REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

VALHALLA PROPERTIES LIMITED, INC., Petitioner,	CTA EB No. 1706 (CTA AC No.154)
	Present:
- versus -	DEL ROSARIO, *P.J.*, CASTAÑEDA, JR., UY, FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA, and MODESTO-SAN PEDRO, *JJ.*
CITY OF DAVAO and HON. RODRIGO S. RIOLA, in his capacity as the City Treasurer of Davao City, Respondents.	Promulgated: DEC 02 2019 4:25 p.m.

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RESOLUTION

Fabon-Victorino, J:

On May 20, 2019, the Court *En Banc* reversed and set aside the Decision dated March 2, 2017 and Resolution dated August 1, 2017, both rendered by the Court in Division, and ordered respondents to refund to petitioner the amount of ₱655,632.50 representing erroneously paid local business taxes for the 1st and 2nd quarters of 2011.[1]

[1] *Rollo*, pp. 190-213.

Undaunted, respondents moved [2] to reconsider the adverse Decision of May 20, 2019, arguing that:

I. The Court En Banc erred in concluding that since there is no compelling evidence on record that petitioner was authorized by the Bangko Sentral ng Pilipinas (BSP) to perform quasi banking activities, petitioner cannot be treated as non-bank financial intermediary (NBFI);

II. The Honorable Court En Banc failed to appreciate that indeed, petitioner's primary purpose and business activities as stated in the Amended Articles of Incorporation are all within the purview of the functions of a non-bank financial intermediary; and

III. The Honorable Court *En Banc* erred in concluding that petitioner's assets, being declared as owned by the government pursuant to the *COCOFED* Decision, is exempt from the imposition of local business tax.

For its part[3], petitioner maintains that it is entitled to the refund of erroneously collected local business taxes for the 1st and 2nd Quarters of 2011 on its interest and dividend income realized in the year 2010, claiming that:

A. Since it is not a NBFI, respondents are legally proscribed to impose LBT on it is dividend and interest income realized in the year 2010 under Section 133(a) of the LGC;

B. Being a mere holding company and not a NBFI, its dividend and interest income may not be subjected to LBT; and

C. The San Miguel Corporation (SMC) shares of stock are property owned by the Republic of the Philippines, hence, the fruits originating therefrom such as the subject dividend and interest income are exculpated from LBT imposition pursuant to Section 133(o) of the LGC.

A scrutiny and close attention at the arguments of the parties raised in their respective pleadings reveal that they

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[2] Respondents' *Motion for Reconsideration* dated July 2, 2019, ibid. at pp. 228-238.

[3] Petitioner's *Comment* dated August 30, 2019, id. at pp. 242-270.

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were virtually truncated from those advanced in their previously filed pleadings, all of which have been meticulously addressed and passed upon by the Court *En Banc*. There being no new or significant matter warranting modification, much more reversal of the challenged Decision of May 20, 2019, respondents' Motion for Reconsideration dated July 2, 2019 is **DENIED**, for lack of merit.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We Concur:

ROMAN G. DEL ROSARIO
Presiding Justice

(I reiterate my Dissenting Opinion)
JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

MA. BELEN RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice