REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

Third Division

SONOMA SERVICES, INC., *Petitioner,*	**CTA CASE NO. 9808**
-versus-	Members: **UY,** *Chairperson,* **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: MAR 0 2 2021 1:24 p.m.

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RESOLUTION

MODESTO-SAN PEDRO, J.:

Before this Court is respondent's Motion for Reconsideration, filed by registered mail on 21 October 2020,[1] with petitioner's Comment (Re: Motion for Reconsideration dated October 21, 2020) ("Comment"), filed on 9 December 2020.[2]

In the Motion for Reconsideration,[3] respondent alleges that:

1. Petitioner evidently failed to comply with the requirements under ***Revenue Regulations No. 2-98, as amended by Revenue Regulations No. 2-2006*** in the claim for refund of its excess/unutilized creditable income taxes withheld for taxable year 2015;

2. Petitioner's documentary exhibits, consisting of Certificate of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307), marked as Exhibits "P-27-1 to P-27-30", are inadmissible in evidence for being hearsay; and

3. Petitioner's instant claim for refund should be construed strictissimi juris against it.

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[1] Records, Vol. 2, pp. 847-856
[2] Records, Vol. 2.
[3] *Id.,* pp. 847-852.

In its Comment, petitioner counter-argued as follows:

1. It is well-settled that the presentation of the Certificates of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307) issued by withholding agents constitutes sufficient proof of the existence and validity of petitioner's creditable withheld taxes;

2. Petitioner's Certificates of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307), which were presented as its Exhibits "P-1 to P-27", were properly admitted in evidence and do not constitute hearsay evidence; and

3. The rule that "claims for refund of overpaid taxes are construed strictissimi juris against the taxpayer" does not apply to claims for refund of overpaid or erroneously paid taxes, such as this case.

We rule to deny the Motion for Reconsideration.

It is well-settled that the presentation of regularly issued Certificates of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307) is sufficient proof that creditable income tax has indeed been withheld from a taxpayer's income by his income payor-withholding agent.

Further, it is not necessary for the person who executed such Certificates of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307) to personally testify as to the authenticity. The said document, by itself, is already competent proof of withholding of income tax and the amount of tax withheld considering that this was executed under the penalties of perjury.

Indeed, this was confirmed by the Supreme Court in ***Commissioner of Internal Revenue v. Philippine National Bank***,[4] as follows:

> **"The certificate of creditable tax withheld at source is the competent proof to establish the fact that taxes are withheld. It is not necessary for the person who executed and prepared he certificate of creditable tax withheld at source to be presented and to testify personally to prove the authenticity of the certificates.**
>
> In Banco Filipino Savings and Mortgage Bank v. Court of Appeals, this court declared that a certificate is complete in the relevant details that would aid the courts in the evaluation of any claim for refund of excess creditable withholding taxes:
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> > In fine, the document which may be accepted as evidence of the third condition, that is, the fact of withholding, must emanate from the payor itself, and not

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[4] G.R. No. 180290, 29 September 2014.

> merely from the payee, and must indicate the name of the payor, the income payment basis of the tax withheld, the amount of the tax withheld and the nature of the tax paid.
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> At the time material to this case, the requisite information regarding withholding taxes from the sale of acquired assets can be found in BIR Form No. 1743.1. As described in Section 6 of Revenue Regulations No. 6-85, BIR Form No. 1743.I is a written statement issued by the payor as withholding agent showing the income or other payments made by the said withholding agent during a quarter or year and the amount of the tax deducted and withheld therefrom. It readily identifies the payor, the income payment and the tax withheld. It is complete in the relevant details which would aid the courts in the evaluation of any claim for refund of creditable withholding taxes. (Emphasis supplied, citations omitted)
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> Moreover, as correctly held by the Court of Tax Appeals En Banc, the figures appearing in the withholding tax certificates can be taken at face value since these documents were executed under the penalties of perjury, pursuant to Section 267 of the 1997 National Internal Revenue Code, as amended, which reads:
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> > SEC. 267. Declaration under Penalties of Perjury. – Any declaration, return and other statements required under this Code, shall, in lieu of an oath, contain a written statement that they are made under the penalties of perjury. Any person who willfully files a declaration, return or statement containing information which is not true and correct as to every material matter shall, upon conviction, be subject to the penalties prescribed for perjury under the Revised Penal Code.
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> **Thus, upon presentation of a withholding tax certificate complete in its relevant details and with a written statement that it was made under the penalties of perjury, the burden of evidence then shifts to the Commissioner of Internal Revenue to prove that (1) the certificate is not complete; (2) it is false; or (3) it was not issued regularly."**
> (Emphasis, Ours)

With this, respondent's argument that the Certificates of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307) presented by petitioner are incompetent evidence for being hearsay (since petitioner failed to present as witnesses those who executed the same) deserves no credence.

To reiterate, as long as the Certificates of Creditable Withholding Tax at Source (*i.e.,* BIR Forms 2307) are complete in its relevant details and is with a written statement that it was made under the penalties of perjury, the same is admissible in evidence even without testimony on the part of its preparer attesting to its authenticity and considered as competent proof of the fact of withholding and the amount of tax withheld.

Following a detailed examination of the Certificates of Creditable Withholding Tax at Source (*i.e.*, BIR Forms 2307) submitted and offered as proof by petitioner, this Court finds that the same were prepared by the income payor; are complete in its relevant details such as the name of the payor, the income payment basis of the tax withheld, the amount of the tax withheld and the nature of the tax paid; and are with written statements that they were made under the penalties of perjury. Consequently, it cannot be denied that these documents are admissible in evidence and are competent proof of the fact of withholding of income taxes from the income payments made to petitioner and of the amount of tax withheld.

As to respondent's remaining arguments, the same have already been sufficiently passed upon, discussed, and judiciously resolved in the Decision dated 1 October 2020. Consequently, there is no compelling need to disturb this Court's findings and conclusions therein.

WHEREFORE, the Motion for Reconsideration is hereby **DENIED** for lack of merit.

SO ORDERED.

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

WE CONCUR:

ERLINDA P. UY
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice