REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Second Division

ALPHALAND BALESIN RESORT CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10485

Members:

RINGPIS-LIBAN, *Chairperson, and*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:

4:15 pm

x --- x

RESOLUTION

MODESTO-SAN PEDRO, J.:

For the Court's resolution are (i) respondent's *Motion for Partial Reconsideration (of the Decision dated November 5, 2024)*, filed on November 27, 2024, with petitioner's *Comment (to Respondent's Motion for Partial Reconsideration dated 27 November 2024)*, filed via registered mail on January 13, 2025; and (ii) petitioner's *Partial Motion for Reconsideration (of the Decision dated 05 November 2024)*, filed on December 2, 2024, with respondent's *Comment/Opposition (Re: Petitioner's Partial Motion for Reconsideration dated 02 December 2024)*, filed on February 18, 2025. Both assail this Court's Decision, dated November 5, 2024.

Both Motions lack merit.

Respondent's Motion

In his Motion, respondent assails the Court's finding that his right to collect the subject tax had prescribed when he had issued the Warrant of Distraint and/or Levy here, resulting in said Warrant being declared void. Respondent mainly raises that (i) the three-year prescriptive period for collection is counted from the issuance of the assessment; and (ii) his administrative issuances at the time extended such period for collection in light of the COVID-19 quarantines.

Both arguments fail in light of the deadline set by the last Waiver of the Defense of Prescription, dated September 16, 2019, which gave respondent no later than July 31, 2020, within which to assess *and* collect the subject taxes.

First, the Court did, indeed, misrepresent the three-year period for collection as beginning on either date on which a taxpayer filed its return or the latest date allowed for such. Following jurisprudence, it does seem to begin upon the issuance of the assessment. However, said period does not come into play here considering that the Waivers, to which respondent agreed, already extended the period for multiple years before settling on the final deadline of July 31, 2020. Bound by the specific constraints of the Waiver, respondent cannot now fall back on usual three-year period.

Second, respondent cannot rely on *Revenue Memorandum Circulars* ("*RMC*") *Nos. 136-20, 52-21, and 80-21*. Reviewing *Revenue Regulations Nos. 07-20, 10-20, and 11-20*, upon which said *RMCs* are based, these Circulars are relevant only to the aforementioned three-year period. They do *not* mention periods extended via waivers of the defense of prescription. As such, the Court finds them inapplicable here, where the deadline was set via the final Waiver.

In sum, respondent's Motion fails to convince this Court of any error in its judgment.

Petitioner's Motion

Petitioner, meanwhile, still insists that it validly filed its protest against the assailed Formal Letter of Demand ("FLD") despite this Court's application of *RMC Nos. 039-13 and 011-14*, arguing that (i) any doubts regarding the interpretation of tax laws, said laws should be construed against the government; (ii) the list of "duly authorized representatives" is not repeated in the second paragraph; and (iii) in any case, Regular Large Taxpayer Audit Division ("RLTAD") III, with which petitioner filed its protest, is under the Large Taxpayers Service ("LTS"), so filing the protest with the former is technically filing the protest with the latter.

Petitioner's *first* argument misunderstands Our ruling. Doubt arises from the interpretation of the law when one cannot choose among multiple valid interpretations. This is not the case here, however—as We discussed in the assailed resolution, the interpretation that favors petitioner does *not* actually follow from the issuances under analysis. In other words, said interpretation is a *misinterpretation*. The Court must thus adopt a different interpretation, one that is actually faithfully to the rules and regulations and the specific way they are written. A clear misinterpretation of the law cannot make Us doubt the correct application of said law, so the strict construal of tax laws against the government does not come into play.

Petitioner's *second* argument is devoid of merit as well. The list of "duly authorized representatives" in *Item 1, first paragraph of RMC No. 011-14* acts as a definition of the term. As such, it still applies in the second paragraph even if it is not repeated. Lawmakers and administrators have long defined a term only once but used it multiple times, without having to repeat the definition of the term. In its own Motion, petitioner specified the term "Decision" to refer to "this Honorable Court's Decision dated 05 November 2024... partially granting Petitioner's Petition for Review" only once, without specifying this again whenever it used the term "Decision" in its other paragraphs. This is a basic feature of not just legal writing but writing in general. The Court thus sees no reason to abandon it in interpreting *RMC No. 011-14* by acting as if the definition of "duly authorized representative" given in one paragraph does not apply in the very next paragraph.

Finally, petitioner's *third* argument is easily refuted. As belabored in the assailed the Decision, the very point of *RMC Nos. 039-13 and 011-14* is to push taxpayers to file protests with the appropriate office. Allowing petitioner to file its protest with RLTAD III simply because it is hierarchically under the LTS would thus defeat the very point of said issuances. In any case, the argument is brittle, even without reference to the Circulars at issue. The argument is basically akin to claiming that one can assail the ruling of the Court of Appeals by filing a Petition for Review with a Metropolitan Trial Court, as said Trial Court is hierarchically under the Supreme Court. This is obviously lacking any basis in the actual rules and regulations and so must be rejected.

The Court thus finds petitioner's Motion bereft of merit as well. And as both Motions fail to substantially challenge Our ruling, said ruling still stands.

ACCORDINGLY, both respondent's *Motion for Partial Reconsideration (of the Decision dated November 5, 2024)*, filed on November 27, 2024, and petitioner's *Partial Motion for Reconsideration (of the Decision dated 05 November 2024)*, filed on December 2, 2024, are hereby **DENIED** for lack of merit. The Decision, dated November 5, 2024, is hereby **AFFIRMED**.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice