REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

FELICIANO T. BALIGOD, *Petitioner,*	**CTA CASE NO. 11090**
	Members:
- versus -	**REYES-FAJARDO,** *Chairperson, and* **ANGELES,** *JJ.*
BUREAU OF INTERNAL REVENUE, *Respondent.*	Promulgated: MAR 02 2026 3:56 p.m.

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DECISION

ANGELES, J.:

Before this Court is the *Petition for Review (with Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Mandatory Injunction)*[1] filed by petitioner Feliciano T. Baligod on February 27, 2023, following his receipt of correspondence from the banks regarding the enforcement of the Warrants of Garnishment (WOGs) dated January 06, 2023. The WOGs were issued to satisfy the total assessed deficiency of ₱33,427,222.17. In the same *Petition*, petitioner seeks the nullity of the corresponding assessments, covering the alleged deficiency Income Tax, value-added tax (VAT), Expanded Withholding Tax (EWT), and administrative penalties for the taxable year (TY) 2017, in the aggregate amount of ₱28,454,671.78, inclusive of interests.

THE PARTIES

Petitioner Feliciano T. Baligod is a Filipino citizen, married, with business address at 274 McArthur Highway, Maligaya, Tarlac City, where he may be served with processes of this Court.[2]

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[1] Docket – Vol. I, pp. 8 to 25.
[2] *Id.* at 9, par. 1.

Respondent is the duly appointed Commissioner of Internal Revenue (CIR), who is charged with the assessment and collection of all national internal revenue taxes, fees, and charges, as well as the enforcement of all forfeitures, penalties, and fines connected therewith. Respondent holds office at the Bureau of Internal Revenue (BIR) National Office Building, BIR Road, Diliman, Quezon City, where he may be served with summons, legal processes, orders, and resolutions of this Court through the Litigation Division at Room 703.[3]

THE FACTS

Respondent issued a Letter of Authority (LOA) dated January 03, 2019, bearing Serial No. eLA201600027693 under LOA-17A-2018-00000304,[4] covering TY 2017.[5]

Subsequently, respondent issued a Notice of Informal Conference (NIC) dated March 04, 2020,[6] which preliminary found petitioner liable for income tax, VAT, and EWT, including applicable surcharges, interests, and penalties, in the total amount of ₱28,275,158.34.[7]

Thereafter, respondent issued a Preliminary Assessment Notice (PAN) dated September 25, 2020,[8] assessing petitioner for income tax, VAT, EWT, and administrative fines and penalties, amounting to ₱26,746,996.19, inclusive of interests.[9]

Petitioner then received the Formal Letter of Demand (FLD) and Final Assessment Notices (FANs), all dated December 07, 2020,[10] finding him liable for income tax, VAT, EWT, and administrative penalties, including interests, in the aggregate amount of ₱27,219,124.30.[11]

In reply, petitioner submitted a Letter dated February 02, 2021,[12] addressed to then Regional Director Edgar B. Tolentino, explaining that he was duly enrolled in the BIR e-filing system for TY 2017, and that he had timely and correctly paid all taxes, and filed the

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3 Docket – Vol. I, *Respondent's Pre-Trial* Brief, Part II., p. 467.
4 Exhibit "R-1."
5 Docket – Vol. I, p. 9, par. 4.
6 Exhibits "P-2;" and "R-2."
7 Docket – Vol. I, pp. 9 to 10, par. 5.
8 Exhibits "P-3;" and "R-4."
9 Docket – Vol. I, p. 10, par. 6.
10 Exhibit "R-5."
11 Docket – Vol. I, p. 10, par. 7.
12 Exhibit "P-5."

corresponding supporting documents. Attached to the said Letter were the supporting documents downloaded from the BIR's Electronic Filing and Payment System.[13]

On July 12, 2021, petitioner received the Final Decision on Disputed Assessment (FDDA) dated June 08, 2021,[14] issued by Regional Director Joseph M. Catapia, holding petitioner liable for income tax, VAT, EWT, and administrative penalties, in the total amount of ₱28,454,671.78, inclusive of interests.[15]

Petitioner thereafter filed a Motion for Reconsideration/Reinvestigation dated July 27, 2021[16] before the then Commissioner Caesar R. Dulay.[17]

On November 25, 2021, petitioner received the Warrant of Distraint and/or Levy (WDL) dated November 23, 2021.[18]

On January 06, 2023, respondent issued several WOGs[19] to enforce the collection of the total assessed deficiency amounting to ₱33,427,222.17, consisting of deficiency income tax, VAT, EWT, administrative fines and penalties, and interests.

Having been informed of the garnishments, petitioner requested formal confirmations from the banks regarding the actions taken by the respondent. In compliance, the Landbank of the Philippines and Bank of Commerce issued a Letter[20] and a Certification[21] on January 27, and February 03, 2023, respectively, attesting to the garnishment of petitioner's account/s.[22]

PROCEEDINGS BEFORE THIS COURT

On February 27, 2023, petitioner filed the instant *Petition for Review (with Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Mandatory Injunction)*,[23] praying that the Court declare the subject assessments null and void, and upon the filing thereof, issue a temporary restraining order and/or

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[13] Docket – Vol. I, p. 10, pars. 8 and 9.
[14] Exhibits "P-1;" and "R-7."
[15] Docket – Vol. I, p. 9, par. 3; pp. 10 to 11, par. 10.
[16] Exhibit "P-16."
[17] Docket – Vol. I, p. 11, par. 11.
[18] *Id.* at 11, par. 12; Exhibits "P-7;" and "R-10."
[19] *Id.* at 11 to 12, par. 15; Exhibit "R-11."
[20] Exhibit "P-20."
[21] Exhibit "P-21."
[22] Docket – Vol. I, p. 12, pars. 16 and 19.
[23] *Id.* at 8 to 25.

preliminary injunction enjoining the BIR from issuing or enforcing the WDL.[24]

In a Minute Resolution dated March 20, 2023,[25] the Court directed petitioner's counsel to submit: *(1)* proof of his updated payment of Integrated Bar of the Philippines dues and professional tax receipt for calendar year 2023; and *(2)* a compliant Attestation of the *Judicial Affidavit of Irish Khay J. Sayson-Balboa*, indicating the signature of the Notary Public, within ten (10) days from notice.

Subsequently, in a Notice of Hearing dated March 21, 2023,[26] the parties were informed of the hearing on the *Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction* scheduled on April 20, 2023.

On March 21, 2023, the Court issued summons,[27] directing respondent to file his Answer within thirty (30) days from receipt thereof. The Court later notified petitioner on April 20, 2023, that summons had been issued and served upon respondent and the Office of the Solicitor General on March 24, 2023.[28]

Meanwhile, petitioner filed, both electronically[29] and personally,[30] an *Ex-Parte Omnibus Motion (To: 1. Move Hearing Set on 20 April 2023 and 2. For Additional Time to File Compliance)*[31] on April 17 and 19, 2023, respectively.

In a Resolution dated April 20, 2023,[32] the Court granted the *Ex-Parte Omnibus Motion*, resetting the hearing on the *Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction* to April 27, 2023, and giving petitioner a non-extendible period of ten (10) days, or until May 03, 2023, within which to comply with the earlier Minute Resolution dated March 20, 2023.[33]

On April 20, 2023, respondent filed a *Motion for Extension of Time to File Answer*.[34]

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24 *Id.* at 25.
25 *Id.* at 298.
26 *Id.* at 301.
27 *Id.* at 304.
28 *Id.* at 318.
29 *Id.* at 305.
30 *Id.* at 309.
31 *Id.* at 306 to 308; 309 to 311.
32 *Id.* at 321.
33 *Id.* at 298.
34 *Id.* at 312 to 315.

The hearing proceeded as scheduled on April 27, 2023,[35] during which petitioner personally testified through his Judicial Affidavit dated February 22, 2023.[36] During the same proceedings, the Court: *(1)* directed respondent to file a Comment on petitioner's *Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction*; *(2)* directed petitioner to file a Formal Offer of Evidence within five (5) days, and granted respondent five (5) days thereafter to file a Comment; *(3)* granted respondent's *Motion for Extension of Time to File Answer*; *(4)* set the case for Commissioner's Hearing; *(5)* upon manifestation that no compromise was possible, ordered that the case no longer be referred to the Philippine Mediation Center – Court of Tax Appeals, and instead set it for Pre-Trial Conference on July 26, 2023; and *(6)* required both parties to file their respective Pre-Trial Briefs five (5) days prior to the scheduled Pre-Trial Conference.[37]

Petitioner filed his *Compliance*[38] electronically[39] and personally[40] on May 02 and 03, 2023, respectively, and, on May 03, 2023, also filed a *Motion to Schedule Another Commissioner's Hearing and for Extension of Time to File Formal Offer of Exhibits.*[41]

Respondent filed a *Comment and Manifestation (on Petitioner's Formal Offer of Evidence; and Petitioner's Petition for Review with Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Mandatory Injunction)*[42] on May 08, 2023.

In a Minute Resolution dated May 18, 2023,[43] the Court: *(1)* noted *(i)* petitioner's *Compliance,* and *(ii)* respondent's *Comment and Manifestation (on Petitioner's Formal Offer of Evidence; and Petitioner's Petition for Review with Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Mandatory Injunction)*; and *(2)* granted petitioner's *Motion to Schedule Another Commissioner's Hearing and for Extension of Time to File Formal Offer of Exhibits.*

Pursuant to Administrative Circular No. 01-2023 (Reorganizing the Division of the Court) dated May 23, 2023, the Court, in a

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35 *Id.*, Minutes of the Hearing held on April 27, 2023, pp. 322 to 324; Order dated April 27, 2023, pp. 341 to 342.
36 *Id.* at 283 to 291; Exhibit "P-23."
37 *Id.*, Minutes of the Hearing held on April 27, 2023, pp. 322 to 324; Order dated April 27, 2023, pp. 341 to 342.
38 *Id.* at 344 to 351; 352 to 359.
39 *Id.* at 343.
40 *Id.* at 352.
41 *Id.* at 360 to 362.
42 *Id.* at 363 to 372.
43 *Id.* at 376 to 377.

Resolution dated May 31, 2023,[44] informed the parties of the transfer of the case to the Third Division.

On May 23, 2023, petitioner filed his *Formal Offer of Exhibits (In Support of Prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction)*,[45] while respondent filed his *Answer (to Petitioner's Petition for Review dated 21 February 2023)*.[46] On May 24, 2023, respondent filed a *Comment (on Petitioner's Formal Offer of Evidence)*.[47]

In a Resolution dated May 26, 2023,[48] the Court resolved to: *(1)* note petitioner's *Formal Offer of Exhibits (In Support of Prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction)* and respondent's *Comment* thereto; *(2)* note respondent's *Answer*; and *(3)* submit petitioner's *Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction* for resolution.

On July 05, 2023, the Court resolved petitioner's *Formal Offer of Exhibits (In Support of Prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction)*, and denied the *Urgent Prayer for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction* for lack of merit.[49]

On July 21, 2023, respondent filed his *Compliance*,[50] transmitting the complete BIR records, and his *Pre-Trial Brief*,[51] with the *Offer of Testimonies*[52] and *Judicial Affidavits*[53] *of Revenue Officers Mark Kevin C. Cunanan* and *Mary Joy M. Lafuente*, which were noted by the Court in its Minute Resolution dated July 25, 2023.[54] Petitioner likewise filed his *Pre-Trial Brief*,[55] which was noted on July 26, 2023.[56]

On July 25, 2023, petitioner filed a *Motion for Reconsideration (Re: Resolution dated 5 July 2023)*.[57]

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[44] *Id.* at 381.
[45] *Id.* at 382 to 389.
[46] *Id.* at 427 to 442.
[47] *Id.* at 444 to 446.
[48] *Id.* at 448.
[49] *Id.* at 455 to 462.
[50] *Id.* at 463 to 465.
[51] *Id.* at 467 to 470.
[52] *Id.* at 473 to 475; 484 to 487.
[53] *Id.* at 476 to 483; 488 to 493.
[54] *Id.* at 494.
[55] *Id.* at 495 to 504.
[56] Docket – Vol. II, p. 516.
[57] *Id.* at 506 to 510.

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On July 26, 2023, the scheduled Pre-Trial Conference[58] was held. Petitioner's counsel manifested that Mr. Baligod could not attend due to inclement weather and the absence of a Special Power of Attorney authorizing representation. Accordingly, the Court reset the Pre-Trial Conference to August 08, 2023, noted petitioner's *Motion for Reconsideration (Re: Resolution dated 5 July 2023)*, and directed respondent to file a Comment thereon.

Respondent filed his *Comment and Opposition (to Petitioner's Motion for Reconsideration [re: resolution dated 05 July 2023])*[59] on July 28, 2023, which was noted in a Minute Resolution dated August 07, 2023,[60] thereby submitting the said *Motion for Reconsideration* for resolution.

The Pre-Trial Conference was subsequently conducted, during which the parties agreed that all Court notices and other important matters shall be furnished through their respective counsels *via* electronic mail, which shall be binding upon them.[61]

On September 18, 2023, the Court resolved that the parties were deemed to have waived the filing of their Joint Stipulation of Facts and Issues (JSFI), in view of the Records Verification Report dated September 11, 2023, issued by the Judicial Records Division (JRD), stating that no JSFI had been filed.[62]

In a Resolution on October 12, 2023,[63] the Court denied petitioner's *Motion for Reconsideration (Re: Resolution dated 5 July 2023)* for lack of merit.

The *Pre-Trial Order*[64] was then issued on October 25, 2023.

Trial then ensued, with petitioner presenting as witnesses himself,[65] and Ms. Irish Khay Sayson-Balboa[66] (Ms. Sayson-Balboa), his internal accountant.

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[58] *Id.*, Minutes of the Hearing held on July 26, 2023, p. 511; Order dated July 26, 2023, pp. 514 to 515.
[59] *Id.* at 517 to 523.
[60] *Id.* at 525.
[61] *Id.*, Minutes of the Hearing held on August 08, 2023, p. 526; Order dated August 08, 2023, pp. 530 to 531.
[62] *Id.* at 534 to 535.
[63] *Id.* at 543 to 546.
[64] *Id.* at 549 to 555.
[65] Docket – Vol. I, pp. 283 to 291; Exhibit "P-23;" Docket – Vol. II, Minutes of the Hearing held on October 26, 2023, p. 556; Order dated October 26, 2023, pp. 560 to 561.
[66] Docket – Vol. I, pp. 291 to 297; Exhibit "P-24;" Docket – Vol. II, Minutes of the Hearing held on January 24, 2024, p. 562; Order dated January 24, 2024, pp. 563 to 564.

On February 02, 2024, petitioner submitted[67] a duly notarized Medical Certificate for Ms. Sayson-Balboa, which prevented her attendance at her first scheduled presentation. The Court noted the *Compliance*[68] in its Minute Resolution dated February 13, 2024.[69]

Petitioner filed his *Formal Offer of Documentary Exhibits*[70] on February 02, 2024, while respondent filed his comment[71] thereto on February 06, 2024, which was noted in the Court's Minute Resolution dated February 13, 2024.[72]

In its Resolution dated May 15, 2024,[73] the Court admitted petitioner's documentary exhibits, except Exhibits "P-4," "P-7," "P-8-j," "P-10," "P-14," "P-15-j," "P-18," "P-19," and "P-22," and noted discrepancies in the descriptions of Exhibits "P-3," and "P-5."

Respondent thereafter presented[74] and offered[75] the testimonies of Revenue Officers Mark Kevin C. Cunanan[76] and Mary Joy M. Lafuente.[77] After petitioner filed his comment[78] on *Respondent's Formal Offer of Evidence*,[79] the Court, in a Resolution dated September 26, 2024,[80] admitted all of respondent's documentary exhibits, and directed both parties to file their respective memoranda within thirty (30) days from notice.

Respondent filed his *Memorandum*,[81] personally[82] and electronically,[83] on October 28, and 29, 2024, respectively, which was noted by the Court in a Minute Resolution dated November 11, 2024.[84]

Petitioner, on the other hand, personally filed his *Memorandum*[85] on November 04, 2024. However, in a Minute Resolution dated November 15, 2024,[86] the Court noted the Records

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67 Docket – Vol. II, pp. 565 to 567.
68 *Ibid.*
69 *Id.* at 612.
70 *Id.* at 568 to 574.
71 *Id.* at 607 to 610.
72 *Id.* at 612.
73 *Id.* at 615 to 616.
74 *Id.*, Minutes of the Hearing held on May 21, 2024, p. 617; Order dated May 21, 2024, pp. 618 to 618-A.
75 *Id.* at 619 to 628.
76 Docket – Vol. I, pp. 476 to 483; Exhibit "R-13."
77 *Id.*, at 488 to 493; Exhibit "R-14."
78 Docket – Vol. II, pp. 630 to 632.
79 *Id.* at 619 to 628.
80 *Id.* at 636 to 637.
81 *Id.* at 639 to 658.
82 *Id.* at 639.
83 *Id.* at 638.
84 *Id.* at 661.
85 *Id.* at 662 to 669.
86 *Id.* at 673.

Verification Report dated November 08, 2024,[87] reflecting petitioner's failure to electronically file his memorandum, and directed him to do so within twenty-four (24) hours from notice. Petitioner failed to comply, as reflected in the Records Verification Report dated November 20, 2024.[88]

Accordingly, on February 28, 2025, the Court issued a Resolution,[89] deeming petitioner's *Memorandum* as not filed, expunging it from the records, and submitting the case for decision. Petitioner filed a *Motion for Reconsideration*[90] of the said Resolution on March 11, 2025.

In a Resolution dated May 30, 2025,[91] the Court noted the Records Verification Report dated March 17, 2025,[92] stating that petitioner likewise failed to electronically file his *Motion for Reconsideration*. Consequently, the Court directed petitioner to: *(1)* electronically file the *Motion for Reconsideration*; *(2)* submit proof of electronic transmission of his *Memorandum*, or, if the same was not transmitted to the proper official e-mail addresses of the JRD, petitioner was afforded a final opportunity to electronically submit the same. The Resolution was served upon the parties *via* electronic mail on June 03, 2025.

Before proceeding with the disposition of the main case, the Court first resolves petitioner's ***Motion for Reconsideration***[93] of the Resolution dated February 28, 2025,[94] which deemed his *Memorandum*[95] as not filed.

Records show that petitioner electronically filed his *Memorandum*[96] on June 03, 2025,[97] and his *Motion for Reconsideration*[98] and July 09, 2025.[99] While the electronic submission of the *Memorandum* was timely, the *Motion for Reconsideration* was clearly filed belatedly.

Nevertheless, in the interest of substantial justice, the Court finds that petitioner's belated electronic filing of his *Motion for*

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[87] *Id.* at 670.
[88] *Id.* at 675.
[89] *Id.* at 678 to 679.
[90] *Id.*, unpaginated.
[91] *Id.*, unpaginated.
[92] *Id.*, unpaginated.
[93] *Id.*, unpaginated.
[94] *Id.* at 678 to 679.
[95] *Id.* at 662 to 669.
[96] *Id.* at 639 to 658.
[97] *Id.*, unpaginated.
[98] *Id.*, unpaginated.
[99] *Id.*, unpaginated.

Reconsideration on July 09, 2025 shall be deemed substantial compliance with CTA *En Banc* Resolution Nos. 8-2024 and 1-2025.

Accordingly, petitioner's *Motion for Reconsideration* dated March 10, 2025,[100] personally and electronically filed on March 10, and July 09, 2025, respectively, is **GRANTED**. Therefore, the previously expunged *Memorandum* dated October 31, 2024,[101] personally filed on November 04, 2024, and electronically transmitted on June 03, 2025, is **ADMITTED**, and shall form part of the records of this case.

The Court now proceeds to the adjudication of the main case.

ISSUES BEFORE THE COURT

The issues submitted for the Court's resolution are as follows:

(1) WHETHER THE COURT HAS JURISDICTION OVER THE INSTANT CASE; and

(2) WHETHER PETITIONER IS LIABLE TO PAY THE ASSESSED DEFICIENCY TAXES, PLUS SURCHARGE, INTEREST AND PENALTIES, FOR TAXABLE YEAR 2017 IN THE AGGREGATE AMOUNT OF [₱]33,427,222.17.[102]

ARGUMENTS OF THE PARTIES

Petitioner's arguments

First, petitioner argues that the tax deficiency assessments issued by the BIR should be declared null and void on the following grounds: *(1)* petitioner timely reported and duly paid the correct taxes; *(2)* the alleged deficiencies in income tax, VAT, and EWT are entirely devoid of factual basis; *(3)* petitioner submitted all relevant supporting documents to both the Revenue District Office and the Regional Director; and *(4)* that the Revenue District Office and the Regional Director completely ignored the documents so submitted.

Second, petitioner asserts that the BIR's wholesale disregard of the evidence presented amounts to a denial of substantive due process.

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[100] *Id.*, unpaginated.
[101] *Id.* at 662 to 669.
[102] *Id.* at 530.

Respondent's counter-arguments

First, respondent, for his part, contends that this Court lacks jurisdiction over the present case, as the assessments have long become final, executory, and demandable, by reason of petitioner's failure to perfect a valid appeal.

Second, respondent further avers, without conceding the Court's jurisdiction, that the assessments and the subsequent collection are valid, and do not infringe upon petitioner's right to due process. Petitioner's allegations are belied by the PAN, FLD/FANs, FDDA, all of which were duly served upon petitioner, and explicitly set forth the Details of Discrepancy, specifying both the factual and legal foundations of the assessments.

Finally, respondent, maintains that, on the foregoing grounds, petitioner is liable for the assessed deficiency taxes.

RULING OF THE COURT

The case must be dismissed for lack of jurisdiction.

It is hornbook doctrine that jurisdiction over the subject matter is fundamental for a court to act on given controversy. It is conferred by law, not by consent of the parties. To inquire into the existence of jurisdiction over the subject matter is the primary concern of a court, for thereon would depend the validity of its entire proceedings.[103]

As unequivocally expounded by the Supreme Court in *AT&T Communications Services Phils., Inc. v. Commissioner of Internal Revenue,*[104] jurisdiction over the nature of an action is a matter of substantive law. Where such jurisdiction is wanting, the Court is bereft of authority to proceed further. In such a situation, the Court's power is confined to a single course of action, to dismiss the case outright, without delving into the merits. Thus:

> At this juncture, it bears emphasis that jurisdiction over the subject matter or nature of an action is fundamental for a court to act on a given controversy, and is conferred only by law and not by the consent or waiver upon a court which, otherwise, would have no

[103] *Commissioner of Internal Revenue v. Villa*, G.R. No. L-23988, January 07, 1968 [Per J. Bengzon, J.P., *En Banc*].

[104] G.R. No. 185969, November 19, 2014 [Per J. Perez, First Division].

jurisdiction over the subject matter or nature of an action. Lack of jurisdiction of the court over an action or the subject matter of an action cannot be cured by the silence, acquiescence, or even by express consent of the parties. If the court has no jurisdiction over the nature of an action, its only jurisdiction is to dismiss the case. The court could not decide the case on the merits. (Citations omitted)

The case is cognizable under the Court's "other matters" jurisdiction.

Section 7(a)(1) and (2) of Republic Act (R.A.) No. 1125,[105] as amended by R.A. No. 9282[106] (R.A. No. 1125, as amended), vests the Court of Tax Appeals (CTA) with exclusive appellate jurisdiction to review, by appeal, decisions and inactions of the CIR involving disputed assessments, refunds, or other matters arising under the National Internal Revenue Code (NIRC), or other laws administered by the BIR. The statutory grant of authority is explicit, and provides, in relevant part:

"SEC. 7. *Jurisdiction.* – The CTA shall exercise:

(a) **Exclusive appellate jurisdiction to review by appeal**, as herein provided:

(1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, **or <u>other matters</u> arising under the National Internal Revenue Code** or other laws administered by the Bureau of Internal Revenue;

(2) Inaction by the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, **or <u>other matters</u> arising under the National Internal Revenue Code** or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period for action, in which case the inaction shall be deemed a denial;"

x x x

This jurisdictional mandate is faithfully reiterated in Section 3(a)(1), Rule 4 of the Revised Rules of the Court of Tax Appeals (RRCTA).[107]

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[105] An Act Creating the Court of Tax Appeals.
[106] An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), elevating its rank to the level of a Collegiate Court with Special Jurisdiction and enlarging its membership, Amending for the Purpose Certain Sections of Republic Act No. 1125, As Amended, otherwise known as the Law Creating the Court of Tax Appeals, and for other purposes.
[107] RRCTA, Rule 4, Section 3(a)(1) provides:

Complementing this grant is Section 11 of the same statute, which strictly prescribes the thirty (30)-day period within which judicial recourse must be invoked, as follows:

> "SEC. 11. *Who May Appeal; Mode of Appeal; Effect of Appeal.* – **Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue**, the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry or the Secretary of Agriculture or the Central Board of Assessment Appeals or the Regional Trial Courts **may file an appeal with the CTA within thirty (30) days <u>after the receipt of such decision or ruling</u>** or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein.
>
> **Appeal shall be made by filing a petition for review** under a procedure analogous to that provided for under Rule 42 of the 1997 Rules of Civil Procedure with the CTA **within thirty (30) days <u>from the receipt of the decision or ruling</u>** or in the case of inaction as herein provided, from the expiration of the period fixed by law to act thereon. x x x (Emphases and underscoring supplied)

In the same vein, this statutory directive finds reiteration in Section 3(a), Rule 8 of the RRCTA.[108]

Thus, for the Court in Division to validly acquire jurisdiction, it is imperative that the action not only involve a subject matter expressly conferred by law, but also that the petition be seasonably filed within the reglementary period prescribed by statute. Jurisdiction over the subject matter and timely invocation thereof are both indispensable.

SEC. 3. *Cases within the jurisdiction of the Court in Division.* — The Court in Division shall exercise:

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

(1) Decision of the Commissioner of Internal Revenue in cases involving disputed assessments, refund of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue; x x x

[108] RRCTA, Rule 8, Section 3(a) provides:

SEC. 3. *Who may appeal; period to file petition.* —

(a) A party adversely affected by a decision, ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments or claims for refund of internal revenue taxes, or by a decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade and Industry, the Secretary of Agriculture, or a Regional Trial Court in the exercise of its original jurisdiction may appeal to the Court by petition for review filed within thirty days after receipt of a copy of such decision or ruling, or expiration of the period fixed by law for the Commissioner of Internal Revenue to act on the disputed assessments. In case of inaction of the Commissioner of Internal Revenue on claims for refund of internal revenue taxes erroneously or illegally collected, the taxpayer must file a petition for review within the two-year period prescribed by law from payment or collection of the taxes. *(n)*

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It is likewise clear from the aforementioned provisions that the appellate jurisdiction of this Court is not confined solely to cases involving the CIR's decisions on assessments or refund claims. Rather, the grant of jurisdiction likewise extends to **other matters** arising under the NIRC, or other laws administered by the BIR.

Verily, in *Philippine Journalists, Inc. vs. Commissioner of Internal Revenue*,[109] the Supreme Court recognized that this Court possesses jurisdiction to examine and determine the validity of a WDL. Accordingly:

> The appellate jurisdiction of the CTA is not limited to cases which involve decisions of the Commissioner of Internal Revenue on matters relating to assessments or refunds. **The second part of the provision covers other cases that arise out of the NIRC or related laws administered by the Bureau of Internal Revenue.** The wording of the provision is clear and simple. **<u>It gives the CTA the jurisdiction to determine if the warrant of distraint and levy issued by the BIR is valid</u>** and to rule if the Waiver of Statute of Limitations was validly effected.
>
> This is not the first case where the CTA validly ruled on issues that did not relate directly to a disputed assessment or a claim for refund. **In *Pantoja v. David*, <u>we upheld the jurisdiction of the CTA to act on a petition to invalidate and annul the distraint orders of the Commissioner of Internal Revenue.</u>** Also, in *Commissioner of Internal Revenue v. Court of Appeals*, the decision of the CTA declaring several waivers executed by the taxpayer as null and void, thus invalidating the assessments issued by the BIR, was upheld by this Court. (Emphases and underscoring supplied; citations omitted)

The adjudication of the validity of a WDL clearly falls within the ambit of the CTA's "other matters" jurisdiction, a principle reaffirmed in the recent case of *Commissioner of Internal Revenue v. Pacific Hub Corp.*,[110] *viz.*:

> The CTA's "other matters" jurisdiction in relation to the CIR is enshrined in Section 7 (a) (1) of Republic Act No. 1125, as amended by Republic Act No. 9282:
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> > SEC. 7. Jurisdiction. — The CTA shall exercise:
> >
> > (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
> >
> > (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges,

[109] G.R. No. 162852, December 16, 2004 [Per J. Ynares-Santiago, First Division].
[110] G.R. No. 252944, November 27, 2024 [Per J. Dimaampao, Third Division].

> penalties in relation thereto, or **other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue[.]** (Emphasis supplied)

In *Commissioner of Internal Revenue v. Hambrecht & Quist Philippines, Inc.*, the Court had occasion to elucidate that the term "other matters" is virtually unbridled save for the qualifying phrase that immediately follows:

> Plainly, the assailed CTA *En Banc* Decision was correct in declaring that there was nothing in the foregoing provision upon which petitioner's theory with regard to the parameters of the term "other matters" can be supported or even deduced. **What is rather clearly apparent, however, is that the term "other matters" is limited only by the qualifying phrase that follows it.**
>
> Thus, on the strength of such observation, we have previously ruled that the appellate jurisdiction of the CTA is not limited to cases which involve decisions of the CIR on matters relating to assessments or refunds. **The second part of the provision covers other cases that arise out of the <u>National Internal Revenue Code (NIRC)</u> or related laws administered by the Bureau of Internal Revenue (BIR).** (Emphasis supplied, citation omitted)

Indeed, a plain reading of the provision yields the inevitable conclusion that **the CTA has the power to review not only matters arising or incidental to tax assessments or refunds, but also to any case arising from the application of the provisions of the Tax Code or other tax laws that are administered by the BIR. In fact, <u>the Court has affirmed the CTA's "other matters" jurisdiction over cases involving</u>:** (a) the determination of whether the right of the CIR to collect the validly assessed tax has prescribed; **(b) <u>cases seeking the cancellation and withdrawal of a warrant of distraint and/or levy</u>;** (c) cases seeking a determination of the validity of waivers of the statute of limitations as well as the proper availment of tax amnesty; and (d) cases on the proper exercise of the CIR's power to compromise delinquent accounts and to grant an informer's reward. (Emphases and underscoring supplied; citations omitted)

While the foregoing authorities pertain to a WDL, the same principles apply with equal force to a WOG. Similar to a WDL, a WOG constitutes a matter arising under the NIRC, given that garnishment is likewise a summary administrative remedy expressly provided for the enforcement of tax collection under Section 208 of the NIRC of 1997, as amended, which states:

> "SEC. 208. *Procedure for Distraint and Garnishment.* – x x x
>
> **Bank accounts shall be garnished by serving a warrant of garnishment upon the taxpayer and upon the president, manager, treasurer or other responsible officer of the bank.** Upon receipt of the warrant of garnishment, the bank shall turn over to the Commissioner so much of the bank accounts as may be sufficient to satisfy the claim of the Government." (Emphasis supplied)

Consequently, the BIR's issuance of WOGs, being an "other matter" governed by the NIRC, squarely falls within the appellate reach of this Court, and may be judicially examined for validity and propriety.

Bank letters or certifications do not constitute "other matters" under R.A. No. 1125, as amended, appealable to the CTA.

It bears emphasizing at the outset that correspondence from banks, whether in the form of letters or certifications, do not fall within the ambit of "other matters" contemplated under R.A. No. 1125, as amended, and is therefore not appealable to this Court.

For clarity, the following factual antecedents, as established by the records, led to the filing of the instant *Petition for Review*:

Date	Incident
January 03, 2019	The LOA[111] was issued.
March 04, 2020	The NIC[112] was issued.
September 25, 2020	The PAN[113] was issued.
January 06, 2021	Petitioner received the FLD/FANs dated December 07, 2020.[114]
February 02, 2020	In reply to the FLD/FANs, petitioner sent a Letter to the Regional Director.[115]
July 12, 2021	Petitioner received the FDDA dated June 08, 2021.[116]
July 27, 2021	Petitioner filed a *Motion for Reconsideration/Reinvestigation*[117] before then Commissioner Dulay.

[111] Exhibit "R-1."
[112] Exhibits "P-2;" and "R-2."
[113] Exhibits "P-3;" and "R-4."
[114] Exhibit "R-5."
[115] Exhibit "P-5."
[116] Exhibits "P-1;" and "R-7."
[117] Exhibit "P-16."

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November 25, 2021	Petitioner received the WDL dated November 23, 2021.[118]
January 06, 2023	Respondent issued several **WOGs**,[119] which Revenue Officer Mary Joy M. Lafuente (RO Lafuente) testified were served *via* electronic mail upon the banks on **January 11, 2023**.[120]
No date indicated	Petitioner, having been informed of garnishments,[121] requested certifications from the banks concerning the same.[122]
January 27, 2023	The **Landbank** issued a **Letter**[123] notifying petitioner of the garnishment of his account.
February 03, 2023	The **Bank of Commerce** issued a **Certification**[124] informing petitioner that his accounts had been subjected to garnishment as of **January 17, 2023**.
February 27, 2023	Petitioner filed the present *Petition*,[125] asserting that respondent's acts constituted a denial of his pending *Motion for Reconsideration/Reinvestigation*.[126]

From the foregoing, it is apparent that petitioner contends that the collection measures undertaken by respondent may be deemed a denial of his pending *Motion for Reconsideration/Reinvestigation* filed with the then Commissioner. Consequently, petitioner maintains that he was left with no other legal recourse but to file the instant *Petition* before this Court. In this regard, petitioner reckons that the thirty (30)-day period for filing the *Petition* commenced upon receipt of the Letter or Certification from the banks. In effect, petitioner treats such correspondence as the operative final decision of respondent for purposes of appeal.

The Court is not persuaded.

The *(1)* **Landbank Letter dated January 27, 2023**,[127] and the *(2)* **Bank of Commerce Certification dated February 03, 2023**,[128] which merely informed petitioner of the garnishment of his account/s by the BIR, **cannot, by any legal measure, be regarded**

[118] Exhibits "P-7;" and "R-10."
[119] Exhibit "R-11."
[120] Docket – Vol. I, *Judicial Affidavit of Revenue Officer Mary Joy M. Lafuente* dated July 19, 2023, Answer to Question No. 19, p. 491.
[121] *Id.*, *Judicial Affidavit of Feliciano T. Baligod* dated February 22, 2023, Answers to Question Nos. 37 and 38, pp. 288 to 289.
[122] *Id.*, Answer to Question No. 39, p. 289.
[123] Exhibit "P-20."
[124] Exhibit "P-21."
[125] Docket – Vol. I, pp. 8 to 25.
[126] *Id.* at 12, par. 19.
[127] Exhibit "P-20."
[128] Exhibit "P-21."

as the final decision of the CIR. These communications do not constitute acts of the BIR; rather, they are merely ministerial confirmations issued by private banking institutions pursuant to the WOGs.

The proper and appealable subject remains the WOGs[129] themselves, and not the subsequent letters or certifications issued by the banks.

Under Section 208 of the NIRC of 1997, as amended, a WOG must be served upon **<u>both</u> the taxpayer <u>and</u> the responsible officer of the bank**. While the records do not disclose whether petitioner was furnished copies of the WOGs, this circumstance did not foreclose the availability of reasonable and timely recourse. Having been apprised that his bank accounts had been garnished,[130] petitioner could have secured copies of the WOGs directly from the BIR. Instead, he chose to request and await the banks' responses, and erroneously treated these communications as the operative jurisdictional triggers for appeal—a procedural misstep that is fatal to the Court's jurisdiction.

As established by the testimony of RO Lafuente,[131] and as reflected in the WOGs[132] themselves, service thereof upon the banks was effected on **January 11, 2023**, with the Bank of Commerce Certification[133] confirming that garnishment had already been implemented as of **January 17, 2023**. Regardless of when petitioner may have actually received notice from the banks, it is evident that he relied solely on the banks' Letter and Certification, rather than seeking the WOGs from the BIR, thereby failing to properly invoke this Court's appellate jurisdiction.

In fine, bank correspondence merely informing a taxpayer of the garnishment of his accounts does not partake of the nature of decisions or inaction of the CIR. Such correspondence is not rendered in the exercise of quasi-judicial authority, nor does it adjudicate or resolve any tax controversy. At most, it constitutes confirmation of the enforcement of a collection measure previously ordered by the BIR. Plainly, the appealable "other matter" contemplated under the NIRC is the WOG itself, and not the subsequent communications issued by third-party banks. Having failed to properly invoke jurisdiction, this Court is left with no recourse but to dismiss the case.

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[129] Exhibit "R-11."
[130] Docket – Vol. I, *Judicial Affidavit of Feliciano T. Baligod* dated February 22, 2023, Answers to Question Nos. 37 and 38, pp. 288 to 289.
[131] *Id., Judicial Affidavit of Revenue Officer Mary Joy M. Lafuente* dated July 19, 2023, Answer to Question No. 19, p. 491.
[132] Exhibit "R-11."
[133] Exhibit "P-21."

Time and again, the Supreme Court has held that the perfection of an appeal, being no more than a statutory privilege, and at once both mandatory and jurisdictional, must be accomplished strictly in the manner and within the period prescribed by law; failing which, the judgment sought to be reviewed attains finality and becomes executory. Thus:

> To stress, the right to appeal is merely statutory and one who seeks to avail of it must comply with the statute or rules. The requirements for perfecting an appeal within the reglementary period specified in the law must be strictly followed as they are considered indispensable interdictions against needless delays. Moreover, the perfection of an appeal in the manner and within the period set by law is not only mandatory but jurisdictional as well, hence failure to perfect the same renders the judgment final and executory. And, just as a losing party has the privilege to file an appeal within the prescribed period, so also does the prevailing party has the correlative right to enjoy the finality of a decision in his favor. (Citations omitted)

This Court, as a tribunal of limited and special jurisdiction, may take cognizance only of cases clearly falling within the bounds of its statutory mandate. Jurisdiction not having been satisfied, the Court is divested of authority to proceed any further, much less to examine the merits of petitioner's claims.

WHEREFORE, in view of the foregoing, the *Petition for Review* is hereby **DISMISSED** for lack of jurisdiction.

SO ORDERED.

HENRY S. ANGELES
Associate Justice

I CONCUR:

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

ATTESTATION

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

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice
Chairperson

CERTIFICATION

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

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice