably, the *Details of Discrepancies* attached to the FLD copied verbatim the *Details of Discrepancies* attached to the PAN.

Petitioner was clearly left unaware of how respondent appreciated its defenses. This constitutes a violation of its due process and falls short of the requirement that the taxpayer must be informed in writing of the law and facts on which the assessment is made.

Consequently, the portion of the assessment pertaining to the supposed undeclared revenues in the amount of ₱38,582,622.00 and the alleged unaccounted rentals in the amount of ₱437,745.45 is void and should be cancelled.

Petitioner is liable for the portion of the assessment not protested

Considering that petitioner did not protest, both at the administrative level and before the Court, the disallowed expense due to non-withholding in the amount of ₱137,500.00 relative to the assessed income tax and the assessed EWT amounting to ₱42,512.27, the same are hereby upheld.

Thus, petitioner is liable for deficiency income tax and EWT in the following adjusted amount:

I. INCOME TAX		₱ 670,685.00
Taxable Income		
Add: Adjustments Per Investigation		
Undeclared Revenue/Receipts	-	
Disallowed Expense due to Non-Withholding	₱ 137,500.00	
Unaccounted Rentals	-	

Adjusted Taxable Net Income	808,185.00
Income Tax Due (30%)	242,455.50
Less: Tax Payments/Credits	201,206.00
Basic income tax due	**₱ 41,249.50**
II. EWT	
Basic EWT due	**20,625.00**
GRAND TOTAL	**₱61,874.50**

ACCORDINGLY, the present *Petition for Review* is **PARTIALLY GRANTED**. The FLD and *Assessment Notice* dated July 29, 2019, and the FDDA dated March 26, 2011, are **CANCELLED** and **SET ASIDE** insofar as the assessed income tax on the supposed undeclared revenues amounting to ₱38,582,622.00 and the alleged unaccounted rentals in the amount of ₱437,745.45 are concerned. The remaining income tax and EWT assessments are **SUSTAINED**.

Petitioner is ordered **ORDERED TO PAY** the amount of ₱111,888.88 representing deficiency taxes for the taxable year 2015, inclusive of 25% surcharge and 20%/12% deficiency interest pursuant to Sections 248(A)(3) and 249(B) of the Tax Code and RR No. 21-2018, computed until August 29, 2019 as follows:

Particulars	**Income tax**	**EWT**	**TOTAL**
Basic Tax Due	**₱41,249.50**	**₱20,625.00**	**₱61,874.50**
Add: 25% Surcharge	10,312.38	5,156.25	15,468.63
20% Deficiency Interest April 16, 2016 to December 31, 2017 *(₱41,249.50 x 20% x 625 / 365)*	14,126.54		14,126.54
20% Deficiency Interest January 16, 2016 to December 31, 2017 *(₱20,625.00 x 20% x 716 /365)*		8,091.78	8,091.78
Total Amount Due, December 31, 2017	₱65,688.42	₱ 33,873.03	₱ 99,561.45
Add: 12% Deficiency Interest January 1, 2018 to August 29, 2019			
(₱41,249.50 x 12% x 606/365)	8,218.26		8,218.26
(₱20,625.00 x 12% x 606/365)		4,109.18	4,109.18
Total Amount Due, August 29, 2019	**₱73,906.67**	**₱37,982.21**	**₱ 111,888.88**

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In addition, petitioner is **ORDERED TO PAY** delinquency interest at the rate of 12% per annum on the total unpaid deficiency taxes due as of August 29, 2019 in the amount of ₱111,888.88, as determined above, or equivalent to ₱36.78 per day, computed from August 30, 2019 until full payment thereof pursuant to Section 249(C) of the Tax Code and RR No. 21-2018.

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

(on leave)
MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice

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.

CATHERINE T. MANAHAN
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 opinion of the Court's Division.

ROMAN G. DEL ROSARIO
Presiding Justice