REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, Petitioner,	CTA EB No. 1618 (CTA Case No. 8587)
-versus-	
POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION, Respondent.	
x - - - - - - - - - - - - - - - - x	
POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION, Petitioner,	CTA EB No. 1619 (CTA Case No. 8587)
	Present:
-versus-	DEL ROSARIO, *PJ*; CASTAÑEDA, JR., UY, FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN, and MANAHAN, *JJ*.
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated:
	APR 22 2019 3:40 p.m.

x- x

RESOLUTION

Fabon-Victorino, J.:

Stare decisis et non quieta movere. This principle of adherence to precedents has not lost its luster and continues to guide the bench in keeping with the need to maintain stability in the law.[1]

In the Decision dated October 1, 2018,[2] the Court *En Banc* dismissed the consolidated Petitions for Review filed by the Commissioner of Internal Revenue (CIR) and Power Sector Assets and Liabilities Management Corporation (PSALM) on jurisdictional ground, following the pronouncement of the Supreme Court *En Banc* in the case of *Power Sector Assets and Liabilities Management Corporation vs. Commissioner of Internal Revenue* (*PSALM* case)[3] that the legal competence to adjudicate the propriety of the CIR's deficiency value-added tax (VAT) assessment against PSALM lies with the Secretary of Justice and not with this Court pursuant to Presidential Decree (P.D.) No. 242, otherwise known as the act "Prescribing the Procedure for Administrative Settlement or adjudication of Disputes, Claims and Controversies Between or Among Government Offices, Agencies and Instrumentalities, including Government-owned or Controlled Corporations and for other purposes" which took effect on July 9, 1973.

In his Motion for Reconsideration[4] filed on October 19, 2018, the CIR rejects the ruling of the Court *En Banc* on the issue of the CTA's jurisdiction over the present case. Allegedly, contrary to the Court's finding, the CTA has jurisdiction to entertain the present conflict between PSALM Corporation, a GOCC, and the BIR, a government bureau, involving the disputed deficiency VAT assessment on PSALM Corporation's proceeds from privatization of National Power Corporation (NPC)'s assets. He claims that the *PSALM* case upon which the Court *En Banc* hinged its ruling should be applied prospectively and not retroactively to his prejudice who relied on the previous ruling and interpretation[5] of the Supreme Court to the effect that the CTA has legal competence to rule on tax controversies between and among government entities.

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[1] *Tala Realty Services Corp. vs. Banco Filipino Savings and Mortgage Bank,* G.R. No. 132051, June 25, 2001.
[2] *Rollo,* pp. 174-188.
[3] G.R. No. 198146, August 8, 2017.
[4] *Rollo,* pp. 212-226. The CIR erroneously dated his Motion for Reconsideration as October 18, 2017.
[5] *Commissioner of Internal Revenue vs. Secretary of Justice and Philippine Amusement and Gaming Corporation,* G.R. No. 177387, November 9, 2016.

The CIR also believes that the *PSALM* doctrine arose from a mere *obiter dictum* in the *PNOC* case, declaring that if the controversy is between and among government offices, agencies, instrumentalities, and government owned and controlled corporation (GOCC) and does not involve a private person, PD. No. 242 prevails over Republic Act (R.A.) No. 1125. Such ruling, says the CIR, is not only violative of R.A. No. 1125 and R.A. No. 8424 but also contrary to the summation of rulings in the *PNOC* case.

Citing several provisions of the Tax Code and foreseeing possible chaos in the implementation of the impugned principle, the CIR strongly insists that the CTA has exclusive and undiminished appellate jurisdiction over adverse decision in disputed assessments, such as the instant case.

Siding with the Court,[6] PSALM counters that since the dispute in this case is solely between two (2) government entities, namely, PSALM and the BIR, the legal competence to dispose the matters raised therein is vested in the Secretary of Justice and not in the CTA.[7] Further, P.D. No. 242 does not subvert justice, but is an efficient tool for speedy resolution of disputes between government entities. In addition, the CIR has no vested right which may be impaired should the *PSALM* doctrine be retroactively applied. Moreover, the factual circumstances between the present controversy and that of the *PSALM* case are alike, justifying similar treatment on the two (2) cases.

THE RULING OF THE COURT

We deny the instant Motion.

Indeed, the principle of *stare decisis* tells us that absent any powerful countervailing considerations, like cases ought to be decided alike.[8] Under the doctrine, when the Supreme Court has once laid down a principle of law as

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[6] PSALM's Comment/Opposition (on CIR's Motion for Reconsideration dated October 19, 2018), *rollo,* unpaged.
[7] PSALM invokes the case of *PSALM vs. Commissioner of Internal Revenue,* G.R. No. 198146, August 8, 2017.
[8] *Commissioner of Internal Revenue vs. St. Luke's Medical Center, Inc.,* G.R. No. 203514, February 13, 2017.

applicable to a certain state of facts, it will adhere to that principle, and apply it to all future cases, where facts are substantially the same; regardless of whether the parties and property are the same.[9] Thus, where the same questions relating to the same event have been put forward by the parties similarly situated as in a previous case litigated and decided by a competent court, the rule of *stare decisis* is a bar to any attempt to relitigate the same issue.[10]

In the *PSALM* case,[11] which essentially involves the same issues and parties in the case at bench, the Supreme Court *En Banc* categorically declared that pursuant to Sections 2 and 3 of P.D. No. 242, jurisdiction over tax controversies solely between the government and a government-owned and controlled corporation lies with the Secretary of Justice and not with this Court.

The same principle was reiterated in the more recent case of *Commissioner of Internal Revenue vs. Department of Justice, et al.,*[12] where the High Tribunal declared that tax disputes solely between government entities must be settled before the Secretary of Justice and not with the CTA.

Consistent with the above jurisprudential teachings, since the tax dispute arose between the Bureau of Internal Revenue, a government bureau, and PSALM, a GOCC, the jurisdiction to adjudicate the present case is lodged with the Secretary of Justice and not with the Court, for which reason the dismissal of the consolidated petitions for review by the CIR and PSALM is in order.[13]

It must always be recalled that there is only one Supreme Court from whose decision all other courts should take their bearings.[14]

WHEREFORE, the *Motion for Reconsideration* (Re: Decision promulgated 1 October 2018) filed on October 19,

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[9] *Ty vs. Banco Filipino Savings and Mortgage Bank,* G.R. No. 188302, June 27, 2012.
[10] *Rep. Umali vs. The Judicial and Bar Council,* G.R. No. 228628, July 25, 2017.
[11] G.R. No. 198146, August 8, 2017.
[12] G.R. No. 209289, July 9, 2018.
[13] Pages 9-13 of the assailed Decision.
[14] *Ysasi vs.Hon. Jose F. Fernandez,* G.R. No. L-28593, December 16, 1968.

2018 by the Commissioner of Internal Revenue is **DENIED**, for lack of merit.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We Concur:

(Inhibited)
ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

(I maintain my Dissenting Opinion)
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice