REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

PEOPLE OF THE PHILIPPINES, Petitioner,	**CTA EB CRIM. NO. 123** (CTA Crim. Case No. O-931)
- versus -	Members: **DEL ROSARIO,** *P.J.* **RINGPIS-LIBAN,** **MANAHAN,** **BACORRO-VILLENA,** **MODESTO-SAN PEDRO,** **REYES-FAJARDO,** **CUI-DAVID,** **FERRER-FLORES,** *and* **ANGELES,** *JJ.*
ANTONIO VALERIANO M. BERNARDO, (A.V.M. BERNARDO ENGINEERING) (AT LARGE: Address: No. 604 T. Santiago St., Lingunan, Valenzuela City, Metro Manila), Respondent.	Promulgated: NOV 05 2024 4:20 pm

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RESOLUTION

FERRER-FLORES, J.:

For resolution is petitioner's **Motion for Reconsideration (of the Decision dated April 16, 2024)** filed on May 2, 2024, sans respondent's comment as per Records Verification dated July 10, 2024.

Petitioner seeks the reversal of the Court's *Decision* dated April 16, 2024 (assailed Decision), which affirmed the assailed Resolutions dated February 21, 2023 and April 27, 2023 rendered by the Court of Tax Appeals (CTA) Second Division in CTA Crim. Case No. O-931, dismissing the case on the ground of prescription.

In its motion, petitioner reiterates that the filing of complaint with the prosecution's office tolls the running of the prescriptive period for actions involving violations of special laws, like the National Internal Revenue Code (NIRC) of 1997, as amended. Petitioner likewise posits that the mere fact that time has passed should not prejudice the right of the government to collect taxes as taxes are the lifeblood of the nation.

The arguments of petitioner are untenable.

The Court, in a long line of cases[1] and adopting the pronouncement in *Lim vs. Court of Appeals*,[2] had ruled that the commencement of the five-year prescriptive period in criminal tax cases as provided in Section 281 of the NIRC of 1997, as amended,[3] commences from the date of the commission of the violation of the law, or if the same be not known at the time, from the discovery thereof **and** the institution of judicial proceedings for its investigation and punishment. The period of prescription is only interrupted when proceedings are instituted against the guilty persons and shall run again in the event the proceedings are dismissed for reasons not constituting jeopardy.

In this case, the five-year prescriptive period begins to run on February 18, 2016, when the *Joint Complaint Affidavit* of Revenue Officers Gina D. Floreza and Grace G. Marohomsalic[4] was referred to the Secretary of the Department of Justice by then Commissioner of Internal Revenue Kim S. Jacinto-Henares. The prosecution had until February 18, 2021 to file the requisite *Information* with the Court. However, the prosecution belatedly filed the subject Information with the Court in Division on September 6, 2022. Clearly, the prescription of criminal action had already set in.

While taxes are the lifeblood of the government and should be collected without unnecessary hindrance, such collection should be made in accordance with law as any arbitrariness will negate the very reason for the government itself. It is therefore necessary to reconcile the apparently conflicting interests of the authorities and the taxpayers so that the real purpose of taxation, which is the promotion of the common good, may be achieved.[5]

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[1] *People of the Philippines vs. Ma. Luisa Reyes Angulo*, CTA Crim. Case Nos. O-867 and O-868, October 8, 2024; *People of the Philippines vs. Zeigfried Loo Tian*, CTA EB Crim. No. 116 (CTA Crim. Case No. O-944), September 26, 2024; *People of the Philippines vs. Star Asset Management NPL, Inc., et al.*, CTA EB Case No. 129 (CTA Crim. Case No. O-995), April 22, 2024; *People of the Philippines vs. CTA Second Division, et al.*, CTA EB Crim. No. 093 (CTA Crim. Case Nos. O-850, O851, O-852, and O-853), August 29, 2023; and *People of the Philippines vs. Wintelecom, Inc/Hua C. Uychiyong (Treasurer)*, CTA EB Crim. No. 090 (CTA Crim Case Nos. O-800 and O801), June 21, 2023, to name a few.

[2] G.R. No. L-48134-37, October 18, 1990.

[3] A replica of then Section 354 of the 1939 NIRC.

[4] Docket, pp. 22-33.

[5] *Commissioner of Internal Revenue vs. Algue, Inc., et. al.*, G.R. No. L-28896, February 17, 1988.

In sum, there being no new issues or substantial arguments raised in the instant motion, this Court finds no compelling reason to disturb or overturn the assailed *Decision.*

WHEREFORE, premises considered, petitioner's **Motion for Reconsideration (of the Decision dated April 16, 2024)** is hereby **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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

LANEE S. CUI-DAVID
Associate Justice

ON LEAVE
HENRY S. ANGELES
Associate Justice