REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

SPAR DEVELOPMENT COMPANY, INC.,
Petitioner,

- versus -

THE HON. COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 11825

Members:

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

Promulgated:

4:00 pm

x - x

RESOLUTION

For the Court's consideration are the following:

1. Petitioner's ***Motion for Partial Reconsideration (Re: Resolution dated 24 November 2025)***,[1] filed on December 12, 2025, with respondent's ***Comment on Petitioner's Motion for Partial Reconsideration***, filed on January 20, 2026;

2. Petitioner's ***Motion for Extension of Suspension of Proceedings***, filed on December 19, 2025;

3. Petitioner's ***Manifestation with Motion to Expunge [Re: Respondent's Comment dated 20 January 2026]***, filed on January 23, 2026; and

4. Petitioner's ***Manifestation,*** filed on April 23, 2026, with respondent's ***Comment on Petitioner's Manifestation (dated April 23, 2026)***, filed on May 14, 2026; and

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[1] Docket, pp. 451–457.

5. Petitioner's ***Motion to Withdraw Petition for Review with Manifestation,*** filed on May 12, 2026, with respondent's ***Comment on Petitioner's Motion to Withdraw Petition for Review,*** filed on June 16, 2026.

On April 23, 2023, petitioner filed a *Manifestation* informing the Court that it had availed of a compromise settlement with the Bureau of Internal Revenue (**BIR**) – Revenue Region No. 5. Pursuant to the said settlement, petitioner paid **₱1,487,339.16**, equivalent to forty percent (40%) of the basic tax assessed by the BIR in the *Final Decision on Disputed Assessment* dated March 4, 2021.

In his *Comment on Petitioner's Manifestation (dated April 23, 2026)*, respondent acknowledged the filing of the aforesaid *Manifestation* and emphasized that the approval of any compromise settlement remains subject to evaluation, processing, and final approval by the Commissioner of Internal Revenue or his duly authorized representatives.

Thereafter, in view of the compromise settlement, petitioner filed a *Motion to Withdraw Petition for Review with Manifestation* (***Motion***). In the said *Motion*, petitioner prays that its *Petition for Review* be considered withdrawn. Further, in light of the compromise settlement entered into with the BIR, petitioner also seeks the withdrawal of the following pleadings, which it submits no longer require action by the Court:

a. *Motion for Partial Reconsideration (Re: Resolution dated 24 November 2025)*;
b. *Motion for Extension of Suspension of Proceedings*; and
c. *Manifestation with Motion to Expunge [Re: Respondent's Comment dated 20 January 2026].*

In his *Comment on Petitioner's Motion to Withdraw Petition for Review,* respondent interposes no objection to the *Motion.*

The instant *Motion* is meritorious.

The *Revised Rules of the Court of Tax Appeals (RRCTA)*, as amended, do not expressly provide for the withdrawal of appeals. Accordingly, the Court applies the *Rules of Court* suppletorily, pursuant to Section 3, Rule 1 thereof.[2]

Under Sections 1 and 2 of Rule 17 of the *Rules of Court*, a party may seek dismissal of a complaint, subject to court approval, once an answer has been filed, *viz.*:

> SECTION 1. *Dismissal upon notice by plaintiff.* — **A complaint may be dismissed by the plaintiff by filing a notice of dismissal at any time before service of the answer** or of a motion for summary judgment. Upon such notice being filed, the court shall issue an order confirming the dismissal. Unless otherwise stated in the notice, the dismissal is without prejudice, except that a notice operates as an adjudication upon the merits when filed by a plaintiff who has once dismissed in a competent court an action based on or including the same claim.
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> SECTION 2. *Dismissal upon motion of plaintiff.* — Except as provided in the preceding Section, **a complaint shall not be dismissed at the plaintiff's instance save upon approval of the court and upon such terms and conditions as the court deems proper.** If a counterclaim has been pleaded by a defendant prior to the service upon him or her of the plaintiff's motion for dismissal, the dismissal shall be limited to the complaint. The dismissal shall be without prejudice to the right of the defendant to prosecute his or her counterclaim in a separate action unless within fifteen (15) calendar days from notice of the motion he or she manifests his or her preference to have his or her counterclaim resolved in the same action. **Unless otherwise specified in the order, a dismissal under this paragraph shall be without prejudice.** A class suit shall not be dismissed or compromised without the approval of the court. (Emphasis supplied)

Meanwhile, Section 3, Rule 50 of the Rules of Court provides that an appeal may be withdrawn:

> Section 3. *Withdrawal of Appeal.* – An appeal may be withdrawn as of right **at any time before the filing of the appellee's brief**. Thereafter, the **withdrawal may be allowed in the <u>discretion of the court</u>**. (Emphasis supplied)

By analogy, the withdrawal of a petition for review after the filing of an answer likewise falls within the sound discretion of the Court.

[2] Sec. 3. Applicability of the Rules of Court. – The Rules of Court in the Philippines shall apply suppletorily to these Rules.

In the present case, while respondent had already filed his *Answer with Special Affirmative Defenses*[3] on June 13, 2025, the circumstances obtaining justify the grant of petitioner's *Motion.*

First, respondent expressly interposes no objection to the withdrawal of the *Petition for Review*, thereby demonstrating that no substantial right will be prejudiced by the dismissal of the case.

Second, petitioner has stated that it entered a compromise settlement with the BIR and has already paid 40% of the assessed basic tax. Such supervening development demonstrates petitioner's clear intention to terminate the present controversy.

Finally, there is no indication that the *Motion* was filed in bad faith or for purposes of delay. On the contrary, the withdrawal appears to be a legitimate consequence of the parties' efforts to settle the dispute administratively—an outcome encouraged in tax cases in the interest of judicial economy and the expeditious resolution of controversies.

In view of the foregoing, and in the absence of any compelling reason to proceed with the adjudication of the case, the Court finds it proper to grant petitioner's *Motion* and allow the withdrawal of the present *Petition for Review*.

WHEREFORE, premises considered, petitioner's ***Motion to Withdraw Petition for Review with Manifestation*** is **GRANTED.** Accordingly, the *Petition for Review* filed on March 26, 2025, is hereby **DEEMED WITHDRAWN and DISMISSED**.

Petitioner's ***Manifestation*** filed on April 23, 2026, is **NOTED.**

In view thereof, petitioner's *Motion for Partial Reconsideration (Re: Resolution dated 24 November 2025)*, *Motion for Extension of Suspension of Proceedings*, and *Manifestation with Motion to Expunge [Re: Respondent's Comment dated 20 January 2026]* are **DECLARED MOOT and ACADEMIC**.

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[3] Docket, pp. 347–354.

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SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

LANEE S. CUI-DAVID
Associate Justice