REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION
****

ERWIN CASACLANG, Petitioner,	**CTA Case No. 9386**
	Members:
- versus -	**UY,** *Chairperson*, **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO,** *JJ*
COMMISSIONER OF INTERNAL REVENUE (RDO 041 Mandaluyong City), Respondent.	***Promulgated:*** JUN 08 2020 9:26 a.m.

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RESOLUTION

UY, J.:

For resolution is petitioner's ***MOTION FOR RECONSIDERATION***[1] filed on November 14, 2019, with respondent's ***OPPOSITION (re: Petitioner's Motion for Reconsideration)***"[2] filed on January 3, 2020, seeking the reconsideration and setting aside of this Court's Decision dated October 23, 2019[3], the dispositive portion of which reads:

> "**WHEREFORE**, in light of the foregoing considerations, the instant *Petition for Refund of Tax Payment* is **DENIED** for lack of merit.
>
> **SO ORDERED**."

Petitioner's arguments:

In his *Motion for Reconsideration*, petitioner argues that the Court failed to recognize the value of the RTC decision in Civil Case

[1] Docket, pp. 304 to 306.
[2] Docket, pp. 310 to 313.
[3] Docket, pp. 289 to 302.

No. MC14-8775 which held that the Revenue Memorandum Circular (RMC) No. 31-2013 employees, is void.

Petitioner likewise contends that regardless of the attack on the validity of the RTC decision, the matter is now pending before the Court of Appeals; that the Court's ruling on the invalidity of the RTC Decision is premature; and that the RTC decision should be considered as valid and binding until reversed by the Supreme Court.

Further, petitioner submits that a refund is necessary in the interest of substantial justice and that if the refund is not granted by the Court, petitioner would lose the two year period to request for refund.

Respondent's arguments:

In its Opposition, respondent maintains that the Court is correct in upholding the validity of RMC No. 31-2013 and in ruling that petitioner is not entitled to his claim for refund.

Moreover, respondent points out that contrary to the allegations of petitioner, the Court is correct in ruling that it has jurisdiction to rule on the validity of RMC No. 31-2013 and that the said administrative issuance is constitutional.

Finally, respondent submits that petitioner did not present any compelling ground to justify or warrant the reversal of the subject Decision.

THE COURT'S RULING

The instant *Motion for Reconsideration* lacks merit.

Petitioner cannot validly rely on the Decision of the RTC-Branch 213 of Mandaluyong.

Petitioner's reliance on the RTC decision declaring Section 2 (d) (1) of RMC No. 31-2013 as unconstitutional is misplaced.

We reiterate that the determination of the validity of administrative issuances issued by the BIR, such as the RMC No. 31-2013, falls within the exclusive appellate jurisdiction of this Court, **not** the RTC. Hence, the RTC of Mandaluyong, Branch 213, is not vested with jurisdiction to declare the invalidity of RMC No. 31-2013. Correspondingly, this Court is not bound by the decision of the RTC of Mandaluyong, Branch 213.

It must be emphasized that only decisions of the Supreme Court constitute binding precedents, forming part of the Philippine legal system[4]. The subject RTC decision does not enjoy the same status as the decisions of the Supreme Court.

As regards petitioner's insistence that the matter is now pending before the Court of Appeals, the same is likewise without merit. This is so because the said Court and this Court are now of the same level pursuant to RA No. 9282; and decisions of the former are thus no longer superior to nor reversive of those of this Court.[5]

Petitioner is not entitled to a refund of the income tax he paid for taxable year 2013.

The Court does not subscribe to petitioner's allegation that a refund is necessary in the interest of substantial justice.

It bears reiterating tax refunds, being in the nature of tax exemptions, are construed in *strictissimi juris* against the taxpayer and liberally in favor of the government.[6]

In this case, there is no tax refund to speak of considering that petitioner failed to establish the factual basis of his claim for refund. As ruled in the assailed Decision, since petitioner is a Philippine citizen or national, and a resident of the Philippine, he is therefore not entitled to invoke the income tax exemption granted under Section 45

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[4] *Nippon Express (Philippines) Corporation vs. Commissioner of Internal Revenue*, G.R. No. 196907, March 13, 2013 citing *Commissioner of Internal Revenue v. San Roque Power Corporation*. G.R. No. 187485, February 12, 2013.
[5] *Systra Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 176290, September 21, 2007.
[6] *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25,2015.

(b) of the RP-ADB Agreement. Thus, petitioners' claim for refund must perforce fail.

In sum, the Court finds no compelling reason to reverse or modify the assailed Decision.

WHEREFORE, in light of the foregoing considerations, petitioner's ***MOTION FOR RECONSIDERATION*** filed on November 14, 2019 is **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice