

Library

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
MANILA

TANG HO DE LI SENG GIAP, JULIA
LEE KAW, SILVINO LEE, JOHN LEE,
PETER LEE, VALERIANA LEE YU,
MARY LEE YU, WILLIAM LEE, on
behalf of minor WILLIAM LEE,
JR., CECILIA C. LEE, FRANCES
C. LEE, HENRY LEE, on behalf
of minors HENRY, JR., EDMOND,
LUCIAN, and VENUS LILIAN, all
surnamed LEE, RAFAEL TEEHANKEE,
on behalf of minors MICHAEL
RICHARD, MARIA SYLVIA, RAFAEL
JOSE, MARIA CRISTINA, and LEO-
POLDO GABRIEL, all surnamed
TEEHANKEE, THOMAS J. LEE, on
behalf of minors WAYNE, DANIEL
and EILEEN, all surnamed LEE,
ANTHONY P. LEE, on behalf of
minors RICHARD, EVANGELINE
DIANA, SUSANA, ERIC and SAMUEL
ROY, all surnamed LEE, CHARLES
LEE, on behalf of minors JOSEPH
EDWIN, CHARLES PATRICK, Jr.,
and CHRISTOPHER AUGUSTO, all
surnamed LEE, and VICTOR LEE, on
behalf of minors JANE LEE and
WILSON LEE,

Petitioners,

- versus -

July 20, 1961

C.T.A.
CASE NO. 639

JOSE ARAÑAS, as Collector
of Internal Revenue,
Respondent.

x - - - - - x

D E C I S I O N

This is an appeal from the decision of the res-
pondent holding the petitioners liable for the sum of
P1,135.37, allegedly representing "surcharges, inter-
ests and penalties" for failure to pay in due time cer-
tain donor's and donees' gift taxes. However, accord-
ing to the decision of respondent of March 10, 1959,
the said amount represents "the balance of the donees'

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gift tax as of April 7, 1939. (See page 167, B.I.R. records.)

It is not clear from the pleadings how the sum of \$1,135.37 was arrived at. However, an examination of the B.I.R. records pertaining to the case shows that the said amount was arrived at as follows:

Donees' gift tax -----	P 3,117.73
5% surcharge on \$1,837.73 ----	91.89
1% interest on \$1,837.73 ----	404.30
1% interest on \$603.13 -----	6.03
Compromise for late pay- ment -----	30.00
Total -----	P 3,649.95
Less amount already paid ----	2,514.58
Balance -----	<u>P 1,135.37</u>

(See page 165, B.I.R. records)

After trial and the filing by counsel for petitioners of their memorandum, a written manifestation was filed by counsel for the Government stating -

"1. That the only issue in the above-entitled case is whether the petitioners are still liable to interests, surcharges and penalties, notwithstanding the fact that the basic donor's and donee's gift taxes have already been paid by them on the due date thereof;

"2. That the above statement of issue was the result of a wrongful computation of interests, penalties and surcharges by the Tax Audit Branch;

"3. That consequently, the respondent Commissioner of Internal Revenue caused a reaudit of the assessment involved in the above-entitled case;

"4. That as a result thereof, it was found out that there is no legal justification to further insist on the collection of the assessment herein involved, for which a letter to that effect was sent to counsel for the petitioners, a true copy of which is hereto attached as Annex 'A';

"5. That in view of the above action the respondent will not file a memorandum in the above-entitled case inasmuch as the

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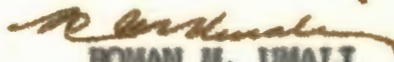
issue has become academic.

"WHEREFORE, it is respectfully prayed that the petition for review filed by the petitioners in the above-entitled case be dismissed."

Respondent having admitted that a mistake was committed in the issuance of an assessment against petitioners in the sum of P1,135.37, and it appearing that the explanation is satisfactory, the decision appealed from is hereby reversed. No pronouncement as to costs.

SO ORDERED.

Manila, July 20, 1961.


ROMAN M. UMALI
Associate Judge

WE CONCUR:


MARIANO NASALE
Presiding Judge


AUGUSTO M. LUCIANO
Associate Judge