REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

PANGASINAN I ELECTRIC COOPERATIVE (PANELCO I),
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. **11797**

Members:

BACORRO-VILLENA, *Chairperson*, *and*
CUI-DAVID, JJ.

Promulgated:
_______________ 11:25 am

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RESOLUTION

For the Court's resolution are the following:

1. Petitioner Pangasinan I Electric Cooperative (PANELCO I)'s (**petitioner**'s) *Extremely Urgent Prayer for Issuance of Temporary Suspension Order and/or Suspension Order Enjoining the Collection of Taxes* (**Motion to Suspend**), incorporated in its "Petition for Review"[1] filed on 12 March 2025,[2] with respondent Commissioner of Internal Revenue's (**respondent**'s/**CIR**'s) "Comment/Opposition (*Re: Petitioner's Extremely Urgent Prayer for Issuance of Temporary Suspension Order and/or Suspension Order Enjoining the Collection of Taxes*)"[3] (**Comment**) filed on 21 May 2025;[4] and

2. Petitioner's "Formal Offer of Evidence [Re. Extremely Urgent Motion for Suspension Order]"[5] (**FOE**) filed on 04 July 2025,

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1 Division Docket, Volume I, pp. 7-46.
2 With email filing on the same date.
3 Division Docket, Volume I, pp. 84-104.
4 With email filing on 22 May 2025.
5 Division Docket, Volume I, pp. 217-236.

with respondent's "Comment (on Petitioner's Formal Offer of Evidence)"[6] (**Comment**), filed on 07 July 2025.[7]

For an orderly disposition of the pending incidents, We shall first resolve petitioner's FOE.

FORMAL OFFER OF EVIDENCE

In its FOE, petitioner seeks admission of its documentary exhibits, particularly marked as Exhibits **"P-1-SO"** to **"P-28-SO"**, including their sub-markings.

In respondent's Comment, he or she interposed no objection to the admission of petitioner's offered exhibits without, however, admitting their relevancy, materiality, and probative value to the issues involved in the instant case.

Acting on petitioner's FOE, Exhibits **"P-1-SO"**, **"P-2-1-SO"**, **"P-2-2-SO"**, **"P-2-3-SO"**, **"P-2-4-SO"**, **"P-2-5-SO"**, **"P-2-6-SO"**, **"P-2-7-SO"**, **"P-2-8-SO"**, **"P-3-SO"**, **"P-4-SO"**, **"P-5-SO"**, **"P-5-1-SO"**, **"P-6-SO"**, **"P-6-1-SO"**, **"P-7-SO"**, **"P-8-SO"**, **"P-9-SO"**, **"P-10-SO"**, **"P-11-SO"**, **"P-11-1-SO"**, **"P-12-SO"**, **"P-13-SO"**, **"P-14-SO"**, **"P-15-SO"**, **"P-15-1-SO"**, **"P-16-SO"**, **"P-17-SO"**, **"P-17-1-SO"**, **"P-17-2-SO"**, **"P-17-3-SO"**, **"P-18-SO"**, **"P-18-1-SO"**, **"P-18-2-SO"**, **"P-19-SO"**, **"P-20-SO"**, **"P-21-SO"**, **"P-22-SO"**, **"P-23-SO"**, **"P-23-1-SO"**, **"P-24-SO"**, **"P-25-SO"**, **"P-26-SO"**, **"P-27-SO"**, **"P-27-1-SO"**, **"P-28-SO"**, and **"P-28-1-SO"** are hereby **ADMITTED**, subject to this Court's final evaluation and/or appreciation of their probative value.

The Court **NOTES** that Exhibit **"P-2-6-SO"** was offered as CDA By-Laws dated April 3, 2013, whereas the actual document marked was dated **14 April 2012**.

With the admission of petitioner's exhibits, We proceed to resolve petitioner's Motion to Suspend.

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6 Division Docket, Volume I, pp. 237-239.
7 With email filing on 29 July 2025.

EXTREMELY URGENT PRAYER FOR ISSUANCE OF TEMPORARY SUSPENSION ORDER AND/OR SUSPENSION ORDER ENJOINING THE COLLECTION OF TAXES

In the Motion to Suspend embodied in the Petition for Review, petitioner prays for the suspension of respondent's collection of the supposed deficiency income and value-added taxes (**deficiency taxes**) totalling ₱178,889,935.65, inclusive of interest, for taxable year (**TY**) 2016, pending the final resolution and disposition of the case, and for the Court to issue a Suspension Order without the petitioner having to post a bond.

In support of such prayer, petitioner argues that the right to collect the deficiency taxes has prescribed. Since the Formal Letter of Demand with Final Assessment Notice[8] (**FLD/FAN**) was issued on 13 January 2020, respondent only had three (3) years or until 13 January 2023 to institute collection efforts. Petitioner maintains that on 13 February 2020, it filed a **request for reconsideration**, and such request for reconsideration did not suspend the running of the statute of limitations under Section 223 of the National Internal Revenue Code of 1997, as amended (**NIRC**).

In his or her Comment, respondent counters that the petitioner did not file for a request for reconsideration, but a **request for reinvestigation**. Since respondent subsequently granted the same, it effectively tolled the running of the prescriptive period of respondent's right to collect the deficiency taxes.

During the 19 June 2025 hearing before the Third Division on the Motion to Suspend, petitioner's sole witness, Editha U. Tadiam (**Tadiam**), petitioner's Finance Services Manager, testified by way of her Judicial Affidavit[9] on the: (**1**) nature of business, registrations, and primary purpose of the petitioner, (**2**) administrative proceedings before the Bureau of Internal Revenue (**BIR**), starting from the receipt by petitioner of the Letter of Authority up to the CIR's Decision on the alleged deficiency tax assessments; and (**3**) petitioner's claims that: (**a**) respondent's right to collect the deficiency taxes has prescribed, (**b**) petitioner is exempt from income tax and value-added tax on all transactions with its members, (**c**) there are procedural infirmities in

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8 Exhibit "P-11-SO", Division Docket, Volume II, pp. 614-630.
9 Exhibit "P-27-SO", Judicial Affidavit of Editha U. Tadiam, id., Volume I, pp. 53-71.

the issuance of the FLD/FAN and the Final Decision on Disputed Assessment, and (**d**) petitioner cannot afford to pay the alleged deficiency taxes and any collection effort on the part of the respondent would put the petitioner in jeopardy.

Tadiam also testified by way of her Supplemental Judicial Affidavit[10] on the financial status of the petitioner, specifically, that its cash balance and other assets are not enough to cover the total amount of the assessment. This bolsters the petitioner's claim that the respondent's collection efforts would jeopardize its interest.

On cross-examination, Tadiam confirmed that the BIR has not commenced any collection efforts against the petitioner either through the issuance of a warrant of distraint or levy or a warrant of garnishment.[11] No redirect examination was conducted.[12]

In response to the questions propounded by the members of the Third Division, Tadiam clarified that as far as restricted funds are concerned, these do not constitute free cash that may be used for any purpose. Instead, its use is limited by the restrictions provided under energy-related regulations.[13]

Thereafter, based on Resolution dated 26 January 2026,[14] and pursuant to Administrative Circular No. 01-2026 (Reorganizing the Divisions of the Court of Tax Appeals) dated 13 January 2026, the case was transferred to the Second Division.

We resolve.

An examination of the instant Motion to Suspend, as incorporated in the Petition for Review, and the evidence submitted by the petitioner, would show that the **respondent's right to collect the subject deficiency taxes is barred by prescription.**

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[10] Exhibit "P-28-SO", Supplemental Judicial Affidavit of Editha U. Tadiam, id., Volume I, pp. 122-124.
[11] TSN dated 19 June 2025, p. 9.
[12] Id.
[13] Id., pp. 10-13.
[14] Division Docket, Volume III, p. 1075.

Section 203 of the NIRC of 1997, as amended, provides for the prescriptive period in the assessment and collection of internal revenue taxes:

> . . .
> **SEC. 203.** ***Period of Limitation Upon Assessment and Collection.*** - Except as provided in Section 222, internal revenue taxes shall be **assessed within three (3) years after the last day prescribed by law for the filing of the return**, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: Provided, That **in a case where a return is filed beyond the period prescribed by law, the three (3)-year period shall be counted from the day the return was filed**. For purposes of this Section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.[15]
> . . .

In *Commissioner of Internal Revenue v. Court of Tax Appeals Second Division and QL Development, Inc.*[16] (***QL Development***), the Supreme Court ruled that in cases of valid assessment issued within the three (3)-year period, the BIR has another three (3) years to collect the deficiency taxes.

In the instant case, the FLD/FAN was issued on **13 January 2020**.[17] Counting three (3) years therefrom, the respondent had until **13 January 2023** to collect the deficiency taxes. However, because of the COVID-19 pandemic, the running of the statute of limitations on assessment and collection of taxes was suspended through several issuances of the BIR. Pursuant to BIR Operations Memorandum No. 66-2022,[18] for the period of 16 March 2020 up to 15 September 2021, the running of the statute of limitations was suspended for a total of **420 days**. Thus, after considering the 420-day suspension, the respondent, in this case, only had until **<u>08 March 2024</u>** to collect the subject deficiency taxes.

Said collection efforts come in many forms, one of which is an answer to a taxpayer's petition for review. As explained by the Supreme Court in *QL Development:*[19]

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15 Emphasis supplied.
16 G.R. No. 258947, 29 March 2022.
17 Supra at note 8.
18 Further Clarification on the Suspension of the Running of the Statute of Limitations on Assessment and/or Collection of Internal Revenue Taxes Under Sections 203 and 222 of the 1997 Tax Code, As Amended, in View of the Declaration of Enhanced Community Quarantine (ECQ)/Modified Enhanced Community Quarantine (MECQ)
19 Supra at note 16.

> ...
>
> To reiterate, the CIR's collection efforts are initiated by distraint, levy, or court proceeding. The distraint and levy proceedings are validly begun or commenced by the issuance of a warrant of distraint and levy and service thereof on the taxpayer. And, a judicial action for the collection of a tax is initiated: (a) by the filing of a complaint with the court of competent jurisdiction; or (b) **where the assessment is appealed to the Court of Tax Appeals (CTA), by filing an answer** to the taxpayer's petition for review wherein payment of the tax is prayed for.[20]
>
> ...

Applying this to the case at bar, the respondent himself or herself, in his or her Comment, used the argument that there is no actual threat of collection yet as no warrant of distraint and/or levy or warrant of garnishment has been issued.[21] As for the judicial action, this Court notes that the respondent filed his or her "Answer with Opposition *(Re: Petition for Review [With Extremely Urgent Prayer for Issuance of Temporary Suspension Order and/or Suspension Order Enjoining the Collection of Taxes] dated March 7, 2025)*" (**Answer**), containing a prayer to order petitioner to pay the subject deficiency taxes, on 15 July 2025.[22] As the filing of the Answer clearly falls **beyond the last day of the prescriptive period, which is 08 March 2024, the respondent's right to collect the subject deficiency taxes is already time-barred.**

In the Comment, as well as in the Answer, respondent anchors his or her claim that the assessment has not prescribed on the allegation that petitioner requested for a reinvestigation of the findings in the FLD/FAN. On the contrary, petitioner claims that it filed a request for reconsideration, not reinvestigation.

The records show that on 13 February 2020, the petitioner submitted a letter to the respondent captioned: "Reply to the Formal Letter of Demand Issued to Pangasinan I Electric Cooperative for the Tax Examination Covering Taxable Year Ended December 31, 2016"[23] (**Reply to FLD/FAN**). Notably, **it was not indicated therein whether petitioner requested for a reconsideration or reinvestigation.** Construing the same as a request for reinvestigation, the respondent "granted" the same through a letter dated 17 February 2020.[24] To this, the petitioner replied through another letter dated 24 February 2020,[25]

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20 Emphasis supplied.
21 See Division Docket, Volume I, p. 85.
22 Id., pp. 244-267.
23 "Exhibit P-12-SO", id., Volume II, pp. 631-841.
24 "Exhibit P-13-SO", id., pp. 842.
25 "Exhibit P-14-SO", id., pp. 843.

clarifying that petitioner did not request for a reinvestigation, but a reconsideration of the case.

In *Bank of the Philippine Islands v. Commissioner of Internal Revenue,*[26] (**BPI**) the Supreme Court had the occasion to rule on a matter similar (with the instant case) in that the protest letter of therein petitioner BPI did not specifically state whether it was a request for reconsideration or reinvestigation. In resolving the issue, the Supreme Court examined the contents of the protest letter and deemed the same as a request for reconsideration:

> ...
> The protest letter of petitioner BPI, dated 16 November 1989 and filed with the BIR the next day, on 17 November 1989, did not specifically request for either a reconsideration or reinvestigation. A close review of the contents thereof would reveal, however, that **it protested Assessment No. FAS-5-85-89-002054 based on a question of law,** in particular, whether or not petitioner BPI was liable for DST on its sales of foreign currency to the Central Bank in taxable year 1985. The same protest letter did not raise any question of fact; **neither did it offer to present any new evidence.** In its own letter to petitioner BPI, dated 10 September 1992, the BIR itself referred to the protest of petitioner BPI as a request for reconsideration. **These considerations would lead this Court to deduce that the protest letter of petitioner BPI was in the nature of a request for reconsideration, rather than a request for reinvestigation and, consequently, Section 224 of the Tax Code of 1977, as amended, on the suspension of the running of the statute of limitations should not apply**.[27]
> ...

In the instant case, an examination of the contents of the Reply to FLD/FAN would show that the main issue raised by the petitioner was whether or not the tax exemption granted to electric cooperatives, pursuant to the Philippine Cooperative Code of 2008, is limited only to household members – a question of law. Moreover, petitioner did not present any new evidence, as the accompanying documents to the Reply to FLD/FAN are the same as those attached to its previous reply to the Preliminary Assessment Notice.[28] Therefore, **petitioner's Reply to FLD/FAN should be construed as a request for reconsideration, not a reinvestigation.**

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26 G.R. No. 139736, 17 October 2005.
27 Emphasis supplied; citations omitted.
28 "Exhibit P-10-SO", Division Docket, Volume II, pp. 592-613.

This Court is not unaware of the case of *Commissioner of Internal Revenue v. Court of Tax Appeals Third Division and Citysuper, Incorporated*[29] ***(Citysuper)***, where the Supreme Court, faced with a protest which also did not specify whether it was a request for reconsideration or reinvestigation, construed the same as void, and as if no protest was filed at all. This rendered therein appeal to the CTA premature and prevented the CTA from acquiring jurisdiction over the case, thus:

> . . .
> **When a taxpayer files a petition for review before the Court of Tax Appeals without validly contesting the assessment with the Commissioner of Internal Revenue, the appeal is premature and the Court of Tax Appeals has no jurisdiction**:
>
> > Since in the instant case the taxpayer appealed the assessment of the Commissioner of Internal Revenue without previously contesting the same, the appeal was premature and the Court of Tax Appeals had no jurisdiction to entertain said appeal. For, as stated, the jurisdiction of the Tax Court is to review by appeal decisions of Internal Revenue on disputed assessments. The Tax Court is a court of special jurisdiction. As such, it can take cognizance only of such matters as are clearly within its jurisdiction. (Citation omitted)
>
> Section 228 of the National Internal Revenue Code requires that administrative protests against assessments conform to the rules and regulations issued by the Bureau of Internal Revenue. Respondent's April 29, 2015 **letter did not comply with the requirements set down in Revenue Regulations No. 18-2013. There was no administrative protest to speak of, and no decision on a disputed assessment to assail. Thus, the Court of Tax Appeals had no jurisdiction** over the Petition for Review assailing the July 13, 2015 letter.[30]
> . . .

We emphasize, however, that apart from the fact that the protest failed to state the nature thereof, if a reconsideration or reinvestigation, there are specific factual circumstances in *Citysuper* that have led the Supreme Court to conclude that the same is a void protest. Specifically, in *Citysuper*, the protest did not indicate the following:

> . . .
> a. Name and address of the taxpayer;

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29 G.R. No. 239464, 10 May 2021.
30 Emphasis supplied.

b. The nature of the protest, since the letter merely contained a statement that the subject taxpayer was in the process of compiling documents for eventual presentation to the bureau;

c. The assessment number, date of receipt of assessment notice and formal letter of demand;

d. The itemized statement of findings to which the taxpayer agrees and schedule of adjustments to which the taxpayer does not agree;

e. A statement of the facts, applicable law, rules and regulations or jurisprudence in support of the protest.

. . .

Therefore, in *Citysuper*, there is overwhelming evidence that the administrative protest filed by therein taxpayer is a nullity. In contrast, the petitioner in the instant case substantially complied with the requirements of a valid administrative protest under Revenue Regulations (**RR**) No. 18-2013. While it did fail to explicitly state the nature of the protest as either a request for reconsideration or reinvestigation, **an examination of the contents of the Reply to FLD/FAN will yield that the said protest was not ambiguous as to render the same void.**

To reiterate, the main issue raised by the petitioner in the Reply to FLD/FAN is a question of law, and the petitioner did not present any new evidence that would require a reinvestigation of the case. These circumstances point to the conclusion that the Reply to FLD/FAN filed by the petitioner was a request for reconsideration.

Such liberal construction of the Reply to FLD/FAN in favor of the petitioner is sanctioned by jurisprudence stating that the rules on prescription are primarily meant to benefit the taxpayer. In *BPI,* the Supreme Court explained that:

> . . .
> Though the statute of limitations on assessment and collection of national internal revenue taxes benefits both the Government and the taxpayer, **it principally intends to afford protection to the taxpayer against unreasonable investigation.** The indefinite extension of the period for assessment is unreasonable because it deprives the said taxpayer of the assurance that he will no longer be subjected to further investigation for taxes after the expiration of a reasonable period of time. ...

> . . .
> In order to provide even better protection to the taxpayer against unreasonable investigation, the Tax Code of 1977, as amended, identifies specifically in Sections 223 and 224 thereof the circumstances when the prescriptive periods for assessing and collecting taxes could be suspended or interrupted.
>
> To give effect to the legislative intent, **these provisions on the statute of limitations on assessment and collection of taxes shall be construed and applied liberally in favor of the taxpayer and strictly against the Government.**[31]
> . . .

The liberal construction of the tax provisions on prescription bolsters the conclusion that if, upon examination of an administrative protest, it is revealed that it is in the nature of a request for reconsideration, even though it did not explicitly state the same, a construction based on substance over form should govern. In other words, the protest should be deemed as a request for reconsideration, consistent with the contents of the same.

The characterization of the petitioner's Reply to FLD/FAN as a request for reconsideration is crucial because under Section 223 of the NIRC, as amended, the running of the statute of limitation may be suspended only in case of reinvestigation, but not so in case of reconsideration:

> . . .
> **SEC. 223**. *Suspension of Running of Statute of Limitations*. - The running of the Statute of Limitations provided in Sections 203 and 222 on the making of assessment and the beginning of distraint or levy or a proceeding in court for collection, in respect of any deficiency, shall be suspended for the period during which the Commissioner is prohibited from making the assessment or beginning distraint or levy or a proceeding in court and for sixty (60) days thereafter; **when the taxpayer requests for a reinvestigation which is granted by the Commissioner;** when the taxpayer cannot be located in the address given by him in the return filed upon which a tax is being assessed or collected: Provided, that, if the taxpayer informs the Commissioner of any change in address, the running of the Statute of Limitations will not be suspended; when the warrant of distraint or levy is duly served upon the taxpayer, his authorized representative, or a member of his household with sufficient discretion, and no property could be located; and when the taxpayer is out of the Philippines.[32]
> . . .

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31 Emphasis supplied; citations omitted.
32 Emphasis supplied.

Verily, in *Commissioner of Internal Revenue v. Philippine Global Communication, Inc.,*[33] the Supreme Court elaborated that –

> . . .
> The main difference between these two types of protests lies in the records or evidence to be examined by internal revenue officers, whether these are existing records or newly discovered or additional evidence. **A re-evaluation of existing records which results from a request for reconsideration does not toll the running of the prescription period for the collection of an assessed tax.** Section 271 distinctly limits the suspension of the running of the statute of limitations to instances when reinvestigation is requested by a taxpayer and is granted by the CIR. The Court provided a clear-cut rationale in the case of *Bank of the Philippine Islands v. Commissioner of Internal Revenue* explaining why a request for reinvestigation, and not a request for reconsideration, interrupts the running of the statute of limitations on the collection of the assessed tax:
>
>> Undoubtedly, a reinvestigation, which entails the reception and evaluation of additional evidence, will take more time than a reconsideration of a tax assessment, which will be limited to the evidence already at hand; this justifies why the **former [reinvestigation] can suspend the running of the statute of limitations on collection of the assessed tax, while the latter [reconsideration] cannot.**[34]
>
> . . .

Applying this to the instant case, since the petitioner's Reply to FLD/FAN is a request for reconsideration, which did not toll the running of the statute of limitations to collect the subject deficiency taxes, said prescriptive period accordingly lapsed on **08 March 2024**. **As no warrant of distraint and/or levy nor warrant of garnishment was issued by the respondent prior to the said date, and because the Answer in the instant case was filed by the respondent also beyond said date, it follows that the respondent's right to collect the subject deficiency taxes is already barred by prescription.**

We would like to point out that while what has been submitted for our resolution is the instant Motion to Suspend, We are not barred from consolidating it with the main case for purposes of expediency. Section 6, Rule 10 of the Revised Rules of the CTA (**RRCTA**) provides that:

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[33] G.R. No. 167146, 31 October 2006.
[34] Emphasis supplied; citations omitted.

