Library

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
MANILA

July 20, 1961

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 LEOPOLDO 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 -

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 respondent holding the petitioners liable for the sum of ₱1,135.37, allegedly representing "surcharges, interests and penalties" for failure to pay in due time certain donor's and donees' gift taxes. However, according to the decision of respondent of March 10, 1959, the said amount represents "the balance of the donees' gift tax as of April 7, 1959. (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 ------------	₱ 3.117.73
5% surcharge on ₱1,837.73 ----	91.89
1% interest on ₱1,837.73 -----	404.30
1% interest on ₱603.15 -------	6.03
Compromise for late payment --------------------	30.00
Total ----------------------	₱ 3,649.95
Less amount already paid -----	2,514.58
Balance ---------------------	₱ 1,135.37

(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 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 ₱1,135.37, 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 NABLE
Presiding Judge

AUGUSTO M. LUCIANO
Associate Judge