REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

UNIPROM, INC.,
Petitioner,

-*versus*-

COMMISSIONER OF INTERNAL REVENUE AND NATIONAL EVALUATION BOARD,
Respondents.

CTA Case No. 9858

Members:

DEL ROSARIO, *P.J., Chairperson,*
FABON-VICTORINO, *and*
MANAHAN, *JJ.*

Promulgated:

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RESOLUTION

On October 30, 2019, the parties filed their *Joint Manifestation of Compliance with Motion to Terminate Proceedings*. The parties state that on October 8, 2019, the Collection Division of Revenue Region No. 7A issued a Notice of Issuance of Authority to Cancel Assessment (NIATCA). Considering this, the parties pray that the case be terminated with prejudice. Further, petitioner prays for the release of its surety bond and for the cancellation of the Warrant of Garnishment.

On November 14, 2019, the parties filed their *Supplement to the Joint Manifestation of Compliance with Motion to Terminate Proceedings Dated 29 October 2019*. The parties state that the previously submitted NIATCA failed to state the correct taxes paid. The first NIATCA submitted stated Php673,423.70 as taxes paid, whereas the Tax Amnesty Return (TAR) and the Acceptance Payment Form (APF) both show Php6,599,098.45, which is the amount actually paid. Thus, the parties submitted the original of the revised NIATCA stating the corrected amount.

The parties manifest that petitioner submitted the following to the BIR:

1. Tax Amnesty Return or BIR Form No. 2118-DA (TAR) dated 9 July 2019 in the amount of Php6,599,098.45, completely and accurately accomplished and made under oath;

2. Acceptance Payment Form or BIR Form No. 0621-DA (APF) dated 9 July 2019 in the amount of Php6,599,098.45, duly endorsed by Revenue District Officer Deogracias T. Villar, Jr. and stamped "received" by Security Bank, the Authorized Agent Bank of Revenue District Office No. 40;

3. Security Bank BTR-BIR deposit slip dated 15 August 2019 in the amount of Php6,599,098.45;

4. Certificate of Tax Delinquencies/Tax Liabilities dated 28 June 2019; and

5. Formal Letter of Demand of the 2006 Assessments dated 21 November 2011.

Section 6 of Revenue Regulations No. (RR) 04-2019[1] mandates that the NIATCA be issued by the BIR to the taxpayer availing of the Tax Amnesty on Delinquencies within fifteen (15) calendar days from submission of the TAR and APF.

In the instant case, petitioner was already furnished the NIATCA dated October 8, 2019, which states:

> This is to inform you that the tax liabilities covered by the Tax Amnesty Return filed on July 10, 2019, for which a total of P6,599,098.45 tax amnesty payment have been made, have already been cancelled through the approved Authority to Cancel Assessment (ATCA), as follows:

Tax Liabilities Covered by Tax Amnesty					ATCA	
Taxable Year	Tax Types	Amount per FAN/FLD/FDDA	Amount paid	Amount Cancelled	Date	Number
2006	IT/VT	54,314,160.37	17,597,595.88	36,716,564.49	9/11/2019	00005268

[1] Implementing Rules and Regulations of Republic Act No. 11213, Otherwise Known as the "Tax Amnesty Act," Providing for the Guidelines on the Processing of Tax Amnesty Application on Tax Delinquencies, April 5, 2019.

> However, it is further informed that tax liabilities which are not covered by FAN/FLD/FDDA were not issued ATCA. For your information.

Section 4 of RR 04-2019 also states that for delinquent accounts with application for compromise settlement, whether denied or still pending, shall have a tax amnesty rate of 40% of the basic tax assessed. The payments made by petitioner and computation of the tax amnesty to be paid are shown below:

Deficiency Income Tax	Php	3,741,654.82		
Deficiency VAT		23,754,588.74		
Basic Tax per FLD/FAN			Php	27,496,243.56
Partial payment – income tax	Php	1,496,661.93		
Partial payment – VAT		9,501,835.50		
Basic Tax paid per Compromise settlement application				10,998,497.43
Net Basic Tax prior to effectivity of RR 04-19			Php	16,497,746.13
Multiply by Tax Amnesty Rate				40%
Amount of Tax Amnesty to be paid			Php	6,599,098.45

Based on this, the payments made by petitioner total Php17,597,595.88 (Php1,496,661.93 + 9,501,835.50 + 6,599,098.45), as reflected in the NIATCA summary.

Thus, considering that the instant case involves taxes subject of the application for tax amnesty, and which have already been cancelled pursuant to the issued NIATCA dated October 8, 2019, the parties' joint motion to terminate proceedings is granted.

A tax amnesty operates as a general pardon or intentional overlooking by the State of its authority to impose penalties on persons otherwise guilty of evasion or violation of a revenue or tax law. It is an absolute forgiveness or waiver by the government of its right to collect what is due and to give tax evaders who wish to relent a chance to start with a clean slate.[2]

WHEREFORE, the parties' *Joint Manifestation of Compliance with Motion to Terminate Proceedings* and *Supplement to the Joint Manifestation of Compliance with Motion to Terminate Proceedings Dated 29 October 2019* are **NOTED**.

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[2] *Commissioner of Internal Revenue v. Transfield Philippines, Inc.*, G.R. No. 211448, January 16, 2019.

Acting on the motion to terminate proceedings, the same is hereby **GRANTED**, in light of the issuance of the NIATCA, and cancellation of the deficiency tax assessments subject of the instant case. Accordingly, the instant case is **CLOSED AND TERMINATED**.

The resolution of petitioner's prayer to release its surety bond is held in abeyance pending entry of judgment in this case.

SO ORDERED.

ROMAN G. DEL ROSARIO
Presiding Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

CATHERINE T. MANAHAN
Associate Justice