> . . .
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> SEC 6. *Hearing of the Motion.* — The movant shall, upon receipt of the opposition, set the motion for hearing at the next available motion day, and the Court shall give preference to the motion over all other cases, except criminal cases. At the hearing, both parties shall submit their respective evidence. If warranted, the Court may grant the motion if the movant shall deposit with the Court an amount in cash equal to the value of the property or goods under dispute or filing with the Court of an acceptable surety bond in an amount not more than double the disputed amount or value. **However, for the sake of expediency, the Court, *motu proprio*** or upon motion of the parties, **may consolidate the hearing of the motion for the suspension of the collection of the tax with the hearing on the merits of the case.**[35]
>
> . . .

Relative thereto, Section 1, Rule 9 of the Rules of Civil Procedure, as amended, also provides that the court shall dismiss the case *motu proprio* on the ground of prescription:

> . . .
>
> SEC. 1. *Defenses and objections not pleaded.* — Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. However, **when it appears from the pleadings or the evidence on record** that the court has no jurisdiction over the subject matter, that there is another action pending between the same parties for the same cause, or **that the action is barred** by a prior judgment or **by statute of limitations, the court shall dismiss the claim.**[36]
>
> . . .

The use of the word "shall" underscores the mandatory character of the Rule. "Shall" is a word of command, and one which has always or which must be given a compulsory meaning, and it is generally imperative or mandatory.[37] Consequently, in *Bank of the Philippine Islands v. Commissioner of Internal Revenue,*[38] the Supreme Court proceeded to dismiss the case *motu proprio* on the ground of prescription:

> . . .
>
> **If the pleadings or the evidence on record show that the claim is barred by prescription, the court is mandated to dismiss the claim even if prescription is not raised as a defense.**

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35 Emphasis supplied.
36 Emphasis and underscoring supplied.
37 Cipriano Enriquez, et al. v. Maximo Enriquez (Now Deceased), Substituted by Carmen Agana, et al., G.R. No. 139303, 25 August 2005.
38 G.R. No. 181836, 09 July 2014.

> In Heirs of Valientes v. Ramas, we ruled that the CA may motu proprio dismiss the case on the ground of prescription despite failure to raise this ground on appeal. The court is imbued with sufficient discretion to review matters, not otherwise assigned as errors on appeal, if it finds that their consideration is necessary in arriving at a complete and just resolution of the case. More so, when the provisions on prescription were enacted to benefit and protect taxpayers from investigation after a reasonable period of time.[39]
>
> . . .

Here, the issue of prescription was not merely implied or belatedly raised; instead, it was **squarely alleged** in the Petition for Review which contains the instant Motion to Suspend.

Indeed, where prescription has clearly set in and no valid cause for tolling of the period exists, as in this case, it becomes legally pointless to proceed to trial. To litigate further on the merits of petitioner's alleged deficiency taxes, which have already been extinguished by the passage of time, would be an exercise in futility.

Having determined that the respondent's right to collect the deficiency taxes has prescribed, this Court finds no reason to address the other issues raised by the parties.

WHEREFORE, premises considered,

1. The *Extremely Urgent Prayer for Issuance of Temporary Suspension Order and/or Suspension Order Enjoining the Collection of Taxes* incorporated in petitioner Pangasinan I Electric Cooperative (PANELCO I)'s Petition for Review is hereby **DENIED** for being moot and academic, as there is no collection effort to suspend in the first place, the right of respondent Commissioner of Internal Revenue to institute the same having prescribed.

2. The Petition for Review filed by petitioner Pangasinan I Electric Cooperative (PANELCO I) on 12 March 2025 is hereby **GRANTED.** As such, the respondent Commissioner of Internal Revenue's collection effort through the proceedings before this Court is declared **VOID** for having been instituted beyond the prescriptive period for collection of the subject deficiency taxes.

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[39] Citations omitted, emphasis supplied and italics in the original text.

3. Respondent Commissioner of Internal Revenue, including any of the latter's authorized officers, agents, or representatives, is hereby **PERMANENTLY ENJOINED** from collecting the deficiency taxes subject of this case.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

LANEE S. CUI-DAVID
Associate Justice