REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

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COMMISSIONER OF INTERNAL REVENUE, *Petitioner,*	**CTA EB NO. 2293** (CTA Case No. 9418)
	Present:
-versus-	**DEL ROSARIO,** *P.J.,* **CASTAÑEDA, JR., UY, RINGPIS-LIBAN, MANAHAN, BACORRO-VILLENA,** *and* **MODESTO-SAN PEDRO,** *JJ.*
ROBINSONS TRUE SERVE HARDWARE PHILIPPINES, INC., *Respondent.*	Promulgated: JUL 2 9 2021 3:58 p.m.

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RESOLUTION

On March 1, 2021, the Court issued its Resolution granting respondent's *Urgent Motion to Lift Warrant of Distraint and/or Levy and For Suspension of Collection of Taxes*, ordering petitioner Commissioner of Internal Revenue (CIR) to cease and desist from collecting the subject deficiency income tax, value-added tax (VAT), expanded withholding tax (EWT), and documentary stamp tax (DST) for taxable year 2010, inclusive of penalties and increments. The Resolution likewise dispensed with the required cash deposit or bond under Section 11 of Republic Act No. 1125.

On March 19, 2021, petitioner filed its *Motion for Reconsideration Re: Decision (sic) dated 01 March 2021* assailing the Resolution dispensing with the posting of a bond. Petitioner states that before there could be a complete dispensation of the required cash deposit or bond in its entirety, the movant must prove that there is an extreme violation of the law committed by the CIR in his summary collection methods that is patent and blatant in all respects. In the instant case, petitioner argues that there is no patent violation of the law, hence, there is no basis to exempt respondent from posting the required bond or paying the cash deposit.

On June 8, 2021, respondent filed its *Comment (To Petitioner's Motion for Reconsideration Re: Resolution dated 1 March 2021)*. Respondent states that petitioner's *Motion* should be denied for lack of merit. It was incumbent upon petitioner to establish the existence of a valid assessment which could be the basis of a collection action. In the case at bar, the Court in Division had already conducted a full-blown trial on the merits of the case and determined that the subject tax assessments against respondent are void.

The *Motion* has no merit.

As found in the assailed Resolution, respondent has sufficiently shown that the amount of Php1,182,392,770.89 sought to be collected by petitioner CIR is substantial and has an impact on respondent's ability to carry out its business. Petitioner did not present controverting evidence to refute respondent's averments, neither did petitioner present any evidence to show that the suspension of the collection of taxes would have an adverse effect against the government.

As to the dispensing of the bond requirement, petitioner asserts that there must first be "an extreme violation of the law committed by the CIR in his summary collection methods that is patent and blatant in all respects" before the bond may be fully dispensed with. We disagree.

The Supreme Court has ruled that it is "...upon the CTA to properly determine, at least preliminarily, whether the CIR, in its assessment of the tax liability of the petitioners, and its effort of collecting the same, complied with the law and the pertinent issuances of the BIR itself."[1] In this case, not only was there a preliminary determination as to whether the CIR has complied with the law and pertinent BIR issuances in its assessment of respondent's tax liabilities, there was already a full-blown trial on the merits of the case before the Court in Division.

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[1] *Spouses Emmanuel D. Pacquiao and Jinkee J. Pacquiao v. The Court of Tax Appeals*, G.R. No. 213394, April 6, 2016.

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Thus, there is no reason to reverse the Resolution dispensing with the bond requirement.

WHEREFORE, petitioner's *Motion for Reconsideration Re: Decision (sic) dated 01 March 2021* filed on March 19, 2021 is **DENIED** for lack of merit.

The BIR is expected in good faith to refrain from enforcing collection while the case is pending appeal with the Court.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

Ma. Belen

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice