

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

SERENDRA
CONDOMINIUM
CORPORATION,

Petitioner,

CTA AC No. 326

- versus -

TAGUIG CITY
GOVERNMENT, HON.
LAARNI CAYETANO, in her
capacity as the Executive Head
and Mayor of Taguig City
Government, and ATTY. J.
VOLTAIRE L. ENRIQUEZ, in
his capacity as the Officer-in-
charge, City Treasurer of
Taguig City Government,

Respondents.

x-----x

TAGUIG CITY
GOVERNMENT, HON.
LAARNI CAYETANO, in her
capacity as the Executive Head
and Mayor of Taguig City
Government, and ATTY. J.
VOLTAIRE L. ENRIQUEZ, in
his capacity as the Officer-In-
Charge, City Treasurer of
Taguig City Government,

Petitioners,

- versus -

SERENDRA
CONDOMINIUM
CORPORATION,

Respondent.

x-----x

CTA AC No. 327

Members:

REYES-FAJARDO, *Chairperson,*
and
ANGELES, *II.*

Promulgated:

AUG 25 2026

4:00 P.M.

[Handwritten mark]

DECISION

REYES-FAJARDO, J.:

Before the Court are the consolidated Petition for Partial Review filed by Serendra Condominium Corporation (SCC), and Petition for Review filed by Taguig City Government, Hon. Laarni Cayetano, in her capacity as the Executive Head and Mayor of Taguig City Government and Atty. J. Voltaire L. Enriquez, in his capacity as the Officer-in-charge, City Treasurer of Taguig City Government (collectively, Taguig City Government, Taguig City Mayor, and Taguig City Treasurer), assailing the Decision dated February 20, 2024,¹ and Order dated April 18, 2024,² both rendered by the Regional Trial Court of Taguig City – Branch 153 (RTC-Taguig), in Civil Case No. 328, entitled “*Serendra Condominium Corporation, Plaintiff, versus Taguig City Government, Hon. Ma. Laarni Cayetano, in her capacity as the Executive Head and Mayor of Taguig City Government and Atty. J. Voltaire Enriquez, in his capacity as the Officer-in-Charge, City Treasurer of Taguig City Government, Defendants.*”

PARTIES

SCC is a non-stock, non-profit corporation, duly organized and existing by and virtue of Philippine laws, with principal office at Serendra, 11th Avenue, Bonifacio Global City, Taguig City.³

The Taguig City Government is a local government unit exercising jurisdiction over SCC with respect to the collection of local taxes, fees and other charges.⁴

Hon. Ma. Laarni Cayetano is the Executive Head and Mayor of Taguig City Government.⁵

¹ Docket (CTA AC No. 326), pp. 67 to 91; Docket (CTA AC No. 327), pp. 82 to 108; RTC Docket (Civil Case No. 328) – Vol. IV, pp. 609 to 635.

² Docket (CTA AC No. 326), pp. 92 to 94; Docket (CTA AC No. 327), pp. 109 to 112; RTC Docket (Civil Case No. 328) – Vol. IV, pp. 772 to 775.

³ Exhibits “H,” “I,” and “7,” RTC Docket (Civil Case No. 328) – Vol. IV, pp. 96 to 128, RTC Docket (Civil Case No. 328) – Vol. I, pp. 49 to 81, and RTC Docket (Civil Case No. 328) – Vol. III, pp. 71 to 107, respectively.

⁴ Par. 2, The Parties, *Complaint*, vis-à-vis par. 1.1, Admissions and Specific Denials, *Answer (To Plaintiff's 19 January 2018 Complaint)*, RTC Docket (Civil Case No. 328) – Vol. I, pp. 4 to 206, respectively.

Atty. J. Voltaire L. Enriquez is the Officer-in-Charge, City Treasurer of Taguig City Government.⁶

FACTS

In the course of renewing its business permit for the year 2016, SCC paid the assessed LBT and other fees, and charges imposed by Taguig City Government in the amount of ₱5,315,757.92, as evidenced by the following *Official Receipts*:

Taxable Quarter	Official Receipt No.	Date of Payment	Amount Paid
1 st	A-2790792 ⁷	Jan. 20, 2016	₱1,549,911.92
2 nd	A-2826213 ⁸	Apr. 13, 2016	₱1,255,282.00
3 rd	A-3052547 ⁹	July 18, 2016	₱1,255,282.00
4 th	A-3053231 ¹⁰	Oct. 4, 2016	₱1,255,282.00
TOTAL			₱5,315,757.92

On December 21, 2017, SCC filed with the Office of the City Treasurer of Taguig its letter dated December 20, 2017,¹¹ seeking a refund of the amounts it had paid for the LBT in the amount of ₱2,282,128.80, the Environmental Impact Fee (EIF) in the amount of ₱2,738,999.20, and the business plate/sticker in the amount of ₱150.00.

On January 19, 2018, SCC filed its *Complaint* before RTC-Taguig,¹² docketed as Civil Case No. 328.

On March 21, 2018, the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer filed their *Motion to Dismiss*

⁵ Par. 3, *The Parties, Complaint*, vis-à-vis par. 1.1, Admissions and Specific Denials, *Answer (To Plaintiff's 19 January 2018 Complaint)*, RTC Docket (Civil Case No. 328) – Vol. I, pp. 4 to 206, respectively.

⁶ Par. 4, *The Parties, Complaint*, vis-à-vis par. 1.1, Admissions and Specific Denials, *Answer (To Plaintiff's 19 January 2018 Complaint)*, RTC Docket (Civil Case No. 328) – Vol. I, pp. 4 to 206, respectively.

⁷ Exhibit "B," RTC Docket (Civil Case No. 328) – Vol. IV, p. 58.

⁸ Exhibit "C," RTC Docket (Civil Case No. 328) – Vol. IV, p. 59.

⁹ Exhibit "D," RTC Docket (Civil Case No. 328) – Vol. IV, p. 60.

¹⁰ Exhibit "E," RTC Docket (Civil Case No. 328) – Vol. IV, p. 61.

¹¹ Exhibit "A," RTC Docket (Civil Case No. 328) – Vol. IV, pp. 49 to 53.

¹² RTC Docket (Civil Case No. 328) – Vol. I, pp. 3 to 13.

Plaintiff's 19 January 2018 Complaint,¹³ to which SCC filed its *Comment/Opposition (Re: Defendant's Motion to Dismiss dated 21 March 2018)* on May 3, 2018.¹⁴

RTC-Taguig in the Order dated October 29, 2018,¹⁵ denied the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer's *Motion to Dismiss Plaintiff's 19 January 2018 Complaint*.

On December 21, 2018, the Taguig City Government, Taguig City Mayor and Taguig City Treasurer filed their *Answer (To Plaintiff's 19 January 2018 Complaint)*.¹⁶

On January 24, 2019, SCC filed its *Reply (To Answer dated December 10, 2018)*.¹⁷

On February 20, 2024, RTC-Taguig rendered the assailed Decision, partially granting SCC's *Complaint* and ordering the refund of ₱2,282,128.80. The dispositive portion reads:¹⁸

WHEREFORE, premises considered, the instant Complaint for Refund or Tax Credit of Erroneously and Illegally collected Local Business Tax, Environmental fee and Attorney's fee is **PARTIALLY GRANTED**.

Accordingly, defendants are directed to Refund or Issue tax credit in favor of plaintiff the amount of Two Million Two Hundred Eighty-Two Thousand One Hundred Twenty-Eight Pesos and 80/100 (Php2,282,128.80), representing the erroneously collected local business tax for the year 2016.

Upon the other hand, the prayer for the refund of environmental impact fee (EIF) and fee for business plate/sticker is **DENIED** for lack of basis. Likewise, there being no basis for plaintiff's prayer for attorney's fees the same is hereby **DENIED**.

SO ORDERED."

¹³ RTC Docket (Civil Case No. 328) – Vol. I, pp. 169 to 180.

¹⁴ RTC Docket (Civil Case No. 328) – Vol. I, pp. 186 to 198.

¹⁵ RTC Docket (Civil Case No. 328) – Vol. I, pp. 199 to 200.

¹⁶ RTC Docket (Civil Case No. 328) – Vol. I, pp. 206 to 219.

¹⁷ RTC Docket (Civil Case No. 328) – Vol. I, pp. 225 to 250.

¹⁸ RTC Docket (Civil Case No. 328) – Vol. IV, pp. 609 to 635.

RTC-Taguig found that the LBT assessed against and collected from SCC for 2016 was erroneous, entitling SCC to a refund. Specifically, it held that, as a condominium corporation, SCC was not engaged in business or for profit and therefore was not a “contractor” subject to LBT under the Taguig Revenue Code. However, the claims for the EIF and Business Plate/Sticker Fee were denied, as the EIF is impossible regardless of whether an entity is engaged in business, while the Business Plate/Sticker Fee serves as proof of the applicant’s registration.

On March 14, 2024, SCC filed its *Partial Motion for Reconsideration (Decision dated 20 February 2024)*,¹⁹ to which the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer filed their *Comment/Opposition (To Plaintiff’s Motion for Partial Reconsideration dated 14 March 2024)* on March 25, 2024.²⁰

On March 20, 2024, the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer filed their *Motion for Partial Reconsideration (Re: Decision dated 20 February 2024)*,²¹ to which SCC filed its *Comment/Opposition [To: Defendants’ Motion for Partial Reconsideration (Re: Decision dated 20 February 2024) dated 15 March 2024]* on April 8, 2024.²²

On April 18, 2024, RTC-Taguig issued the assailed Order ²³ denying both parties’ *Motions for Partial Reconsideration*, thus:

In light of the foregoing, and for reasons already discussed in the assailed Decision, this court finds no reversible error in its Decision dated 20 February 2024. The Motion for Partial Reconsideration separately filed by the parties are both accordingly **DENIED**.

SO ORDERED.

CTA AC No. 326:

On May 31, 2024, SCC filed the present *Petition for Partial Review*,²⁴ within the extended period granted by the Court.²⁵

¹⁹ RTC Docket (Civil Case No. 328) – Vol. IV, pp. 636 to 653.

²⁰ RTC Docket (Civil Case No. 328) – Vol. IV, pp. 682 to 695.

²¹ RTC Docket (Civil Case No. 328) – Vol. IV, pp. 654 to 679.

²² RTC Docket (Civil Case No. 328) – Vol. IV, pp. 698 to 723.

²³ RTC Docket (Civil Case No. 328) – Vol. IV, pp. 772 to 775.

On October 28, 2024, Taguig City Government, Taguig City Mayor, and Taguig City Treasurer posted their *Comment (To the Petition for Review dated 31 May 2024)*.²⁶ On November 25, 2024, SCC filed its *Reply [To: Respondents' Comment dated 28 October 2024]*.²⁷

CTA AC No. 327:

On June 14, 2024, the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer posted the present *Petition for Review*²⁸ within the extended period granted by the Court.²⁹

In its Resolution dated July 22, 2024,³⁰ the Court directed the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer to submit a complete statement of the status of all cases pending between the parties within ten (10) days from notice thereof. On September 19, 2024, the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer posted their *Compliance*³¹ identifying the following cases as pending between the parties:

- a. CTA Case No. AC-302 (RTC Civil Case No. 474) before this Court's Second Division;
- b. SCA Case No. 010 before the RTC of Taguig City - Branch 266;
- c. Civil Case No. 039 before the RTC of Taguig City - Branch 271;
- d. Civil Case No. 657 before the RTC of Taguig City - Branch 266;
- e. Civil Case No. 797 before the RTC of Taguig City - Branch 271;
- f. Civil Case No. 825 before the RTC of Taguig City - Branch 266;
- g. Civil Case No. 904 before the RTC of Taguig City - Branch 153;
- h. Civil Case No. 981 before the RTC of Taguig City - Branch 267;
- i. G.R. No. 272051 (CTA EB Case No. 2404) before the Supreme Court;
- j. G.R. No. 272515 (CTA EB Case No. 2404) before the Supreme Court; and
- k. CTA Case No. AC-326 (RTC Civil Case No. 328) before this Court's Second Division.

²⁴ Docket (CTA AC No. 326), pp. 11 to 61.

²⁵ Docket (CTA AC No. 326), p. 62.

²⁶ Docket (CTA AC No. 326), pp. 97 to 112.

²⁷ Docket (CTA AC No. 326), pp. 121 to 150.

²⁸ Docket (CTA AC No. 327), pp. 44 to 79.

²⁹ Docket (CTA AC No. 327), p. 43.

³⁰ Docket (CTA AC No. 327), p. 115.

³¹ Docket (CTA AC No. 327), pp. 117 to 123.

In the Minute Resolution dated October 22, 2024,³² the Court: (1) noted the foregoing *Compliance*; (2) directed SCC to file its comment, and (3) directed the Branch Clerk of Court of the RTC-Taguig to elevate the entire original records of Civil Case No. 328.

On November 7, 2024, RTC-Taguig, RTC-Taguig transmitted to the Court the entire records of Civil Case No. 328.³³ Thereafter, SCC filed its *Comment (To: Petitioners' Petition for Review dated 20 February 2024)* on November 15, 2024.³⁴

Under Resolution dated February 11, 2025,³⁵ the Court found that CTA AC Nos. 326 and 327 were both pending before the Court's Third Division and that both cases arose from, and were related to, Civil Case No. 328 of RTC-Taguig. Thus, to ensure ready access to the single set of RTC Records necessary for the eventual disposition of the two CTA cases, and pursuant to the *motu proprio* consolidation authorized under Section 3(a), Rule IV of the Internal Rules of the Court of Tax Appeals, CTA AC No. 327 was consolidated with CTA AC No. 326.

In its Resolution dated August 26, 2025, the consolidated cases were submitted for decision,³⁶ taking into account the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer's *Consolidated Memoranda* posted on June 5, 2025,³⁷ and SCC's *Memorandum* posted on June 30, 2025.³⁸

ISSUES

SCC submits the following issues for the Court's resolution:

- I. Whether SCC is entitled to a refund of the EIF it paid to the Taguig City Government for 2016 pursuant to City Ordinance No. 116, Series of 2008.

³² Docket (CTA AC No. 327), p. 128.

³³ RTC of Taguig City – Branch 153's Transmittal dated November 6, 2024, Docket (CTA AC No. 327), pp. 130 to 137.

³⁴ Docket (CTA AC No. 327), pp. 170 to 193.

³⁵ Docket (CTA AC No. 326), pp. 166 to 167.

³⁶ Minute Resolution dated August 26, 2025, Docket (CTA AC No. 326), p. 302.

³⁷ Docket (CTA AC No. 326), pp. 177 to 237.

³⁸ Docket (CTA AC No. 326), pp. 243 to 298.

- II. Whether SCC is a “CONTRACTOR” under the Taguig Revenue Code, and consequently, liable for LBT.
- III. Whether SCC is entitled to a refund of the business plate/sticker fee paid to the Taguig City Government for 2016 pursuant to City Ordinance No. 116, Series of 2008.
- IV. Whether SCC is entitled to Attorney’s Fees.³⁹

On the other hand, the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer raise the following issues:

- I. Whether RTC-Taguig committed a reversible error in finding that SCC is not subject to LBT.
- II. Whether the EIF under Taguig City Ordinance No. 116, Series of 2008, is imposable on all entities within the jurisdiction of Taguig City, regardless of whether they are engaged in business; and
- III. Whether SCC is entitled to attorney’s fees.⁴⁰

ARGUMENTS

SCC argues that, as a condominium corporation, it is not engaged in business and, therefore, should not be subject to the 2016 LBT. For the same reason, it maintains that it cannot be held liable for the EIF and Business Plate/Sticker Fee. Finally, SCC asserts that the imposition of these taxes and fees was without legal basis and unlawful, thereby warranting an award of attorney’s fees.

On the other hand, Taguig City Government, Mayor, and Treasurer contend that the court *a quo* erred in exempting SCC from LBT, arguing that SCC engages in profit-making activities and is a “contractor” subject to LBT under the Taguig Revenue Code. They

³⁹ Issues, SCC’s *Memorandum*, Docket (CTA AC No. 326), pp. 252 to 253.

⁴⁰ Statement of the Issues, the Taguig City Government, Taguig City Mayor, and Taguig City Treasurer’s *Consolidated Memoranda*, Docket (CTA AC No. 326), pp. 201 to 202.

further assert that no law exempts SCC from LBT. They maintain the EIF is a regulatory fee applicable regardless of business status.

RULING

The present consolidated *Petition for Partial Review* and *Petition for Review* are without merit.

The Court has validly acquired jurisdiction over CTA AC Nos. 326 and 327 only with respect to the 2016 LBT.

The CTA has exclusive appellate jurisdiction to review by appeal decisions, orders, or resolutions of the Regional Trial Courts in local tax cases originally decided or resolved by them in the exercise of their original or appellate jurisdiction. This authority is provided under Section 7(a)(3), in relation to Section 11 of Republic Act (RA) No. 1125,⁴¹ as amended by RA No. 9282, which provides:

SEC. 7. Jurisdiction. - The CTA shall exercise:

a. Exclusive appellate jurisdiction to review by appeal, as herein provided:

(3) Decisions, orders or resolutions of the Regional Trial Courts in local tax cases originally decided or resolved by them in the exercise of their original or appellate jurisdiction;

...

SEC. 11. Who May Appeal; Mode of Appeal; Effect of Appeal. - Any party adversely affected by a decision, ruling of the... Regional Trial Courts **may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling...**⁴²

Section 3(a)(3), Rule 4 of the Revised Rules of the Court of Tax Appeals clarified that the CTA in Division has exclusive appellate jurisdiction to review decisions, orders, or resolutions of the Regional

⁴¹ An Act Creating the Court of Tax Appeals.

⁴² Boldfacing supplied. The above provisions are also provided in Section 3(a)(1), Rule 4 and Sections 3(a) and 4, Rule 8 of the Revised Rules of the Court of Tax Appeals.

ON

Trail Courts in local tax cases decided or resolved by them in the exercise of their original jurisdiction.⁴³

In the assailed Decision dated February 20, 2024 and Order dated April 18, 2024, RTC-Taguig adjudicated on the propriety of the following matters: 2016 LBT, EIF and Business Plate/Sticker Fee. Of these three matters, only the 2016 LBT is a local tax case. Therefore, the scope of the Court's review is confined only to the 2016 LBT refund granted by RTC-Taguig.

As to SCC's Petition for Partial Review, SCC alleged that it received the assailed Order on April 19, 2024.⁴⁴ Counting thirty (30) days therefrom, SCC had until May 19, 2024, to file its appeal with the Court. On May 16, 2024, SCC filed a Motion for Extension to File Petition for Review.⁴⁵ Subsequently, on May 31, 2024, SCC filed its Petition for Partial Review within the extended period granted by the Court.⁴⁶ Accordingly, SCC's appeal was timely filed and jurisdiction was properly vested in the Court over CTA AC No. 326.

As to Taguig City Government, the Taguig City Mayor, and the Taguig City Treasurer's Petition for Review, they alleged that it received the assailed Order on April 30, 2024.⁴⁷ Counting thirty (30) days therefrom, they had until May 30, 2024, to file their appeal with the Court. On May 29, 2024, they filed a Motion for Extension of Time to File Petition for Review.⁴⁸ Subsequently, on June 14, 2024, they filed their Petition for Review within the extended period granted by the Court.⁴⁹ Accordingly, their appeal was likewise timely filed and jurisdiction was properly vested in the Court over CTA AC No. 327.

On the other hand, the Court lacks jurisdiction over the 2016 EIF and business plate/sticker fee it paid to Taguig City Government because they are **not** local taxes.

⁴³ SECTION 3. *Cases Within the Jurisdiction of the Court in Divisions.* — The Court in Divisions shall exercise:

(a) Exclusive original or appellate jurisdiction to review by appeal the following:

...

(3) Decisions, resolutions or orders of the Regional Trial Courts in local tax cases decided or resolved by them in the exercise of their original jurisdiction;|

⁴⁴ Timeliness of the Petition, Petition for Review Docket (CTA AC No. 326), p. 14.

⁴⁵ Docket (CTA AC No. 326), pp. 5 to 8.

⁴⁶ Docket (CTA AC No. 326), p. 62.

⁴⁷ The Court's Jurisdiction, Petition for Review. Docket (CTA AC No. 327), p. 46.

⁴⁸ Docket (CTA AC No. 327), pp. 5 to 8.

⁴⁹ Docket (CTA AC No. 327), p. 43.

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In *Smart Communications, Inc. v. Municipality of Malvar, Batangas, (Smart)*⁵⁰ the Supreme Court held that the CTA only has exclusive appellate jurisdiction over the decisions, orders, and resolutions of the RTC in a local tax case. *Smart* added that where the main purpose of an imposition is to regulate, the exaction is a fee rather than a tax.

Here, the EIF is imposed pursuant to Ordinance No. 111, Series of 2007,⁵¹ as amended by Ordinance No. 116, Series No. 2008,⁵² to compensate the negative social or environmental cost to the City of Taguig and to defray the cost of hauling and management of solid waste generated by the citizens and businesses. Accordingly, the EIF is a regulatory fee, not a local tax. The same applies to the Business Plate/Sticker Fee, which is imposed in connection with the regulation, inspection and licensing of business pursuant to Section 147 of the LGC.

In fine, the Court would only exercise its jurisdiction over the 2016 LBT. Conversely, the Court refuses to exercise jurisdiction over the 2016 EIF and Business Plate/ Sticker Fee because these are not local taxes.

SCC complied with the prescriptive period for filing its claim for refund of LBT under Section 196 of the LGC of 1991.

The remedy of a taxpayer seeking the refund of taxes, fees, or charges erroneously or illegally collected, except for real property taxes, is governed by Section 196 of the LGC, which provides:

SEC. 196. Claim for Refund or Tax Credit. — No case or proceeding shall be maintained in any court for the recovery of any tax, fee, or charge erroneously or illegally collected until a written claim for refund or credit has been filed with the local treasurer. No case or proceeding shall be entertained in any court after the expiration of two (2) years from the date of the payment of such tax, fee, or charge, or from the date the taxpayer is entitled to a refund or credit.⁵³

⁵⁰ G.R. No. 204429, February 18, 2014.

⁵¹ Exhibit "P-3," RTC Docket (Civil Case No. 328) - Vol. I, pp. 376 to 389.

⁵² Exhibit "P-4," RTC Docket (Civil Case No. 328) - Vol. I, pp. 390 to 393.

⁵³ Boldfacing supplied.

*Metro Manila Shopping Mecca Corp., et al. v. Toledo (Mecca)*⁵⁴ condensed the requirements for a refund claim under Section 196 of the LGC as follows:

A perusal of Section 196 of the LGC reveals that in order to be entitled to a refund/credit of local taxes, the following procedural requirements must concur: first, the taxpayer concerned must file a written claim for refund/credit with the local treasurer; and second, the case or proceeding for refund has to be filed within two (2) years from the date of the payment of the tax, fee, or charge or from the date the taxpayer is entitled to a refund or credit.

In this case, SCC paid the LBT for 2016 on January 20, 2016,⁵⁵ April 13, 2016,⁵⁶ July 18, 2016,⁵⁷ and October 4, 2016.⁵⁸ Applying the two (2)-year prescriptive period, SCC had until January 20, 2018, April 13, 2018, July 18, 2018, and October 4, 2018, respectively, to file its administrative and judicial claims for refund, with the administrative claim necessarily preceding the judicial claim.

Notably, SCC's timely filed its *one*, administrative claim for refund with the Office of the City Treasurer on December 21, 2017⁵⁹, and *two*, judicial claim for refund before the Court *a quo* on January 19, 2018.⁶⁰ Both claims were filed within the applicable two-year prescriptive period under Section 196 of the LGC.

SCC is not liable for LBT because it is not a contractor but a condominium corporation, not engaged in trade or business.

To be liable for LBT, a person must be engaged in trade or business. Section 131(d) of the LGC defines "business" as a trade or commercial activity regularly engaged in as a means of livelihood or with a view to profit. Here, Taguig City Government classified SCC as a "contractor" for purposes of imposing LBT on its gross receipts

⁵⁴ G.R. No. 190818, June 5, 2013.

⁵⁵ Exhibit "B," RTC Docket (Civil Case No. 328) – Vol. IV, p. 58.

⁵⁶ Exhibit "C," RTC Docket (Civil Case No. 328) – Vol. IV, p. 59.

⁵⁷ Exhibit "D," RTC Docket (Civil Case No. 328) – Vol. IV, p. 60.

⁵⁸ Exhibit "E," RTC Docket (Civil Case No. 328) – Vol. IV, p. 61.

⁵⁹ Exhibit "A," RTC Docket (Civil Case No. 328) – Vol. IV, pp. 49 to 53.

⁶⁰ RTC Docket (Civil Case No. 328) – Vol. I, pp. 3 to 13.

for the preceding calendar year, pursuant to Section 75 (e) of Taguig Revenue Code.

However, SCC is a condominium corporation. In *Luz R. Yamane, in her capacity as the City Treasurer of Makati City vs. BA Lepanto Condominium Corporation, (Yamane)*⁶¹ the Supreme Court held that condominium corporations are not engaged in trade or business and, thus not subject to LBT:

Accordingly, and with a significant degree of comfort, we hold that **condominium corporations are generally exempt from local business taxation under the Local Government Code, irrespective of any local ordinance that seeks to declare otherwise. ...**

The Supreme Court explained in *Fritz Bryn Anthony M. Delos Santos v. Commissioner of Internal Revenue*,⁶² citing *Yamane*,⁶³ why the collection of association dues, membership fees, and other charges by a condominium corporation does not constitute the conduct of a business:

...

For when a condominium corporation manages, maintains, and preserves the common areas in the building, it does so only for the benefit of the condominium owners. It cannot be said to be engaged in trade or business, thus, the collection of association dues, membership fees, and other assessments/ charges is not a result of the regular conduct or pursuit of a commercial or an economic activity, or any transactions incidental thereto.

Neither can it be said that a condominium corporation is rendering services to the unit owners for a fee, remuneration or consideration. Association dues, membership fees, and other assessments/ charges form part of a pool from which a condominium corporation must draw funds in order to bear the costs for maintenance, repair, improvement, reconstruction expenses and other administrative expenses. ...

In this case, SCC's primary purpose is to hold title to the common areas of Serendra and manage the condominium project, as

⁶¹ G.R. No. 154993, October 25, 2005.

⁶² G.R. No. 222548, June 22, 2022.

⁶³ *Supra*, Note 61.

expressly provided in its Articles of Incorporation.⁶⁴ The Master Deed with Declaration of Restrictions,⁶⁵ and SCC's 2015 AFS⁶⁶ likewise show that its collections consist principally of assessments and membership dues used to defray expenses for the administration, maintenance and operation of the condominium project and its common areas. These collections are not intended for profit but merely incidental to SCC's primary purpose.

Accordingly, SCC cannot be considered a "Contractor" under Sections 74⁶⁷ and 75(e)⁶⁸ of the Taguig Revenue Code.⁶⁹ The amount collected from its members are not payments for services rendered for profit, but assessments imposed for the mutual benefit of the condominium unit owners.

⁶⁴ Exhibits "H," and "7," RTC Docket (Civil Case No. 328) - Vol. IV, at pp. 96 to 97, and RTC Docket (Civil Case No. 328) - Vol. I, at pp. 49 to 50 and RTC Docket (Civil Case No. 328) - Vol. III, at pp. 73 to 74, respectively.

⁶⁵ Exhibits "G" and "2," RTC Docket (Civil Case No. 328) - Vol. IV, at p. 64, and RTC Docket (Civil Case No. 328) - Vol. I, at p. 344, respectively.

⁶⁶ Exhibits "Q-1" and "6," RTC Docket (Civil Case No. 328) - Vol. IV, p. 200, and RTC Docket (Civil Case No. 328) - Vol. III, at p. 47, respectively.

⁶⁷ SECTION 74 - Definitions:

...

Contractor includes persons, natural or juridical, not subject to professional tax whose activity consists essentially of the sale of all kinds of services for a fee regardless of whether or not the performance of the service calls for the exercise or use of the physical or mental faculties of such contractor or his employees. Boldfacing supplied.

⁶⁸ SECTION 75 - Imposition of Tax. — There is hereby levied an annual tax on the following businesses at rates prescribed therefore:

...

e) On Contractors and other independent contractors defined in SECTION 74 of this Code; and on owners or operators of business establishments rendering or offering services such as advertising agencies, rental of space of signs, signboards, billboard or advertisements, animal hospitals, assaying laboratories, belts and buckle shops, blacksmith shops, bookbinders, booking offices f[or] film exchange, booking office for transportation on commission basis; breeding of game cocks and other sporting animals belonging to others; business management services; collecting agencies; escort services; feasibility studies, consultancy services; garages; garbage disposal contractors; gold and silversmith shops; inspection services for incoming and outgoing cargoes; interior decorating services; janitorial services; job placements or recruitment agencies; landscaping contractors; lathe machine shops; management consultants not subject to professional tax; medical and dental laboratories; mercantile agencies; messengerial services; operators of shoe shine stand; painting shops; perma-press establishments; rent-a-plant services; polo players; school for and/or horseback riding academy; real estate appraisers; real estate brokerages; photostatic; white/blue printing, photocopying, typing and mimeographing services; car rental, rental of heavy equipment, rental of bicycles and/or tricycles; furniture, shoes, watches, household appliances, boats, typewriters, etc[.]; roasting of pigs, fowls, animals; silkscreen or T-shirt printing shops; stables; travel agencies; vaciador shops; veterinary clinics; video rentals and/or coverage services; dancing school/speed reading/EDP; nursery, vocationally and other schools not regulated by the Department of Education (DepEd), day care centers; etc., ... Boldfacing supplied.

⁶⁹ Exhibit "1," RTC Docket (Civil Case No. 328) - Vol. III, pp. 13 to 36.

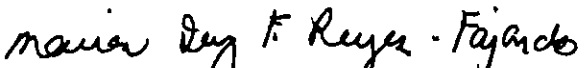
SCC is not entitled to attorney's fees.

Finally, anent the issue on attorney's fees, the general rule is that the same cannot be recovered as part of damages because of the policy that no premium should be placed on the right to litigate. They are not to be awarded every time a party wins a suit. The power of the court to award attorney's fees under Article 2208 of the Civil Code demands factual, legal, and equitable justification.⁷⁰ Here, the Court finds no sufficient basis to award attorney's fees to SCC.

WHEREFORE, the present consolidated *Petition for Partial Review* and *Petition for Review* are **BOTH DENIED**.

Accordingly, the assailed Decision dated February 20, 2024 and Order dated April 18, 2024, both issued by the RTC of Taguig City – Branch 153, in Civil Case No. 328, are hereby **AFFIRMED**, insofar as they grant SCC a refund or tax credit for the erroneously collected LBT for 2016 and deny its claim for attorney's fees.

SO ORDERED.


MARIAN IVY F. REYES-FAJARDO
Associate Justice

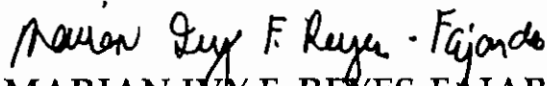
I CONCUR:


HENRY S. ANGELES
Associate Justice

⁷⁰ *Erlinda Dinglasan Delos Santos, et al. v. Alberto Abejon, et al.*, G.R. No. 215820, March 20, 2017.

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the consolidated cases were assigned to the writer of the opinion of the Court's Division.


MARIAN IVY F. REYES-FAJARDO
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Chairperson's attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the consolidated cases were assigned to the writer of the opinion of the Court.


MA. BELEN M. RINGPIS-LIBAN
Presiding Justice