REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

EN BANC

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	**CTA EB NO. 2049** (CTA Case No. 9253)
	Present:
- **versus** -	**DEL ROSARIO,** *P.J.*, **CASTAÑEDA, JR., UY, RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA,** *and* **MODESTO-SAN PEDRO,** *JJ.*
SR METALS, INC., Respondent.	Promulgated: AUG 26 2020 4:15 pm

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RESOLUTION

BACORRO-VILLENA, J.:

Before the Court is a Motion for Reconsideration[1] (**MR**) filed by petitioner Commissioner of Internal Revenue (**CIR**) against the Court's Decision[2] dated 31 January 2020, dismissing his Petition for Review.[3] The dispositive portion of the Decision reads:

> ...
>
> **WHEREFORE,** the foregoing considered, petitioner's Petition for Review filed on 02 May 2019 is hereby **DISMISSED** for lack of merit. Accordingly, the 14 November 2018 Decision and the 03 April 2019 Resolution of the Special Third Division in CTA Case No. 9253,

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1 Filed 19 February 2020, *Rollo*, pp. 112-117.
2 Id., pp. 94-102.
3 Dated 02 May 2019, id., pp. 7-22.

> entitled *SR Metals, Inc. v. Commissioner of Internal Revenue*, are **AFFIRMED.**
>
> **SO ORDERED.**
>
> ...

As petitioner admits, he presents no new arguments in his MR. Nevertheless, We do agree with him that such fact alone does not make his motion necessarily any less valid, though the same contentions leave this Court yet again, unconvinced.

Petitioner continuously contends in his motion that respondent, SR Metals, Inc. (**SRMI**) should be liable to pay for deficiency income taxes for calendar year (**CY**) 2012 due the Board of Investment's (**BOI**) withdrawal of the latter's Income Tax Holiday (**ITH**) incentive during said year. He moors his contentions on two grounds:

> *First,* SRMI had failed to fulfill all the necessary requirements to avail of the ITH incentive pursuant to the Rule IX of the Implementing Rules and Regulations of Executive Order No. 226[4] (**E.O. 226**) otherwise knowns as, the Omnibus Investment Code particularly, the submission of its Certificate of Entitlement (**COE**) to the Bureau of Internal Revenue (**BIR**).
>
> *Second,* on the decision of this Court's Second Division in CTA Case No. 9256, entitled *SR Metals, Inc. v. Commissioner of Internal Revenue*, promulgated on 15 May 2018, involving the same parties which denied SRMI's Petition for Review on the ground of the latter's failure to provide the BIR with its COE.

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[4] **RULE IX**
CONDITIONS FOR AVAILMENT OF INCENTIVES IN GENERAL

SECTION 1. ***Compliance with Obligations.*** — The enterprise shall observe and abide by the provisions of the code and its implementing rules and regulations, and take adequate measures to ensure that its obligations thereunder as well as those of its officers, employees, and stockholders are faithfully discharged.

...

SECTION 5. ***Delinquent Enterprises.*** — No availment of incentives may be allowed an enterprise delinquent in compliance with any of the terms and conditions of registration, including such reports and statistical data which may be required by the Board.

...

As already discussed in the assailed Decision, petitioner's petition was denied on the principle of *stare decisis et non quieta movere.*[5] In sum, the Court of Appeals (**CA**) in its decision[6] in *SR Metals, Inc. v. Board of Investments* (**SRMI v. BOI**), reinstated respondent's ITH incentive, and the Supreme Court later affirmed this in *Board of Investments v. SR Metals, Inc.* (**BOI v. SRMI**)[7]. The Supreme Court held thus:

> ...
> All told, the Court finds that **the withdrawal of respondent's ITH incentive was without any basis**, and thus, affirms the ruling of the CA reversing and setting aside the resolutions embodied in petitioner's letters dated May 24, 2012 and August 12, 2013. As a general rule, factual findings of administrative agencies are not interfered with; an exception, however, is when said findings are not supported by substantial evidence, such as in the instant case.[8]
> ...

Needless to say, maxims of judicial stability leave Our hands tied to rule otherwise. Neither could the Court's Second Division be faulted for initially deciding in favor of the CIR on this issue in CTA Case No. 9256, since the latter's decision was promulgated months *prior* to the Supreme Court's decision in *BOI v. SRMI* which placed the proverbial final nail in the coffin as regards the issue of SRMI's entitlement to the ITH.

With the above, the Court finds this matter to have been fully addressed in the assailed Decision and thus, We see no cogent reason to further belabor Ourselves to a lengthy discussion on the binding authority that Supreme Court decisions have on lower courts.

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5 ...
The principle of *stare decisis et non quieta movere* is entrenched in Article 8 of the Civil Code, to wit:

ART. 8. Judicial decisions applying or interpreting the laws or the Constitution shall form a part of the legal system of the Philippines.

It enjoins adherence to judicial precedents. It requires our courts to follow a rule already established in a final decision of the Supreme Court. That decision becomes a judicial precedent to be followed in subsequent cases by all courts in the land. The doctrine of *stare decisis* is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.
...
Amelia D. De Mesa, et al. v. Pepsi Cola Products Phils., Inc., et al., G.R. Nos. 153063-70, 19 August 2005.

6 Exhibit "P-13", Division Docket, pp. 253-271.

7 G.R. No. 219927, 03 October 2018.

8 Id., emphasis supplied.

WHEREFORE, the foregoing considered, petitioner's Motion for Reconsideration on 19 February 2020 is hereby **DENIED**. Accordingly, the Court's Decision on 31 January 2020 is thus, **AFFIRMED**.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

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

ERLINDA P. UY
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice