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Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

METRO ILOILO WATER DISTRICT,
Petitioner,

- versus -

C.T.A. CASE NO. 6093

THE HONORABLE COMMISSIONER, BUREAU OF INTERNAL REVENUE,
Herein represented by The Regional Director
Bureau of Internal Revenue, Region VI,
Iloilo City
Respondent.

Promulgated:

JUL 18 2001

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DECISION

Respondent in his Memorandum raised the issue that this Court has no jurisdiction to entertain petitioner's appeal citing as ground section 66, Chapter 14, Book IV of the Administrative Code of 1987 (Executive Order No. 292), it is expressly provided that:

> "Chapter 14 – CONTROVERSIES AMONG THE GOVERNMENT OFFICES AND CORPORATIONS
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> Sec. 66. How settled. – All disputes, claims and controversies, solely between or among the departments, bureaus, offices, agencies and instrumentalities of the National Government, including government-owned or controlled corporations, such as those arising from the interpretation and application of statutes, contracts or Agreements, shall be administratively settled or adjudicated in the manner provided on this Chapter.

> This Chapter shall, however, not apply to disputes involving the Congress, the Supreme Court, the Constitutional/Commissions and local governments.
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> Section 67. - Disputes Involving Questions of Facts and Law. -- Cases involving mixed questions of law and of fact or only factual issues shall be submitted to and settled or adjudicated by:
>
> (1) The Solicitor General, if the dispute, claim or controversy involved only departments, bureaus, offices and other agencies of the National Government as well as government-owned or controlled corporations or entities of whom he is the principal law officer or general counsel,; and
> (2) The Secretary of Justice in all cases not falling under paragraph (1).

The above Section is an amendment of the original provision in Section 1 of Presidential Decree No. 242, quoted hereunder in the cited case of *DBP vs. Court of Appeals*.

As admitted in its Petition for Review, petitioner, Metro Iloilo Water District is a government-controlled corporation organized under PD 198, as amended; while respondent, Commissioner of Internal Revenue is the head of the Bureau of Internal Revenue (BIR) a national government agency charged with the assessment and collection of national taxes. Applying the aforequoted provisions of law disputes or controversies between or among government entities including government-owned or controlled corporations, shall be administratively settled or adjudicated, as the case may be, by the officials mentioned therein and not by the Court of Tax Appeals.

Thus as clearly expressed by this Court in the case of ***Philippine Export and Foreign Loan Guarantee Corporation vs. The Hon.Liwayway Vinzons-Chato,*** *Commissioner of Internal Revenue, CTA Case No. 5196, May 17, 1996, citing the Supreme Court's ruling in* ***Development Bank of the Philippines vs. The Court of Appeals and the Commissioner of Customs (180 SCRA 612):***

> "Our firm resolve is based on the lack of jurisdiction of this Court to entertain the petition. Petitioner has no legal standing to sue before the Court of Tax Appeals. It must be noted that Petitioner is a government-owned and controlled corporation created under its enabling statute, Presidential Decree No. 550, as amended. (Petition for Review, par. 1, p. 1, CTA records).
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> In the case of the Development Bank of the Philippines vs. Court of Appeals (180 SCRA 612-614, 617), the High Tribunal held, thusly:
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> > "xxx The Court of Appeals sustained the position of the customs Commissioner that it was grave error for the Court of Tax Appeals to have taken cognizance of the case is view of the explicit provisions of Presidential Decree no. 242, pertinently providing that:
> >
> > SECTION 1. Provisions of law to the contrary notwithstanding all disputes, claims and controversies solely between or among the departments, bureaus, offices, agencies and instrumentalities of the National Government, including government-owned or controlled corporations but excluding constitutional offices or agencies, arising from the interpretation and application of statutes, contracts or agreements, shall henceforth be administratively settled or adjudicated as provided hereinafter: Provided, That this shall not apply to cases already pending in court at the time of the effectivity of this decree.."

SEC. 2. In all cases involving only questions of law, the same shall be submitted to and settled or adjudicated by the Secretary of Justice, as Attorney General and exofficio legal adviser of all government-owned or controlled corporations and entities, in consonance with section 83 of the Revised Administrative Code. His ruling or determination of the question in each case shall be conclusive and binding upon all the parties concerned.

Sec. 3. Cases involving mixed questions of law and of fact or only factual issues shall be submitted to and settled or adjudicated by:

(a) The Solicitor General, with respect to disputes or claims or controversies between or among the departments, bureaus, offices and other agencies of the National government;

(b) The Government Corporate Counsel, with respect to disputes or claims or controversies between or among the government-owned or controlled corporations or entities being served by the Office of the Government Corporate Counsel; and

> (c) The Secretary of Justice, with respect to all other disputes or claims or controversies, which do not fall under the categories, mentioned in paragraphs (a) and (b).

> The Appellate Court ruled that Section 7(2) of Republic Act No. 1125-pursuant to which the Court of Tax Appeals had therefore been exercising exclusive appellate jurisdiction over decisions of the Commissioner of Customs in cases involving liability for customs in cases involving liability for customs duties, fees or other money charges, *inter-alia* – had been superseded by said P.D. No. 242, it being "a settled rule of statutory construction that where there is irreconcilable repugnance between two statutes anent the same subject matter – as there is between P.D. 242 and Sec. 7 (2) of R.A. No. 1125 in regard to the manner of settlement of disputes involving customs duties, etc. between government offices, agencies and corporations – the one of late enactment, being the latest expression of the legislative will, should prevail over the other which is of earlier enactment."

Similarly, in ***National Development Company vs. Commissioner of Internal Revenue, CTA Case no. 5309, September 4, 1996***, this Court, in sustaining the dismissal of the case for lack of jurisdiction, explained the purpose for prescribing the procedure for administrative settlement or adjudication of disputes between or among government entities and agencies, as follows:

> Apparently the purpose for prescribing the procedure for administrative settlement or adjudication of disputes, claims and controversies between or among government offices, agencies, instrumentalities, including government owned or controlled corporation was to "avoid litigation in Court where government lawyers appear for government offices, agencies and intrumentalities to espouse and protect their respective interests although, in the ultimate analysis, there is but one real party in interest – the GOVERNMENT ITSELF – in such "litigation" and to avoid, too, "needlessly contributing to the clogged dockets of the Courts and dissipating or wasting the time and energies not only of the Courts but also of the government lawyers and the considerable expenses incurred in the filing and prosecution of judicial actions".

Considering the apparent lack of jurisdiction of this Court, it does not find proper anymore to dwell on the other issues raised by the Respondent.

WHEREFORE, in the light of the foregoing discussion, this petition for review is hereby DISMISSED for lack of jurisdiction.

SO ORDERED.

ERNESTO D. ACOSTA
Presiding Judge

I CONCUR:

AMANCIO Q. SAGA
Associate Judge

CERTIFICATION

I hereby certify that the above decision was reached after due consultation with the members of the Court of Tax Appeals in accordance with Section 13, Article VIII of the Constitution.

ERNESTO D. ACOSTA
Presiding Judge