REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC
****

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- **versus** -

MIDLAND QC REALTY CORPORATION,
Respondent.

CTA EB No. 1463
(CTA Case No. 8711)

Present:

DEL ROSARIO, P.J.,
CASTAÑEDA, JR.,
UY,
FABON-VICTORINO,
MINDARO-GRULLA,
RINGPIS-LIBAN, and
MANAHAN, JJ.

Promulgated:

OCT 08 2018
3:59 p.m.

x - x

RESOLUTION

UY, *J*.:

For resolution is petitioner's **"MOTION FOR RECONSIDERATION"** filed on January 22, 2018, without respondent's comment thereto despite due notice, praying for the reversal and setting aside the Court *En Banc*'s Decision dated December 15, 2017, the dispositive portion of which reads as follows:

> "**WHEREFORE**, in light of the foregoing considerations, the instant *Petition for Review* is **DENIED** for lack of merit. Accordingly, the assailed Decision dated January 22, 2016 and Resolution dated May 11, 2016, both rendered by the Court in Division in CTA Case No. 8711 are **AFFIRMED**.
>
> **SO ORDERED**."

In the *Motion for Reconsideration*, petitioner avers that the deficiency income tax and value-added tax (VAT) assessments for the year 2007 are already final, executory, and demandable. Allegedly, there was no lack of due process in the issuance of assessment notices. The deficiency income tax and VAT assessments in the amounts of ₱5,857,888.41 and ₱2,396,723.88, respectively, for the year 2007 have factual basis; and that assuming that there was no Letter of Authority issued for the investigation of respondent's records, the government is not bound by the errors committed by its agents.

THE COURT *EN BANC*'S RULING

Petitioner's *Motion for Reconsideration* lacks merit.

A careful perusal of the said *Motion for Reconsideration* shows that except for the invocation of the principle that the government is not bound by the errors committed by its agents as regards the non-issuance of a Letter of Authority, the arguments raised therein are mere reiterations of matters which have already been considered, weighed, passed upon and exhaustively resolved by this Court in the assailed Decision. Hence, We shall no longer belabor, in this Resolution, to repeat the disquisitions made therein addressing the said arguments.

With regard to petitioner's invocation of the principle that the government is not bound by the errors committed by its agents as regards the non-issuance of a Letter of Authority for the investigation of the records of respondent, the same is untenable.

As a general rule, the government is not estopped from collecting taxes legally due because of mistakes or errors of its agents. But like other principles of law, this admits of exceptions in the interest of justice and fair play, as where injustice will result to the taxpayer.[1]

In this case, it would result to an injustice on the part of respondent if this Court *En Banc* would sustain the subject tax assessments, which were the outcome of an investigation conducted

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[1] *Commissioner of Internal Revenue vs. Court of Appeals, et al.*, G.R. No. 117982, February 6, 1997.

by the Bureau of Internal Revenue without valid authority.

Be that as it may, even granting that the said principle of non-estoppel may be applied in this case, the same is still of no consequence. This is so because the subject tax assessments are still void for lack of due process, and were even sufficiently refuted by respondent in the Court *a quo*, as the Court *En Banc* found in the assailed Decision.

WHEREFORE, in light of the foregoing considerations, petitioner's *Motion for Reconsideration* is **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

CIELITO N. MINDARO-GRULLA
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice