

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

COCA-COLA BEVERAGES CTA AC No. 334
PHILIPPINES, INC.,

Petitioner, Members:

-versus-

REYES-FAJARDO, *Chairperson,*
and
ANGELES, JJ.

CITY OF TAGUIG, ATTY. J. VOLTAIRE ENRIQUEZ in his capacity as OIC-City Treasurer-City of Taguig, and ATTY. FANELAL JOY PANGA CRUZ in her capacity as (former) OIC of the Business Permits and Licensing Office (BPLO) - City of Taguig,

Promulgated:

Respondents.

AUG 24 2026

9:29 p.m.

X- - - - -X

DECISION

ANGELES, J.:

Before the Court is a *Petition for Review*¹ filed by Coca-cola Beverages Philippines, Inc. (petitioner) against the City of Taguig, Atty. J. Voltaire Enriquez in his capacity as OIC-City Treasurer - City of Taguig, and Atty. Fanelal Joy Panga Cruz in her capacity as (former) OIC of the Business Permits and Licensing Office (BPLO) - City of Taguig (respondents), praying for the reversal of the *Decision* dated January 22, 2024² and *Resolution* dated June 18, 2024³ (assailed Orders), promulgated by the Regional Trial Court (RTC) of Taguig City, Branch 70.

In the assailed Orders, the Court *a quo* denied petitioner's *Complaint*⁴ for cancellation of local business tax (LBT) assessment and

¹ Division Docket, pp. 5-21.

² Division Docket, pp. 33-53.

³ Division Docket, pp. 28-32.

⁴ RTC Docket - Vol. I, pp. 6-22.

for refund or tax credit of erroneously/illegally collected LBT and regulatory fees.

ANTECEDENT FACTS

Petitioner is a domestic corporation registered with the Securities and Exchange Commission⁵ primarily to engage in the manufacture and sale of non-alcoholic beverages or soft drinks in the Philippines, and any and all incidental or related business activities.⁶ Its principal office is located at 27th Floor Six/NEO Building (formerly Net Lima Building), 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City.⁷

Respondents are the City of Taguig, a local government unit represented by its current Mayor, Hon. Maria Laarni L. Cayetano, Atty. J. Voltaire L. Enriquez, its OIC-City Treasurer, and Atty. Fanella Joy Panga-Cruz, former head of the BPLO of Taguig City. They may be served and furnished pleadings, orders, notices, and other processes at the City Legal Office, 4th Floor, Taguig City Hall, Gen. Luna Street, Tuktukan, Taguig City.⁸

On January 15, 2020, petitioner filed an application for renewal of business permit with the BPLO of Taguig City.⁹ The said application indicated the following information, among others:¹⁰

GROSS RECEIPT/SALES			EVALUATION
Line of Business	Past Previous	Previous	Current
ADMIN OFFICE ONLY	No Income	No Income	No Income
	C-OFFICE ONLY	G - 1,096,952,000	
		BT - 2,056,578.75	
		EF - 139,606.50	
		MP - 6,000	
		SF - 1,100	

⁵ Exhibit “A”, RTC Docket - Vol. I, p. 29.
⁶ Exhibit “B”, RTC Docket - Vol. I, pp. 30-39.
⁷ *Amended Pre-Trial Conference Order* dated August 19, 2022, RTC Docket - Vol. II, p. 253.
⁸ Division Docket, p. 6.
⁹ Exhibit “E”, RTC Docket - Vol. I, pp. 42-43.
¹⁰ *Id.*

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The said application likewise contained a sworn affidavit executed by Mr. Romano Maglalang, petitioner’s Senior Tax Manager, stating that “[t]he amount of capital invested/gross sales stated in our/my application is correct and reflected in the book of accounts of the business.”¹¹

However, on January 17, 2020, a Billing Statement was issued against petitioner by the BPLO of Taguig City, as approved by the OIC-City Treasurer, assessing petitioner of the total amount of ₱2,010,435.51, with the following particulars:¹²

PARTICULARS	BT	SURCHARGE	INTEREST	TOTAL
1st Qtr. Gross: 333,131,000.00 Retailer(Retailer)	BT 832,827.50	Surcharge 0.00	Interest 0% 0.00	Total 832,827.50
1st Qtr. Gross: 3,998,000.00 Contractor(Services)	BT 7,290.00	Surcharge 0.00	Interest 0% 0.00	Total 7,290.00
1st Qtr. Gross: 198,608,000.00 Other Business(Other Business)	BT 868,910.00	Surcharge 0.00	Interest 0% 0.00	Total 868,910.00
Environmental Impact Fee	174,508.13	0.00	0.00	174,508.13
Mayor’s Permit Fee	16,000.00	0.00	0.00	16,000.00
Sanitary Inspection Fee	1,100.00	0.00	0.00	1,100.00
Medical/Health Fee	10.00	0.00	0.00	10.00
Building Inspection Fee	400.00	0.00	0.00	400.00
Electrical Inspection Fee	400.00	0.00	0.00	400.00
Plumbing Inspection Fee	250.00	0.00	0.00	250.00
Mechanical Inspection Fee	500.00	0.00	0.00	500.00
Fire Permit Fee	200.00	0.00	0.00	200.00
Sticker	150.00	0.00	0.00	150.00
Form Fee	150.00	0.00	0.00	150.00
Signboard	140.00	0.00	0.00	140.00
Fire Code RA 9514	107,599.88	0.00	0.00	107,599.88
Subtotal	2,010,435.51	0.00	0.00	2,010,435.51
GRAND TOTAL	2,101,435.51	0.00	0.00	2,010,435.51

¹¹ *Id.*

¹² Exhibit “F”, RTC Docket - Vol. I, pp. 44-45.

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On January 20, 2020, petitioner paid the total amount of ₱2,010,435.51, as evidenced by an Official Receipt of even date.¹³ Accordingly, on February 5, 2020, the BPLO of Taguig City issued a business permit for calendar year 2020 in favor of petitioner.¹⁴

On March 16, 2020, petitioner filed with the BPLO of Taguig City a *Protest Against 2020 Billing Statement with Request for Reassessment and Claim Refund the Amount of P 1,982,070.51 of Erroneously Assessed and Collected Business Taxes & Fees by the City of Taguig for the 1st Quarter of 2020* (protest).¹⁵

Respondents did not act on petitioner's protest.¹⁶

Both parties admit that during this time, or from March 17 to May 15, 2020, a strict home quarantine was enforced as the entire island of Luzon was placed under Enhanced Community Quarantine (ECQ) due to the coronavirus disease 2019 (COVID-19) pandemic.¹⁷

PROCEEDINGS BEFORE THE COURT

On June 25, 2020, petitioner filed with the RTC of Taguig City a *Complaint* for cancellation of LBT assessment and for refund or tax credit of erroneously/illegally collected LBT and regulatory fees, praying for the following reliefs:¹⁸

WHEREFORE, premises considered, it is most respectfully prayed unto this Honorable Court, that judgment be rendered ordering the defendants to:

1. **CANCEL** the contested Billing Statement dated January 17, 2020 and **ISSUE** a new/revised Billing Statement imposing regulatory fees only; and
2. **REFUND or ISSUE TAX CREDIT CERTIFICATE** to the Plaintiff in the total amount of **ONE MILLION EIGHT HUNDRED EIGHTY THOUSAND SEVEN HUNDRED EIGHTY-EIGHT AND 1/100 PESOS (P1,980,788.091)** representing

¹³ Exhibit "G", RTC Docket - Vol. I, p. 46.

¹⁴ Exhibit "H", RTC Docket - Vol. I, p. 47.

¹⁵ Exhibit "I", RTC Docket - Vol. I, p. 48.

¹⁶ *Supra*, note 7.

¹⁷ *Id.*

¹⁸ *Supra*, note 1.

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erroneously and illegally assessed and collected local business taxes and regulatory fees for the first quarter of the year 2020 **plus interest** computed from January 20, 2020 until fully paid.

Other reliefs, as may be just and equitable under the premises, are likewise prayed for.

Subsequent proceedings were summarized by the Court *a quo*, as follows:¹⁹

On 06 July 2020, *summons* was issued against [respondents] as evidenced by the *Sheriff's Return of Summons* dated 07 October 2020.

Meanwhile, on 21 October 2020, an *Entry of Appearance With Motion For Extension to File Answer* was filed by [respondents], thru counsel, which this Court granted. Thus, on 11 December 2020, herein [respondents] filed their *Answer*.

After the Court issued a Notice of Pre-Trial on 11 January 2021, [respondents] filed its Pre-Trial Brief on 27 January 2021. As part of pre-trial conference, the parties were referred to Court Annex Mediation thru the Order dated 02 February 2021. After a failed mediation, on 10 September 2021, the records of this case were forwarded to the Office of the Clerk of Court, Regional Trial of Taguig City for re-raffle for the conduct of judicial dispute resolution (JDR). Eventually, the instant case was raffled to Regional Trial Court Branch 69 of Taguig City. On 11 February 2022, the JDR failed, and the records of this case were returned to this Court and was set for Pre-Trial Conference. Eventually, on 10 May 2021, [petitioner] filed its Pre-Trial Brief.

Thus, Pre-Trial Conference was held and terminated on 19 August 2022, wherein [petitioner and respondents] marked their respective documentary exhibits.

Meanwhile, on 11 October 2022, [petitioner] filed a *Motion to take Judicial Notice*, on the Taguig Municipal Ordinance No. 24 Series of 1993, Taguig Ordinance No. 85 Series of 2005, Taguig City Ordinance No. 111, Series of 2007 and BLGF Memorandum Circular No. 001-2020 dated 02 January 2020, which this Court granted.

Thereafter, trial ensued with the presentation of [petitioner's] lone witness Mr. Gil T. Lizaso (hereinafter Lizaso).

Having rested its case on 14 April 2023, [petitioner] filed its *Formal Offer of Evidence* on 02 May 2023, to which [respondents] filed its *Comment/Opposition* on 24 May 2023.

¹⁹ Division Docket, pp. 34-36.

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Thru the Order dated 19 June 2023, this Court admitted in evidence [petitioner's] exhibits, "A" to "YYY" and its sub-markings.

For [respondents], witness Gabriel Cultura (hereinafter Cultura) was presented as witness.

On 22 September 2022, [respondents] rested its case and filed its *Formal Offer of Evidence* on 06 October 2023, to which [petitioner] filed its *Comment/Objection* on 19 October 2023.

Acting on [respondents'] *Formal Offer of Evidence*, the Court ruled to admit Exhibits "1" to "6", and its sub-markings thru the Order dated 20 October 2023. On even date, the instant case [was] submitted for decision by this Court. (*Citations omitted*)

The Court *a quo* then promulgated the assailed Decision,²⁰ the dispositive portion of which reads:

WHEREFORE, premises considered, the Complaint for Cancellation of Local Business Tax Assessment and for Refund or Tax Credit of Erroneously/Illegally Collected Local Business Taxes and Regulatory Fees filed by plaintiff **COCA COLA BEVERAGES PHILIPPINES, INC.**, is hereby **DENIED** for failure to file the instant complaint within the 30 calendar day reglementary period as required under Section 195 of the Local Government Code.

Petitioner filed its *Motion for Reconsideration (of the Decision dated January 22, 2024)*²¹ on May 17, 2024, while respondents filed their *Comment/Opposition to Plaintiff's Motion for Reconsideration of the Decision dated January 22, 2024*²² on June 3, 2024.

The Court *a quo* thereafter promulgated the assailed Resolution,²³ ultimately denying petitioner's aforementioned *Motion* for lack of merit.

Persistent, petitioner filed the instant *Petition for Review* with this Court on August 29, 2024.²⁴ Respondents filed their *Comment (To Petition for Review dated 29 August 2024)*²⁵ on October 28, 2024.

²⁰ *Supra*, note 2.

²¹ RTC Docket - Vol. III, pp. 585-600.

²² RTC Docket - Vol. III, pp. 603-611.

²³ *Supra*, note 3.

²⁴ *Supra*, note 1.

²⁵ Division Docket, pp. 56-63.

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On November 14, 2024, the original records of this case consisting of three (3) folders (Vols. I to III) and the Transcript of Stenographic Notes (TSN) were transmitted to this Court.²⁶

Both parties then filed their respective memoranda on June 5, 2025.²⁷ The instant case was submitted for decision on July 18, 2025.²⁸

ISSUE

The sole issue raised by petitioner on appeal is whether or not the Court *a quo* erred in ruling that petitioner filed its *Complaint* out of time as required under Section 195 of the Local Government Code (LGC).²⁹

ARGUMENTS OF THE PARTIES

Petitioner's arguments

First, petitioner argues that respondents did not issue any deficiency tax assessment to petitioner, making Section 195 of the LGC inapplicable to the present case. It avers that no notice of assessment, as defined under Section 195 of the LGC,³⁰ was ever issued to petitioner since the 2020 Billing Statement was issued by respondent solely in connection with petitioner's application for renewal of business permit. The 2020 Billing Statement was not the result of any determination by the City Treasurer or his authorized representative that petitioner had underpaid or failed to remit the correct amount of taxes, charges, or fees. Since respondent's basis for collection was a billing statement rather than a formal notice of assessment, petitioner posits that Section 196 of the LGC governs the situation.

Second, petitioner argues that what determines the nature of an action as well as which Court has jurisdiction over it, are the allegations in the complaint and the character of the relief sought. Petitioner points out that its *Complaint* specifically seeks the refund or issuance of a tax credit amounting to ₱1,980,788.091 representing LBT and regulatory fees that were allegedly collected erroneously and unlawfully for the 1st quarter of 2020, plus accrued interest. Thus,

²⁶ Division Docket, pp. 70-80.

²⁷ Division Docket, pp. 114-128 for petitioner; pp. 133-142 for respondent.

²⁸ Minute Resolution dated July 18, 2025, Division Docket, pp. 164.

²⁹ Division Docket, p. 9.

³⁰ Republic Act No. 7160, October 10, 1991.

while its *Complaint* initially referenced Section 195 of the LGC as the legal basis for its claim, petitioner insists that a thorough review of the allegations and relief sought therein reveals that petitioner's case is more accurately governed by Section 196 of the LGC.

Third, petitioner argues that it has complied with all the procedural requirements under Section 196 of the LGC, *i.e.*, it filed a written claim with the local treasurer, and it initiated a judicial action for refund within two (2) years from either the date of payment or date the taxpayer became entitled to the refund.

Lastly, petitioner argues that even assuming that its *Complaint* falls under Section 195 of the LGC, the existence of special or compelling circumstances, *i.e.*, the COVID-19 pandemic, may warrant the suspension of strict adherence to procedural rules. Petitioner adds that during this period, the Revised Rules of Court was recently implemented, which required petitioner to attach all relevant evidence to the *Complaint* upon filing. The combination of the COVID-19 pandemic's challenges and the new procedural requirements added complexity to the filing process and constraints that were beyond petitioner's control despite its efforts.

Petitioner submits that it would be unjust to penalize it for the delayed filing without considering the mitigating factors at play, and where there is justifiable cause for non-compliance.

Respondents' counter-arguments

Respondents contend that the Court *a quo* did not err in finding that the 2020 Billing Statement was a valid assessment under Section 195 of the LGC. Respondents aver that they did not merely issue a receipt, but also a Billing Statement which provided a breakdown of the fees. Respondents likewise aver that since petitioner timely paid the assessment, the amounts of deficiency, surcharges, interests and penalties did not set in; as such, petitioner's argument as to the invalidity of the assessment for lack of such amounts should fail.

Respondents further contend that the Court *a quo* correctly ruled when it found that prescription in the filing of claims had set in. Citing *City of Manila v. Cosmos Bottling Corp.* (Cosmos case),³¹ respondents argue that cases filed under Section 196 of the LGC shall likewise follow the periods provided under Section 195 of the LGC. In this case,

³¹ G.R. No. 196681, June 27, 2018.

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respondents allege that such periods were not complied with because petitioner had until June 15, 2020 to file an appeal with the RTC; however, it only filed its *Complaint* on June 25, 2020, or beyond the thirty (30)-day period prescribed under Section 195 of the LGC. As such, the dismissal of the instant case is warranted for being barred by prescription.

Respondents also disagree with petitioner that the existence of special or compelling circumstances may warrant the suspension of strict adherence to procedural rules. They reiterate the Court *a quo*'s discussion that the Court has no power to extend periods which are not within its jurisdiction, particularly in this case where petitioner's source of action is based on the LGC, and not on the Rules of Court. Respondents emphasize that the executive branch of government which implements the LGC has not extended the periods for filing of cases thereunder.

RULING OF THE COURT

***Jurisdiction of the Court over
the present appeal***

As a necessary preliminary, We shall first discuss the jurisdiction of this Court over the present appeal.

Section 3(a)(3), Rule 4 of the Revised Rules of the Court of Tax Appeals (RRCTA),³² in relation to Section 7(a)(3) of Republic Act (RA) No. 1125, as amended by RA No. 9282 (CTA Law),³³ enumerates the cases within the jurisdiction of this Court, to wit:

SECTION 3. Cases Within the Jurisdiction of the Court in Divisions. — The Court in Divisions shall exercise:

(a) Exclusive original or appellate jurisdiction to review by appeal the following:

XXX XXX XXX

**(3) Decisions, resolutions or orders of the
Regional Trial Courts in local tax cases decided
or resolved by them in the exercise of their
original jurisdiction; (Emphasis supplied)**

³² A.M. No. 05-11-07-CTA, November 22, 2005.

³³ Expanding the Jurisdiction of the Court of Tax Appeals, Republic Act No. 9282, March 30, 2004.

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Further, Section 3(a), Rule 8 of the RRCTA, in relation to Section 11 of the CTA Law, provides the period for filing an appeal with this Court from the decision or ruling of the RTC, *viz.*:

SECTION 3. *Who May Appeal; Period to File Petition.* –

(a) A party adversely affected by a decision, ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments or claims for refund of internal revenue taxes, or by a decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry, the Secretary of Agriculture, or a **Regional Trial Court in the exercise of its original jurisdiction may appeal to the Court by petition for review filed within thirty days after receipt of a copy of such decision or ruling**, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. In case of inaction of the Commissioner of Internal Revenue on claims for refund of internal revenue taxes erroneously or illegally collected, the taxpayer must file a petition for review within the two-year period prescribed by law from payment or collection of the taxes. (*Emphasis supplied*)

Based on the above-cited rules, local tax cases decided or resolved by the RTC in the exercise of its original jurisdiction may be appealed to this Court within thirty (30) days from the petitioner's receipt of a copy of the decision or ruling of the RTC.

Moreover, before the case can be raised on appeal to the CTA, the action must be in the nature of a local tax case, or one which primarily involves a local tax case.³⁴ A local tax case pertains to a dispute between a local government unit and a taxpayer involving the former's power to impose and levy taxes, fees, or charges against the property or business of the taxpayer concerned.³⁵

In the present case, petitioner prays for the reversal and setting aside of the assailed Orders promulgated by the RTC of Taguig City, Branch 70, which mainly involve the alleged LBT assessment issued by respondents to petitioner. The assailed Orders were resolved by the said RTC in the exercise of its original jurisdiction. Given this, the subject matter of the present appeal falls squarely within the jurisdiction of this Court.

With respect to the timeliness of filing the present appeal, petitioner alleges that it received the assailed Resolution on July 30,

³⁴ *Mactel Corp. v. City Government of Makati*, G.R. No. 244602, July 14, 2021.

³⁵ *Id.*

2024.³⁶ However, petitioner failed to provide proof of receipt of the assailed Resolution on the said date. Neither do the records of this case show such proof of receipt. Nonetheless, as respondents do not challenge the alleged date of petitioner's receipt of a copy of the assailed Resolution, petitioner's receipt thereof on the said date is deemed undisputed.

Accordingly, petitioner had thirty (30) days from such receipt or until August 29, 2024 to file an appeal with this Court. Since petitioner filed the instant *Petition* on August 29, 2024, the same was timely filed.

We now turn to the central issue in this case.

Timeliness of filing the Complaint before the RTC

In the assailed Decision, the Court *a quo* held that petitioner failed to file its *Complaint* within the period provided under Section 195 of the LGC. To arrive at this conclusion, the Court *a quo* considered the following findings:

1. On March 16, 2020, petitioner filed a protest to the 2020 Billing Statement with the City Treasurer of Taguig City;
2. After sixty (60) calendar days from the filing of such protest or on May 15, 2020, the protest remained unacted upon by respondents;
3. Petitioner thus had until June 15, 2020 (since June 14, 2020 fell on a Sunday) to file an appeal with the RTC;
4. On June 25, 2020, petitioner filed its *Complaint*;
5. To justify its ten (10)-day delay in filing, petitioner asserted the following in its *Complaint*:

5. Meanwhile, President Rodrigo Duterte declared a State of Public Health Emergency throughout the Philippines, and eventually placed the entire country

³⁶ Division Docket, p. 7.

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under State of Calamity and the island of Luzon under Enhanced Community Quarantine (ECQ).

xxx xxx xxx

9. The Inter-Agency Task Force for the Management of Emerging Infectious Diseases has placed certain areas in the country, including National Capital Region, under Modified Enhanced Community Quarantine (MECQ) until 31 May 2020. Consequently, Supreme Court issued Administrative Circular No. 39 - 2020 which again extended for 30 calendar days, counted from June 1, 2020, the filing of complaints and other submissions that fell due up to May 31, 2020 before the courts in areas under MECQ areas. Also, the period for filing of court actions with prescriptive periods in courts located in areas under MECQ was likewise extended for 30 calendar days counted from June 1, 2020.

10. The foregoing considered, it is thus clear that the present Complaint has been filed before the expiration of the reglementary period.

6. The extension claimed by petitioner does not apply to this case since the deadline to file the appeal before the RTC did not lapse on May 31, 2020, but instead, expired on June 15, 2020, which was never extended by the Supreme Court through any subsequent Administrative Circular or Order.

In the assailed Resolution, the Court *a quo* further held that petitioner based its claim for tax refund on Section 195 of the LGC, considering the notice of assessment issued by the City Treasurer of Taguig City and the allegations in petitioner's *Complaint*. The Court *a quo* thus ruled that it is Section 195 of the LGC (and the periods therein) that applies to the case at bar, and not Section 196 thereof.

In the present appeal, petitioner maintains that a thorough review of the allegations and relief sought in its *Complaint* would clearly establish that petitioner's cause of action is governed by Section 196 of the LGC, rather than Section 195 thereof.

Petitioner's argument is well-founded.

Correlation between Sections 195
and 196 of the LGC

To determine the applicable period of appeal in this case, it is necessary to revisit and closely examine the correlation between Sections 195 and 196 of the LGC. The said provisions state:

SECTION 195. *Protest of Assessment.* — **When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties.** Within sixty (60) days from the receipt of the notice of assessment, the taxpayer may file a written protest with the local treasurer contesting the assessment; otherwise, the assessment shall become final and executory. The local treasurer shall decide the protest within sixty (60) days from the time of its filing. If the local treasurer finds the protest to be wholly or partly meritorious, he shall issue a notice cancelling wholly or partially the assessment. However, if the local treasurer finds the assessment to be wholly or partly correct, he shall deny the protest wholly or partly with notice to the taxpayer. **The taxpayer shall have thirty (30) days from the receipt of the denial of the protest or from the lapse of the sixty (60)-day period prescribed herein within which to appeal with the court of competent jurisdiction otherwise the assessment becomes conclusive and unappealable.**

SECTION 196. *Claim for Refund of Tax Credit.* — No case or proceeding shall be maintained in any court for the recovery of any tax, fee, or charge erroneously or illegally collected until a written claim for refund or credit has been filed with the local treasurer. **No case or proceeding shall be entertained in any court after the expiration of two (2) years from the date of the payment of such tax, fee, or charge, or from the date the taxpayer is entitled to a refund or credit.** (*Emphasis supplied*)

Based on the foregoing, a taxpayer has two (2) administrative remedies against the local taxing authority in the assessment and/or collection of local taxes: (1) file a written protest with the local treasurer contesting a notice of assessment (**Section 195**); and/or (2) file a written claim for refund or credit with the local treasurer for the recovery of taxes erroneously or illegally collected (**Section 196**).

The commonalities and distinctions between the two (2) administrative remedies were exhaustively discussed by the Supreme Court in the *Cosmos* case,³⁷ in the following manner:

³⁷ *Supra*, note 31.

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[T]he application of Section 195 is triggered by an assessment made by the local treasurer or his duly authorized representative for nonpayment of the correct taxes, fees or charges. Should the taxpayer find the assessment to be erroneous or excessive, he may contest it by filing a written protest before the local treasurer within the reglementary period of sixty (60) days from receipt of the notice; otherwise, the assessment shall become conclusive. The local treasurer has sixty (60) days to decide said protest. In case of denial of the protest or inaction by the local treasurer, the taxpayer may appeal with the court of competent jurisdiction; otherwise, the assessment becomes conclusive and unappealable.

On the other hand, Section 196 may be invoked by a taxpayer who claims to have erroneously paid a tax, fee or charge, or that such tax, fee or charge had been illegally collected from him. The provision requires the taxpayer to first file a written claim for refund before bringing a suit in court which must be initiated within two years from the date of payment. By necessary implication, the administrative remedy of claim for refund with the local treasurer must be initiated also within such two-year prescriptive period but before the judicial action.

Unlike Section 195, however, Section 196 does not expressly provide a specific period within which the local treasurer must decide the written claim for refund or credit. It is, therefore, possible for a taxpayer to submit an administrative claim for refund very early in the two-year period and initiate the judicial claim already near the end of such two-year period due to an extended inaction by the local treasurer. In this instance, the taxpayer cannot be required to await the decision of the local treasurer any longer, otherwise, his judicial action shall be barred by prescription.

Additionally, Section 196 does not expressly mention an assessment made by the local treasurer. This simply means that its applicability does not depend upon the existence of an assessment notice. By consequence, a taxpayer may proceed to the remedy of refund of taxes even without a prior protest against an assessment that was not issued in the first place. This is not to say that an application for refund can never be precipitated by a previously issued assessment, for it is entirely possible that the taxpayer, who had received a notice of assessment, paid the assessed tax, fee or charge believing it to be erroneous or illegal. Thus, under such circumstance, the taxpayer may subsequently direct his claim pursuant to Section 196 of the LGC.

Clearly, when a taxpayer is assessed a deficiency local tax, fee or charge, he may protest it under Section 195 even without making payment of such assessed tax, fee or charge. This is because the law on local government taxation, save

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in the case of real property tax, does not expressly require "payment under protest" as a procedure prior to instituting the appropriate proceeding in court. This implies that the success of a judicial action questioning the validity or correctness of the assessment is not necessarily hinged on the previous payment of the tax under protest.

Needless to say, there is nothing to prevent the taxpayer from paying the tax under protest or simultaneous to a protest. There are compelling reasons why a taxpayer would prefer to pay while maintaining a protest against the assessment. For instance, a taxpayer who is engaged in business would be hard-pressed to secure a business permit unless he pays an assessment for business tax and/or regulatory fees. Also, a taxpayer may pay the assessment in order to avoid further penalties, or save his properties from levy and distraint proceedings.

The foregoing clearly shows that **a taxpayer facing an assessment may protest it and alternatively: (1) appeal the assessment in court, or (2) pay the tax and thereafter seek a refund** xxx xxx xxx

xxx xxx xxx

Where an assessment is to be protested or disputed, the taxpayer may proceed (a) without payment, or (b) with payment of the assessed tax, fee or charge. Whether there is payment of the assessed tax or not, it is clear that the protest in writing must be made within sixty (60) days from receipt of the notice of assessment; otherwise, the assessment shall become final and conclusive. Additionally, the subsequent court action must be initiated within thirty (30) days from denial or inaction by the local treasurer; otherwise, the assessment becomes conclusive and unappealable.

xxx xxx xxx

Simply put, there are two conditions that must be satisfied in order to successfully prosecute an action for refund **in case the taxpayer had received an assessment**. *One*, pay the tax and administratively assail within 60 days the assessment before the local treasurer, whether in a letter-protest or in a claim for refund. *Two*, bring an action in court within thirty (30) days from decision or inaction by the local treasurer, whether such action is denominated as an appeal from assessment and/or claim for refund of erroneously or illegally collected tax. (*Citations omitted, emphasis supplied*)

As can be gleaned from both Section 195 of the LGC and the High Court's pronouncements in the *Cosmos* case,³⁸ Section 195 may be resorted to when the local treasurer or his duly authorized

³⁸ *Supra*, note 31.

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representative issues an **assessment for non-payment of the correct taxes, fees or charges**, or when a taxpayer is **assessed a deficiency local tax, fee or charge**. In this scenario, the taxpayer may contest the deficiency assessment by filing a written protest with the local treasurer, and alternatively appeal the assessment in court without payment, or pay the tax and thereafter seek a refund. A careful reading of the *Cosmos* case³⁹ clarifies the following options of the taxpayer:

- a. If the taxpayer opts to appeal the assessment in court **without payment**, its procedural remedy is strictly limited to Section 195; or,
- b. If the taxpayer opts to **pay the tax under protest**, it may question the validity and correctness of the assessment and at the same time seek a refund of the tax paid through an action under Section 195 or 196. Furthermore, where an assessment is issued and refund is pursued either under Section 195 or 196, the taxpayer **must** administratively question the validity or correctness of the assessment within sixty (60) days from receipt of the notice of assessment, and thereafter bring suit in court within thirty (30) days from either the decision or inaction by the local treasurer.

Meanwhile, Section 196 may also be resorted to when the taxpayer erroneously paid a tax, fee or charge, or when such tax, fee or charge had been illegally collected. In this scenario, the **existence of an assessment is not necessary**, and availment of the remedy under Section 196 may be had even without a prior protest against an assessment that was not issued in the first place.⁴⁰

This interpretation is confirmed by the Supreme Court's ruling in *International Container Terminal Services, Inc. v. City of Manila*,⁴¹ which states, thus:

If the taxpayer receives an assessment and does not pay the tax, its remedy is strictly confined to Section 195 of the Local Government Code. Thus, it must file a written protest with the local treasurer within 60 days from the receipt of the assessment. If the protest is denied, or if the local treasurer fails to act on it, then the taxpayer must appeal the assessment before a court of competent

³⁹ *Supra*, note 31.

⁴⁰ *Id.*

⁴¹ G.R. No. 185622, October 17, 2018.

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jurisdiction within 30 days from receipt of the denial, or the lapse of the 60-day period within which the local treasurer must act on the protest. In this case, as no tax was paid, there is no claim for refund in the appeal.

If the taxpayer opts to pay the assessed tax, fee, or charge, it must still file the written protest within the 60-day period, and then bring the case to court within 30 days from either the decision or inaction of the local treasurer. In its court action, the taxpayer may, at the same time, question the validity and correctness of the assessment and seek a refund of the taxes it paid. "Once the assessment is set aside by the court, it follows as a matter of course that all taxes paid under the erroneous or invalid assessment are refunded to the taxpayer."

On the other hand, if no assessment notice is issued by the local treasurer, and the taxpayer claims that it erroneously paid a tax, fee, or charge, or that the tax, fee, or charge has been illegally collected from him, then Section 196 applies.

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Following [the *Cosmos* case], refund is available under both Sections 195 and 196 of the Local Government Code: for Section 196, because it is the express remedy sought, and for Section 195, as a consequence of the declaration that the assessment was erroneous or invalid. Whether the remedy availed of was under Section 195 or Section 196 is not determined by the taxpayer paying the tax and then claiming a refund.

What determines the appropriate remedy is the local government's basis for the collection of the tax. It is explicitly stated in Section 195 that it is a remedy against a notice of assessment issued by the local treasurer, upon a finding that the correct taxes, fees, or charges have not been paid. The notice of assessment must state "the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties." In *Yamane v. BA Lepanto Condominium Corp.*:

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No such precondition is necessary for a claim for refund pursuant to Section 196. (*Citations omitted, emphasis supplied*)

Furthermore, in *Jose v. Tigerway Facilities and Resources, Inc.*,⁴² the Supreme Court emphasized that **Section 195 explicitly states that the notice of assessment envisaged thereunder must indicate the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests, and penalties, and that tax assessments issued in violation of the**

⁴² G.R. No. 247331, February 26, 2024.

due process rights of a taxpayer are void and have no force and effect. In such case, Section 195 is inapplicable, given the absence of a valid assessment, and Section 196 must be applied.⁴³

Guided by the foregoing jurisprudential precepts, it should now become clear that the appropriate remedy of the taxpayer in a local tax case is ultimately determined by the local government's basis for the collection of the tax.⁴⁴

In sum, if the basis for the collection of the tax is an assessment for non-payment of the correct taxes, fees or charges, or a deficiency assessment, then the taxpayer may resort to Section 195 only if it opts to appeal the assessment without payment; or to Section 195 or 196 if it opts to pay the tax under protest, in which case it must still file a written protest/claim for refund and judicial action within the thirty (30)-day reglementary period. But if the basis for the collection of the tax is other than a valid notice of assessment as contemplated under Section 195, then the taxpayer may resort to Section 196 only.

Petitioner's recourse under Section 196 of the LGC was proper

A perusal of petitioner's *Complaint* filed before the Court *a quo* shows that the nature of the action is an appeal from the **inaction by the City Treasurer of Taguig City "on the written protest with claim for refund filed by the plaintiff, relative to the assessment of local business taxes and regulatory fees** in the total amount of ONE MILLION NINE HUNDRED EIGHTY THOUSAND AND SEVEN HUNDRED EIGHTY-EIGHT AND 1/100 PESOS (P1,980,788.01) for the first quarter of taxable year 2020 plus interest at the rate of 6% per annum computed from January 20, 2020 until fully paid."

Petitioner likewise alleges the following in its *Complaint*:

19. For renewal of business permit for its principal office for the year 2020, plaintiff submitted complete documentary requirements to the BPLO on 15 January 2020 xxx xxx xxx

xxx xxx xxx

⁴³ *Id.*

⁴⁴ *Supra*, note 40.

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22. Upon submission of said document, **a Billing Statement was issued to plaintiff on 17 January 2020.** The said billing statement was approved for payment by defendant OIC-City Treasurer Atty. J. Voltaire L. Enriquez or his authorized representative, but the same did not bear the signature approval of the Chief BPLO. A copy of the Billing Statement dated 17 January 2020 is hereto attached as Annex "F" and made an integral part hereof.

23. Plaintiff was assessed for local business taxes as Retailer, Contractor- Services and Other Business, and regulatory fees due for the first quarter of 2020 in the total amount of P 2,010,435.51, broken down as follows:

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24. **On 20 January 2020, plaintiff was constrained to pay the full amount as per the Billing Statement.** Consequently, it was issued a Business Permit for the first quarter of the year 2020 xxx xxx xxx

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25. On 16 March 2020, **plaintiff seasonably filed with the Office of the City Treasurer a letter protest against the 2020 billing statement with request for reassessment and claim for refund of illegal/erroneously collected local business taxes and regulatory fees.** Attached as Annex "I" a copy of the protest with claim for refund dated 16 March 2020, and made an integral part hereof.

26. **However, plaintiffs protest with claim for refund was not acted upon by defendant City Treasurer within sixty (60) days from the filing thereof or until 15 May 2020. Hence, the present action.**

CAUSES OF ACTION

I. Local Business Tax

27. **Defendants erroneously and illegally assessed plaintiff for local business taxes as Retailer, Contractor and Other Business.** Such assessment is utterly without foundation in fact and in law, and therefore, it is arbitrary and capricious.

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(Emphasis supplied)

From this, petitioner clearly anchored its judicial claim for refund on the 2020 Billing Statement⁴⁵ issued by respondents.

⁴⁵ *Supra*, note 12.

Scrutiny of the said Billing Statement reveals that it is **not based on a finding that the correct taxes, fees, or charges have not been paid, nor does it state any amount of deficiency.** In other words, respondents' basis for the collection of the tax that petitioner paid and is now claiming for refund is **not the notice of assessment** contemplated and required under Section 195 of the LGC,⁴⁶ but a mere Billing Statement issued by the BPLO for purposes of renewal of business permit in Taguig City for calendar year 2020, which petitioner challenges as being bereft of foundation in fact and in law.

To reiterate, jurisprudence has declared that Section 195 finds application in cases where a tax assessment is issued to the taxpayer, thereby presupposing the existence of a valid tax assessment. On the other hand, Section 196 assumes relevance in instances where no such assessment exists.⁴⁷

Here, there being no valid tax assessment within the context of Section 195 of the LGC, the Court *a quo* erred in resolving the timeliness of petitioner's filing of its *Complaint* using the periods provided under Section 195.

While it is true that in its *Complaint*, petitioner anchored its discussion on the timeliness of its appeal on Section 195, mere invocation of the wrong legal basis, by itself, does alter the true nature of the action brought before the court and the corresponding rules that apply thereto. It is axiomatic that what determines the nature of an action are the allegations in the complaint and the character of the relief sought.⁴⁸

Considering that petitioner alleged in its *Complaint* that its cause of action was respondents' erroneous and illegal assessment and collection of LBT, predicated on a claimed void assessment, the Court *a quo* should have resolved petitioner's *Complaint* using the parameters set under Section 196 instead. Such determination would have been the proper course of action in keeping with prevailing jurisprudence that categorically allows taxpayers to recover alleged erroneously or illegally collected tax not based on a valid notice of assessment, through the remedy provided under Section 196.

Applying, therefore, Section 196 of the LGC to the case at bar, We find that petitioner timely filed its *Complaint* before the Court *a quo*.

⁴⁶ *Yamane v. BA Lepanto Condominium Corp.*, G.R. No. 154993, October 25, 2005.

⁴⁷ *Supra*, note 41.

⁴⁸ *Cubero v. Laguna West Multi-Purpose Cooperative, Inc.*, G.R. No. 166833, November 30, 2006.

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Records bear that after receiving the 2020 Billing Statement, petitioner paid the total amount of ₱2,010,435.51, representing the total amount assessed in the said Billing Statement, including LBT, as proved by the Official Receipt dated January 20, 2020⁴⁹ and admitted by the parties.⁵⁰ Subsequently, on March 16, 2020, petitioner filed with the Office of the City Treasurer of Taguig City a written protest with a claim for refund of the amount of ₱1,982,070.51, representing the alleged erroneously assessed and collected LBT and fees for the 1st quarter of calendar year 2020.⁵¹ Thereafter, on June 25, 2020 or within the two (2)-year prescriptive period counted from the date of payment of the subject tax, petitioner filed its *Complaint* before the Court *a quo*.

In view thereof, petitioner's *Complaint* before the Court *a quo* was filed on time in accordance with Section 196 of the LGC, **regardless** of the aforementioned extensions of time granted by the Supreme Court in relation to the filing of petitions, appeals, complaints and other submissions to courts under Modified Enhanced Community Quarantine (MECQ).

A reversal of the assailed Orders is thus warranted.

As a remand of the case is avoided where the trial court had already received all the evidence presented by both parties, and the appellate court is in a position, based on the said evidence, to decide the case on its merits,⁵² We shall now proceed to resolve the present controversy.

Petitioner's entitlement to the refund being claimed

In its *Complaint*, petitioner essentially argues that respondents erroneously and illegally subjected it to LBT as a "Retailer", "Contractor", and "Other Business".

Petitioner asserts that its office located in Taguig City is its principal/administrative office which performs only general and administrative functions, and is not involved in the sales activity of the company.

⁴⁹ *Supra*, note 13.

⁵⁰ *Supra*, note 7.

⁵¹ *Supra*, note 15.

⁵² *Sioland Development Corp. v. Fair Distribution Center Corp.*, G.R. No. 199539, August 9, 2023.

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Petitioner stresses that it is primarily engaged in the business of manufacturing beverages, and selling the same at wholesale—it is not engaged in retailing activity.

Petitioner also stresses that the function of its principal office in Taguig City is to oversee the day-to-day affairs of its numerous plants, branches and sales offices maintained outside Taguig City. Its principal office allegedly provides only general and administrative services to its own branches and sales offices; as such, it is not a contractor for the sale of services.

Petitioner furthermore points out that respondents imposed the rate of 1.75% of 1% on the amount representing “Other Revenue” in its 2018 Statement of Comprehensive Income. Petitioner posits that under the LGC, the basis of LBT is gross sales/receipts for the preceding calendar year (*i.e.*, 2019), not “Other Revenue” in 2018. Petitioner adds that the “Other Revenue” in its 2018 Statement of Comprehensive Income consists mainly of equipment rental by petitioner’s branches to Jollibee Foods Corporation (JFC) group and all commissary outlets of JFC group, and freight charges which JFC pays to petitioner’s branches to reimburse delivery charges. Petitioner claims that these items already formed part of the gross sales it declared in its 2018 Certification of Gross Sales per branches.

Petitioner thus claims that respondents’ assessment is based on non-existent gross sales/receipts where petitioner declared no income or gross sales/receipts for the current, previous, and past periods.

In their *Answer*, respondents counter that tax assessments are presumed correct and made in good faith, and that it is petitioner who has the burden of proving that it is not liable for the tax imposed upon it—which it failed to do.

Respondents state that under the LGC, LBT is payable for every separate or distinct establishment or place where the business subject to tax is conducted. They insist that petitioner’s products are being sold in Taguig City.

Respondents point out that: (1) in petitioner’s Articles of Incorporation (AOI), its primary purpose is to “...engage in any and all business activity incidental or related to carrying out this objective”; (2) the general and administrative functions of its principal office are incidence of its manufacturing and sales business; (3) in cases where

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there is no branch or sales outlet in the city where the sale or transaction is made, the sale shall be duly recorded in the principal office and the taxes due shall accrue and be paid to such city; and (4) petitioner admitted that it had no branch or sales outlet in Taguig City.

After careful examination of the parties’ respective arguments and evidence, We find petitioner’s case **partially impressed with merit.**

Petitioner sufficiently proved that
it was not engaged as a retailer
during the relevant period

To recall, in the 2020 Billing Statement, the BPLO of Taguig City levied against petitioner LBT in the following manner:

PARTICULARS	BT	SURCHARGE	INTEREST	TOTAL
1st Qtr. Gross: 333,131,000.00 Retailer(Retailer)	BT 832,827.50	Surcharge 0.00	Interest 0% 0.00	Total 832,827.50

Section 74 of the Revenue Code of Taguig City (RCTC), as amended,⁵³ defines the term “retail” as a sale where the purchaser buys a commodity for his own consumption; while the term “wholesale” is defined as a sale where the purchaser buys a commodity for resale to persons other than the end user.

Relatedly, Section 75(f) of the RCTC levies an annual tax on the business of retailers, at the following rate:

Gross Sales/Receipts for the Preceding Calendar Year	Amount of Tax Per Annum
LESS than 50,000.00	BARANGAY LEVIED
50,000.00 or MORE	Plus 1%

The Court notes that in its amended AOI,⁵⁴ petitioner’s primary purpose is to “engage in the manufacture and sale of non-alcoholic

⁵³ Taguig City Ordinance No. 085-05, December 9, 2005.
⁵⁴ Exhibit “B”, RTC Docket - Vol. I, p. 30.

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beverages, more commonly known as soft drinks, in the Philippines and to engage in any and all business activities incidental or related to carrying out this objective.”

In its *License to Operate*⁵⁵ issued by the Food and Drug Administration on March 8, 2016, valid until February 15, 2021, petitioner was licensed to operate as a food manufacturer/importer/exporter, specifically as a manufacturer of non-alcoholic beverages.

Further, under Note 1 of its latest available Audited Financial Statements at the time (2018 AFS),⁵⁶ it is stated that petitioner’s core business is manufacturing and selling non-alcoholic beverages.

Although these documents show that petitioner is primarily engaged in the business of manufacturing and selling non-alcoholic beverages, they do not sufficiently establish whether petitioner’s sales are classified as wholesale or retail for purposes of determining the correctness of respondent’s imposition of LBT thereon.

Nonetheless, petitioner submitted the following which tend to prove that it is engaged in selling at wholesale: **(1)** *Notarized Certification of Gross Sales based on 2019 sales revenue*,⁵⁷ which shows, among others, that petitioner has branches/sales offices all located outside Taguig City that generate their own gross sales as manufacturer; and **(2)** several Billing Invoices issued in 2019 by petitioner’s various branches/sales offices located outside Taguig City,⁵⁸ which show, among others, petitioner’s customers or buyers as being various **business entities** that appear to purchase petitioner’s products in large quantities for resale or business use, rather than for consumption or personal use.

Meanwhile, respondents did not present **any** evidence to prove that petitioner was **actually** engaged in retailing activity in 2019; nor did they present the **basis** for the computation of the amount of tax imposed (₱832,827.50).

Considering the foregoing, petitioner has sufficiently established by preponderance of evidence that it was not engaged in the business

⁵⁵ Exhibit “C”, RTC Docket - Vol. I, p. 40.

⁵⁶ Exhibit “L”, RTC Docket - Vol. I, p. 71.

⁵⁷ Exhibit “J”, RTC Docket - Vol. I, p. 56.

⁵⁸ Exhibits “N” to “N-121”, RTC Docket - Vol. I, pp. 135-317; 361-401.

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of retail in 2019, so as to be subject to LBT thereon per the 2020 Billing Statement.

Neither was petitioner engaged as a contractor for services during such period

The BPLO of Taguig City likewise levied against petitioner LBT for being a contractor for services, thus:

PARTICULARS	BT	SURCHARGE	INTEREST	TOTAL
1st Qtr. Gross: 3,998,000.00 Contractor(Services)	BT 7,290.00	Surcharge 0.00	Interest 0% 0.00	Total 7,290.00

Under Section 74 of the RCTC, as amended, a “contractor” is defined as follows:

Contractor includes persons, natural or juridical, not subject to professional tax **whose activity consists essentially of the sale of all kinds of services for a fee** regardless of whether or not the performance of the service calls for the exercise or use of the physical or mental faculties of such contractor or his employees.

As used in this Article, the term contractor shall include general engineering, general building and specialty contractors as defined under applicable laws, filling, demolition and salvage works contractors, proprietors or operators of mine drilling apparatus, proprietors or operators of computer services/rental, proprietors or operators or dockyards, persons engaged in the installation of water system, and gas or electric light, heat, or power, proprietors or operators of smelting plants; engraving, plating, and plastic lamination establishments; proprietors or operators of establishments for repairing, repainting, upholstering, washing or greasing of vehicles, heavy equipment, vulcanizing, recapping and battery charging; proprietors or operators of furniture shops and establishments for planting or surfacing and recutting of lumber, sawmills under contract to saw or cuts logs belonging to others; proprietors or operators of dry-cleaning or dyeing establishments, steam laundries, and laundries using washing machines, proprietors or owners of shops for the repair of any kind of mechanical and electrical devices, instrument, apparatus, or furniture and shoe repairing by machine or any mechanical contrivance, proprietors of tailor shops, dress

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shops, milliners and hatters, beauty parlors, barbershops, massage clinics, sauna Turkish and Swedish baths, slenderizing and building saloons and similar establishments; photographic studios; funeral parlors; proprietors or operators of arrastre and stevedoring, warehousing, or forwarding establishments; master plumbers, smiths, and house or sign painters; printers, bookbinders, lithographers, publishers except those engaged in the publication or printing of any newspaper, magazine, review or bulletin which appears at regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of advertisements; business agents, private detective or watchman agencies, commercial and immigration brokers, and cinematographic film owners, lessors and distributors.⁵⁹ (*Emphasis supplied*)

Section 75(e) of the RCTC imposes LBT on the business of contractors and other independent contractors as defined in Section 74 thereof:

e) On contractors and other independent contractors defined in SECTION 74 of this Code; and on owners or operators of business establishments rendering or offering services such as advertising agencies, rental of space of signs, signboards, billboard or advertisements, animal hospitals, assaying laboratories, belts and buckle shops, blacksmith shops, bookbinders, booking offices for film exchange, booking office for transportation on commission basis; breeding of game cocks and other sporting animals belonging to others; business management services; collecting agencies; escort services; feasibility studies, consultancy services; garages; garbage disposal contractors; gold and silversmith shops; inspection services for incoming and outgoing cargoes; interior decorating services; janitorial services; job placements or recruitment agencies; landscaping contractors; lathe machine shops; management consultants not subject to professional tax; medical and dental laboratories; mercantile agencies; messengerial services; operators of shoe shine stand; painting shops; perma-press establishments; rent-a-plant services; polo players; school for and/or horseback riding academy; real estate appraisers; real estate brokerages; photostatic; white/blue printing, photocopying, typing and mimeographing services; car rental, rental of heavy equipment, rental of bicycles and/or tricycles; furniture, shoes, watches, household appliances, boats, typewriters, etc.; roasting of pigs, fowls, animals; silkscreen or T-shirt printing shops; stables; travel agencies; vaciador shops; veterinary clinics; video rentals and/or coverage services; dancing school/speed reading/EDP; nursery, vocationally and other schools not regulated by the Department of Education (DepEd), day care centers; etc., the following rates shall apply:

⁵⁹ *Supra*, note 51.

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Based on the above, to fall under the definition of “contractor” within the context of Sections 74 and 75(e) of the RCTC, the taxable person must not be subject to professional tax, and must be engaged in an activity consisting **essentially** of the sale of all kinds of services for a fee.

In this case, as previously mentioned, petitioner’s amended AOI, *License to Operate*, and 2018 AFS consistently show that petitioner is **primarily** engaged in the business of **manufacturing and selling non-alcoholic beverages**. This is supported by petitioner’s 2018 AFS which shows that in 2017 and 2018, the predominant share in petitioner’s revenues are derived from the sale of beverages, with its revenues derived from service income amounting to less than 2% to nil of its total revenues.⁶⁰ In fact, under Note 19 of petitioner’s 2018 AFS, it appears that petitioner’s service income, if any, is derived from related party transactions only.⁶¹ Such facts tend to prove that petitioner’s business is, in essence, basically one that involves the manufacture and sale of goods (*i.e.*, non-alcoholic beverages), and not the sale of services for a fee.

Meanwhile, again, respondents did not present **any** evidence to demonstrate the correctness and validity of its alleged LBT assessment amounting to ₱7,290.00.

Hence, We find petitioner to have successfully established by preponderance of evidence that it was not engaged in 2019 as a contractor for services subject to LBT under Section 75(e) of the RCTC.

Respondent’s imposition of LBT
based on “Other Business” is
devoid of legal and factual basis

In addition to the imposition of LBT as discussed above, respondents also levied against petitioner LBT on “Other Business”:

PARTICULARS	BT	SURCHARGE	INTEREST	TOTAL
1st Qtr. Gross: 198,608,000.00	BT 868,910.00	Surcharge 0.00	Interest 0% 0.00	Total 868,910.00

⁶⁰ Exhibit “L”, RTC Docket - Vol. I, p. 68.
⁶¹ *Id.*, pp. 110-114.

Other Business(Other Business)				
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At this juncture, it bears noting that assessments, in order to stand judicial scrutiny, must be based on facts. The presumption of the correctness of an assessment, being a mere presumption, cannot be made to rest on another presumption.⁶² Thus, the presumption of the correctness of the assessment does not apply when it is issued, without foundation and rational basis.⁶³

Here, once again, the Court is left to speculate as to the basis for respondent’s imposition of LBT on petitioner’s alleged “Other Business.” While the assessed amount of ₱198,608,000.00 is identical to the amount reflected in petitioner’s 2018 Statements of Comprehensive Income under “Revenues - Others”,⁶⁴ such fact alone does not constitute sufficient legal basis for respondents’ imposition of LBT. Respondents’ failure to offer any evidence showing petitioner’s conduct of “Other Business” during the relevant period, and failure to cite any legal basis supporting the alleged LBT assessment on such business, renders such assessment bare without any leg to stand on, devoid of any legal or factual foundation.

Consequently, such assessment cannot be sustained.

The evidence is insufficient to establish petitioner’s liability to Taguig City for LBT on its manufacturing business

At the outset, this Court recognizes that it has no assessment powers. The authority to assess local business taxes is vested with the local treasurer or his duly authorized representative.⁶⁵

Nonetheless, in *SMI-ED Phil. Technology, Inc. v. Commissioner of Internal Revenue*,⁶⁶ the Supreme Court categorically held that in an action for the refund of allegedly erroneously paid taxes, the Court of Tax Appeals (CTA) may determine whether there are taxes that should have been paid in lieu of the taxes paid. This is because the

⁶² *Commissioner of Internal Revenue v. Hantex Trading Co., Inc.*, G.R. No. 136975, March 31, 2005.
⁶³ *Commissioner of Internal Revenue v. Spouses Magaan*, G.R. No. 232663, May 3, 2021
⁶⁴ *Supra*, note 58.
⁶⁵ Section 195 of the LGC.
⁶⁶ G.R. No. 175410, November 12, 2014.

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determination of the proper category of tax that a taxpayer should have paid is necessary for the resolution of the principal issue, which is whether the taxpayer is entitled to a refund. In such case, the determination of the proper category of tax is not an assessment. It is merely incidental to determining whether there should be a refund.⁶⁷

The High Court also held that if the taxpayer is found liable for taxes other than what it erroneously paid, the amount of the taxpayer's liability should be computed and deducted from the refundable amount.⁶⁸

This is not to say that the requirement of an assessment may be dispensed with in all such cases. To be sure, an assessment may be dispensed with only when the taxpayer has correctly declared and paid the tax due.⁶⁹ Moreover, any liability in excess of the refundable amount may not be collected in a case involving solely the issue of the taxpayer's entitlement to refund.⁷⁰

Following these doctrinal pronouncements and legal principles, We now arrive at the question of whether petitioner's erroneous payment of LBT may be properly treated as payment under another category of tax for which it is actually liable.

Evidence shows and petitioner admits that it is primarily engaged in the business of manufacturing non-alcoholic beverage products and selling the same at wholesale.⁷¹

Under Section 75(a) of the RCTC, manufacturing businesses are subject to LBT, to wit:

SECTION 75. *Imposition of Tax.* — There is hereby levied an annual tax on the following businesses at rates prescribed therefore:

a) **On manufacturers**, producers, assemblers, re-packers, processors **of any article of commerce of whatever kind of nature**, and brewers, distillers, rectifiers and compounders of liquors, distilled spirits and wines or manufacturers of any article of commerce of whatever kind or nature, in accordance with the following schedule:

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Commissioner of Internal Revenue v. Stradcom Corp.*, G.R. No. 255520, April 21, 2025.

⁷⁰ *Supra*, note 64.

⁷¹ RTC Docket - Vol. I, p. 12.

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The preceding rates shall apply only to amount of domestic sales of manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers and compounders of liquors, distilled spirits, and wines or manufacturers of any article of commerce of whatever kind or nature other than those enumerated in paragraph (c) of this Section. (*Emphasis supplied*)

To determine the proper authority to whom payment shall be made, Section 150 of the LGC provides the following rules on the situs of taxation, which is the place where the privilege is exercised:⁷²

Section 150. Situs of the Tax. -

(a) For purposes of collection of the taxes under Section 143 of this Code, **manufacturers**, assemblers, repackers, brewers, distillers, rectifiers and compounders of liquor, distilled spirits and wines, millers, producers, exporters, wholesalers, distributors, dealers, contractors, banks and other financial institutions, and other businesses, **maintaining or operating branch or sales outlet elsewhere shall record the sale in the branch or sales outlet making the sale or transaction, and the tax thereon shall accrue and shall be paid to the municipality where such branch or sales outlet is located. In cases where there is no such branch or sales outlet in the city or municipality where the sale or transaction is made, the sale shall be duly recorded in the principal office and the taxes due shall accrue and shall be paid to such city or municipality.**

(b) The following sales allocation shall apply to **manufacturers**, assemblers, contractors, producers, and exporters **with factories, project offices, plants, and plantations in the pursuit of their business:**

(1) **Thirty percent (30%) of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located;** and

(2) Seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project office, plant, or plantation is located.

⁷² *City of Iriga v. Camarines Sur III Electric Cooperative, Inc.*, G.R. No. 192945, September 5, 2012.

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(c) In case of a plantation located at a place other than the place where the factory is located, said seventy percent (70%) mentioned in subparagraph (b) of subsection (2) above shall be divided as follows:

(1) Sixty percent (60%) to the city or municipality where the factory is located; and

(2) Forty percent (40%) to the city or municipality where the plantation is located.

(d) In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) or more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation mentioned in subparagraph (b) of subsection (2) above shall be prorated among the localities where the factories, project offices, plants, and plantations are located in proportion to their respective volumes of production during the period for which the tax is due.

(e) **The foregoing sales allocation shall be applied irrespective of whether or not sales are made in the locality where the factory, project office, plant, or plantation is located.** (*Emphasis supplied*)

Based on the foregoing, for purposes of collecting LBT, the general rule is that for manufacturers maintaining or operating a branch or sales outlet in the city where the sale or transaction is made, such sale shall be recorded in the branch or sales outlet making the sale or transaction, and the **tax shall accrue and be paid to the city where such branch or sales outlet is located.**⁷³

But where the manufacturer does not maintain or operate a branch or sales outlet in the city where the sale or transaction is made, such sale shall be recorded in the principal office, and the **tax shall accrue and be paid to the city where such principal office is located.**⁷⁴ In this scenario, where the manufacturer maintains or operates a factory, project office, plant, or plantation in pursuit of its business, the rules on sales allocation shall apply.

These rules are reflected in Article 243(b) of the Implementing Rules and Regulations (IRR) of the LGC,⁷⁵ and Section 79(b) of the RCTC, which We quote below:

⁷³ Section 150 of the LGC.

⁷⁴ *Id.*

⁷⁵ Administrative Order No. 270, February 21, 1992.

**IMPLEMENTING RULES AND REGULATIONS OF THE
LOCAL GOVERNMENT CODE**

ARTICLE 243. *Situs of the Tax.* — xxx xxx xxx

(b) *Sales Allocation* —

(1) **All sales made in a locality where there is a branch or sales office or warehouse shall be recorded in said branch or sales office or warehouse and the tax shall be payable to the city or municipality where the same is located.**

(2) **In cases where there is no such branch, sales office, or warehouse in the locality where the sale is made, the sale shall be recorded in the principal office** along with the sales made by said principal office and the tax shall accrue to the city or municipality where said principal office is located.

(3) **In cases where there is a factory, project office, plant or plantation in pursuit of business, thirty percent (30%) of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located and seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project office, plant or plantation is located.** LGUs where only experimental farms are located shall not be entitled to the sales allocation provided in this subparagraph.

(4) In case of a plantation located in a locality other than that where the factory is located, the seventy percent (70%) sales allocation shall be divided as follows:

- (i) Sixty percent (60%) to the city or municipality where the factory is located; and
- (ii) Forty percent (40%) to the city or municipality where the plantation is located.

(5) In cases where there are two (2) or more factories, project offices, plants or plantations located in different localities, the seventy percent (70%) sales allocation shall be prorated among the localities where such factories, project offices, plants, and plantations are located in proportion to their respective volumes of production during the period for which the tax is due. In the case of project offices of service and other independent contractors, the term production shall refer to the cost of projects actually undertaken during the tax period.

(6) The sales allocation in paragraph (b) hereof shall be applied irrespective of whether or not sales are made in the locality where the factory, project office, plant or plantation is located. In case of sales made by the factory, project office, plant or plantation, the sale shall be covered by subparagraphs (1) or (2) above.

(7) In case of manufacturers or producers which engage the services of an independent contractor to produce or manufacture some of

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their products, these Rules on situs of taxation shall apply except that the factory or plant and warehouse of the contractor utilized for the production and storage of the manufacturers' products shall be considered as the factory or plant and warehouse of the manufacturer.

REVENUE CODE OF TAGUIG CITY

SECTION 79. *Situs of the Tax.* —

XXX XXX XXX

(b) *Sales Allocation*

(1) All sales made by a branch or sales office or warehouse located in the City of Taguig shall be taxable herein.

(2) In case the principal office and the factory are located in the City of Taguig, all sales recorded in the principal office and those on the other localities where there is no branch or sales office or warehouses shall be recorded in the principal office and taxable by the city.

(3)(i) If the principal office is located in the city and the factory, project office plant or plantation is located in another locality, thirty percent (30%) of the sales recorded in the principal office shall be taxable by the City of Taguig.

(ii) If the factory, project office, plant or plantation is located in the city and the principal office is located in another locality, seventy percent (70%) of the sales recorded in this city shall be taxable herein. This sales allocation in (i) and (ii) above shall not apply to experimental farms.

(iii) If the plantation is located in the city and the factory is located in another locality, forty percent (40%) of the seventy percent (70%) sales determined in paragraph 3 (ii) of this section shall be taxable herein. On the other hand, if the factory is located in the city, and the plantation is located in another locality, sixty percent (60%) of the seventy percent (70%) sales determined in paragraph 3 (ii) above shall be taxable herein.

(iv) If the factory, project office, plant or plantation is located in the city and the other factories, project offices, plants or plantations are located in other localities this city shall tax the sales in proportion to the volume of production in the factory, project office, plant or plantation located herein during the tax period.

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In the case of project offices or services and other independent contractors the term production shall refer to the cost of projects actually undertaken during the tax period.

(4) All sales made by the factory, project office, or plant located in this city shall be recorded in the branch or sales office which is similarly located herein, and shall be taxable by the city along with the sales recorded in the principal office.

(5) In the case of manufacturers or producers, which engage the services of an independent contractor to produce or manufacture some of their products, the foregoing rules on the situs of taxation shall apply. However, the factory or plant and warehouse of the contractor utilized for the production and storage of the manufacturers products shall be considered as the factory or plant and warehouse of the manufacturers.

(6) (i) All route sales made in this city where a manufacturer, producer, wholesaler, maintains a branch or sales office or warehouse shall be recorded and shall be taxable herein.

(ii) This city shall tax the sales of the products recorded and withdrawn by route trucks from the branch, sales office or warehouse located herein but sold in another locality where there is no branch, sales office, warehouse. (*Emphasis supplied*)

In *City of Makati v. Municipality of Bakun* (Bakun case),⁷⁶ the Supreme Court already clarified that the rules on sales allocation come into play when a business subject to LBT does not operate a branch or sales office outside of its principal office where all sales are recorded, but has a factory, project office, plant, or plantation situated in different localities, whether or not sales are made in these localities.

Against this backdrop, petitioner argues that it is not liable to pay any LBT to Taguig City per Section 150 of the LGC. It avers that it has branches/sales offices all situated outside Taguig City, and that its office located in Taguig City is only a principal/administrative office which performs general and administrative functions. Its principal/administrative office does not handle the sales activity of the company; as such, there are no sales made or recorded therein. All sales revenue derived from the manufacture and sale of its products are duly recognized as sales/income of the said branches/sales offices, declared in full to the concerned local government unit, with the LBT due thereon paid to the latter.

⁷⁶ G.R. No. 225226, July 7, 2020.

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Respondents deny this, stating that petitioner's products are being sold in Taguig City, and the fact that such sales are not being recorded in petitioner's principal office does not operate to exempt them from payment of LBT.

We rule for petitioner.

Records disclose that during the relevant period: **(1)** petitioner had a principal office located in Taguig City; **(2)** petitioner maintained several branches or sales offices all of which were located outside Taguig City; **(3)** sale transactions took place and were recorded by the said branches or sales offices; **(4)** petitioner paid LBT to the local government unit having jurisdiction over the said branches or sales offices; and **(5)** no sale transaction was recorded by the said principal office. On the other hand, there is no evidence on record showing whether sale transactions actually took place in Taguig City.

Applying, therefore, Section 150 of the LGC and Section 79(b) of the RCTC, petitioner is correct in that it need not record in its principal office in Taguig City the sales it made outside the city, where all such sales were made in a locality where petitioner maintained a branch or sales office. Such sales were properly recorded in the branch or sales office where the sales were made, and LBT due thereon shall be paid only to the local government unit exercising jurisdiction over the same. **Accordingly, no LBT due on such sales may be collected by Taguig City.**

The Court notes that in petitioner's *Notarized Certification of Gross Sales based on 2019 sales revenue*,⁷⁷ which it submitted to the BPLO of Taguig City when it applied for renewal of business permit in 2020, as well as to the Court as part of its evidence, certain gross sales were declared and allocated to several locations described as "bottling plant", "plant", or "distribution center". Further, in several Billing Invoices⁷⁸ issued in 2019 by petitioner's various branches/sales offices, some of the said branches/sales offices were designated therein as "Bottling Plant" or "Distribution Center".

This notwithstanding, We find such descriptions, designations, or notations insufficient to trigger the application of the rules on sales allocation, in light of the standards laid down in the *Bakun* case.⁷⁹ In that case, the Supreme Court ruled that LBT is expressly imposed on

⁷⁷ *Supra*, note 56.

⁷⁸ *Supra*, note 57.

⁷⁹ *Supra*, note 75.

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gross sales recorded. Thus, it is relevant to consider whether the questioned office handles the invoices or records of sales, or operates any aspect or primary purpose of the business as provided in its AOI.

It is also worth mentioning that the obligation to pay taxes is one that arises from law and not from agreement or acquiescence of the parties or contending claimants. The mere label of an office does not convert it into one, if the term is used in such a way that carries tax implications.⁸⁰

In this case, the totality of petitioner's evidence tends to prove that the total gross sales declared by petitioner for the relevant period in relation to its primary business as a manufacturer was entirely generated by its branches or sales offices including other offices located outside Taguig City, and were thus duly recorded therein. As no sales were required to be or were actually recorded in petitioner's principal office in Taguig City, and in the absence of sufficient evidence that would establish petitioner's obligation to record some or all of such sales in its principal office in Taguig City, the rules on sales allocation cannot be applied.

This conclusion is further supported by the testimony of petitioner's witness, Mr. Gil T. Lizaso, Jr., who confirmed that while the manufacturing of its products take place at petitioner's plants/factories, the sales of the manufactured products take place at petitioner's sales outlets, distribution centers and plants/factories as well, all of which are located outside Taguig City.⁸¹

It bears reiterating that respondents have not presented any contrary evidence that would convince this Court otherwise.

For these reasons, petitioner cannot be held liable for the payment of LBT to Taguig City even on its manufacturing business.

*The Environmental Impact Fee
and Fire Code Fee are not taxes
subject to this Court's review*

⁸⁰ *Id.*

⁸¹ Exhibit "TT", *Judicial Affidavit of Mr. Gil T. Lizaso, Jr.* dated June 23, 2020, RTC Docket - Vol. I, pp. 929-948.

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Codified under Section 5, Article X of the 1987 Philippine Constitution⁸² is the grant of power to each local government unit to create its own sources of revenues, and to levy taxes, fees, and charges, subject to such guidelines and limitations as the Congress may provide. Such power is confirmed under Section 129 of the LGC, in relation to Section 151 thereof. Section 132 of the LGC further provides that such power shall be exercised by the *sanggunian* of the local government unit concerned through an appropriate ordinance.

Taguig City Ordinance No. 111 s. 2007⁸³ was approved by the *Sangguniang Panlungsod* of Taguig City, thereby imposing an Environmental Impact Fee (EIF) on all business establishments enumerated therein.

On the basis thereof, per the 2020 Billing Statement, respondents imposed against petitioner EIF in the amount of ₱174,508.13.

Petitioner assails the foregoing imposition, claiming that it is only subject to EIF in the amount of ₱6,500.00.

We find that the EIF is not a local tax; consequently, the Court has no authority to rule on respondents' imposition of the same.

To fall within this Court's jurisdiction, a local tax case must involve a **tax issue**.⁸⁴ This is because within the judicial system, the CTA Law intends the CTA to have exclusive jurisdiction to resolve all tax problems.⁸⁵ A tax issue is a dispute between a local government unit and a taxpayer involving the imposition of the former's **power to levy tax, fees, or charges** against the property or business of the taxpayer concerned.⁸⁶

In *Gerochi v. Department of Energy*,⁸⁷ the Supreme Court distinguished between the power to tax and police power. The pivotal distinction between these two (2) powers rests in the purpose for which the charge is made. If generation of revenue is the primary purpose and regulation is merely incidental, the imposition is a tax; but if regulation

⁸² February 2, 1987.

⁸³ RTC Docket - Vol. II, pp. 458-471.

⁸⁴ *Province of Bataan v. Escalada, Jr.*, G.R. No. 181311, November 24, 2021.

⁸⁵ *Banco De Oro v. Republic*, G.R. No. 198756, August 16, 2016

⁸⁶ *Id.*

⁸⁷ G.R. No. 159796, July 17, 2007.

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is the primary purpose, the fact that revenue is incidentally raised does not make the imposition a tax.⁸⁸

Such distinction was upheld in *Bases Conversion and Development Authority v. City Government of Baguio City*,⁸⁹ where the High Court categorically held that to determine if an exaction is a fee or a tax, one must look into the purpose of its collection. If the exaction is made to raise revenue for the government to discharge its principal functions, the exaction is a tax. If the exaction is primarily regulatory, it is a fee, even if it incidentally raises revenue, as long as the revenue generated does not exceed the cost of regulation.⁹⁰

In this case, Section 115 of Taguig City Ordinance No. 111 s. 2007 expressly states that the purpose of the EIF is **“to compensate the negative social or environmental cost which will eventually be bear by the City of Taguig: xxx xxx xxx”** It is thus evident that the primary purpose of the EIF is regulation, as the compensation sought to be had is for the social or environmental protection of Taguig City, or the promotion of its general welfare. In this light, the fact that revenue is also raised from such exaction appears to be merely incidental to the said Ordinance’s primary purpose.

Since the imposition of the EIF is primarily regulatory in nature, such exaction is properly characterized as a fee, rather than a tax. Such imposition, then, rests on Taguig City’s exercise of its police power, as distinguished from its power to tax. As a corollary, the issue on the validity of its imposition, and, necessarily, the correctness of the same, is **not a tax issue** for this Court to resolve in the present action for refund.

In the same vein, We find that the Fire Code Fee imposed by respondents and paid for by petitioner in the amount of ₱107,599.88, is also not a local tax subject to review by this Court.

Under Rule 3 of the Revised Implementing Rules and Regulations (RIRR)⁹¹ of RA No. 9514, otherwise known as the Fire Code of the Philippines,⁹² “Fire Code Fees/Charges” is defined as “[c]harges for regulation, inspection and other Fire Service activities in the enforcement of RA 9514 and its RIRR.” Meanwhile, “Fire Code

⁸⁸ *Id.*

⁸⁹ G.R. No. 192694, February 22, 2023.

⁹⁰ *Id.*

⁹¹ August 7, 2019.

⁹² December 19, 2008.

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Taxes” pertain to those taxes prescribed under paragraph A.1 to A.6 of Section 12.0.0.2 of the RRIR.

The Court notes that at no point during the proceedings, or nowhere in their pleadings and evidence, did respondents identify which Fire Code Fee, Charge, or Tax specified and enumerated under the RIRR was imposed upon petitioner in the 2020 Billing Statement. Nonetheless, in its *Complaint*, petitioner admits that it was subjected to the Fire Safety Inspection Fee.⁹³ The pertinent portion of Section 12.0.0.2 of the RRIR reads:

6. Fire Safety Inspection Fee. **Fee charged for the conduct of Fire Safety Inspection** equivalent to fifteen percent (15%) of all fees charged by the Local Government Unit or Philippine Economic Zone Authority (PEZA), but in no case shall be lower than Five Hundred Pesos (PhP500.00). (*Emphasis supplied*)

It is therefore reasonable to conclude that the primary purpose of the Fire Code Fee imposed in the 2020 Billing Statement is also regulation, in furtherance of the general welfare of Taguig City, and not revenue generation. As such, the imposition of the Fire Code Fee, not being a tax issue, is likewise outside the ambit of this Court’s review.

As for the other fees imposed in the 2020 Billing Statement, suffice it to say that they are also administrative in nature, which petitioner no longer contests.

Petitioner is not entitled to interest on the refundable amount

Petitioner finally argues that interest should be awarded to it since the collection of the tax sought to be refunded was attended with arbitrariness. It further prays for interest in the concept of actual or compensatory damages due to certain acts of respondents.

Petitioner’s arguments fail to persuade.

Well-settled is the rule that in the absence of a statutory provision clearly or expressly directing or authorizing payment of interest on the amount to be refunded to the taxpayer, the government

⁹³ RTC Docket - Vol. I, p. 17.

cannot be required to pay interest.⁹⁴ By way of exception, interest may be awarded only when the collection of the tax sought to be refunded was attended with arbitrariness.⁹⁵ It may be useful to mention that “arbitrariness” is defined as “conduct or acts based alone upon one’s will, and not upon any course of reasoning and exercise of judgment.”⁹⁶

Petitioner at this point has failed to cite any provision of national or local law allowing or directing Taguig City to pay interest on the amount of tax erroneously or illegally collected by the latter. Petitioner has also failed to demonstrate to this Court how the collection of the taxes in question was attended with arbitrariness. While such collection may have lacked factual and legal bases sufficient to withstand judicial scrutiny; We nevertheless find that it was supported, at the very least, by reasonable bases. Additionally, the taxes in question appear to have been paid freely and voluntarily, for whatever purpose it may serve petitioner.

In sum, We find petitioner entitled to the refund or issuance of a tax credit certificate in the total amount of **₱1,709,027.50**, computed as follows:

	Tax Paid	Tax Due	Overpayment
Business Taxes			
Retailer	832,827.50	0.00	832,827.50
Contractor (Services)	7,290.00	0.00	7,290.00
Other Business	868,910.00	0.00	868,910.00
Total	1,709,027.50	0.00	1,709,027.50

WHEREFORE, premises considered, the instant *Petition for Review* is **GRANTED**.

Accordingly, the *Decision* dated January 22, 2024 and *Resolution* dated June 18, 2024, both rendered by the RTC of Taguig City, Branch 70, in Civil Case No. 696, entitled *Coca-cola Beverages Philippines, Inc. vs. City of Taguig, Atty. J. Voltaire Enriquez in his capacity as OIC-City Treasurer - City of Taguig, and Atty. Fanelal Joy Panga Cruz in her capacity as (former) OIC of the Business Permits*

⁹⁴ *Atlas Fertilizer Corp. v. Commissioner of Internal Revenue*, G.R. Nos. L-26686 & L-26698, October 30, 1980.
⁹⁵ *Id.*
⁹⁶ *Black’s Law Dictionary* (6th ed. 1990).

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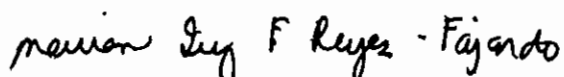
and Licensing Office (BPLO) - City of Taguig, are **REVERSED** and **SET ASIDE**.

Respondent is **ORDERED TO REFUND OR ISSUE A TAX CREDIT CERTIFICATE** to petitioner in the amount of **₱1,709,027.50**, representing the erroneously or illegally collected LBT for the first quarter of calendar year 2020.

SO ORDERED.

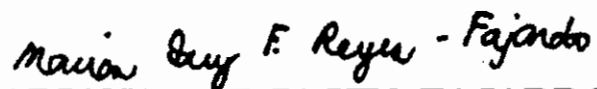

HENRY S. ANGELES
Associate Justice

I CONCUR:


MARIAN IVY F. REYES-FAJARDO
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.


MARIAN IVY F. REYES-FAJARDO
Associate Justice
Special Third Division 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

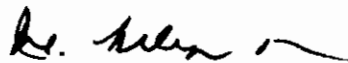
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the case was assigned to the writer of the opinion of the Court's Division.



MA. BELEN M. RINGPIS-LIBAN

Presiding Justice