REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

EN BANC

MD RIO VISTA AGRI-VENTURES, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB No. 2903
(CTA Case No. 11247)

Present:

RINGPIS-LIBAN, *P.J.*,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

Promulgated:
MAR 24 2026 3:50

x - x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court *En Banc*'s resolution is respondent Commissioner of Internal Revenue's (**CIR**'s/**respondent**'s) "Motion for Reconsideration (Re: Decision promulgated 2 September 2025)"[1] (**MR**) filed on 23 September 2025, with petitioner MD Rio Vista Agri-Ventures, Inc.'s (**MD Rio**'s/**petitioner**'s) "Comment/Opposition (to the [MR] dated 15 September 2025)" (**Comment**) filed on 06 October 2025.

Respondent seeks reconsideration of the Court *En Banc*'s Decision promulgated on 02 September 2025[2] (**assailed Decision**) in the above-

[1] *Rollo*, pp. 125-135.
[2] Id., pp. 87-105.

captioned case. The assailed Decision granted petitioner's *Petition for Review*.[3] The dispositive portion of which reads:[4]

> ...
>
> **WHEREFORE**, with the foregoing considered, the instant Petition for Review filed by petitioner MD Rio Vista Agri-Ventures, Inc. on 11 April 2024 is **GRANTED**. The Resolution dated 24 October 2023 and the Resolution dated 19 March 2024 of the Court of Tax Appeals Second Division in CTA Case No. 11247 are **REVERSED** and **SET ASIDE**. Thus, the case is **REMANDED** to the Second Division of this Court for the proper determination of the refundable or creditable amount due to petitioner MD Rio Vista Agri-Ventures, Inc., if any.
>
> **SO ORDERED.**
>
> ...

In support of the instant MR, respondent urges the Court *En Banc* to adopt the Dissenting Opinion (**DO**) of Associate Justice Catherine T. Manahan in which the latter ratiocinated that Republic Act (**RA**) No. 10963[5] or Tax Reform for Acceleration and Inclusion (**TRAIN**) merely shortened respondent's period to act on value-added tax (**VAT**) refund claims (from 120 days to ninety [90] days) and did not abolish the "deemed denial" rule under Section 112[6] of the National Internal Revenue Code (**NIRC**) of 1997, as amended. Consequently, according to the DO, the decision on the administrative claim (including a denial) must **not** only be **issued** but also **received** by the taxpayer within the same 90-day period. Otherwise, the claim is deemed denied and the 30-day period to appeal is reckoned from the lapse of the 90 days rather than from actual receipt.

Respondent further relies on *Citco International Support Services Limited-Philippine ROHQ (CITCO) v. Commissioner of Internal Revenue*[7], where this Court's Special First Division, citing Revenue

---

[3] Id., pp. 1-27.

[4] Id., p. 105; Emphasis in the original text.

[5] AN ACT AMENDING SECTIONS 5, 6, 24, 25, 27, 31, 32, 33, 34, 51, 52, 56, 57, 58, 74, 79, 84, 86, 90, 91, 97, 99, 100, 101, 106, 107, 108, 109, 110, 112, 114, 116, 127, 128, 129, 145, 148, 149, 151, 155, 171, 174, 175, 177, 178, 179, 180, 181, 182, 183, 186, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 232, 236, 237, 249, 254, 264, 269, AND 288; CREATING NEW SECTIONS 51-A, 148-A, 150-A, 150-B, 237-A, 264-A, 264-B, AND 265-A; AND REPEALING SECTIONS 35, 62, AND 89; ALL UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

[6] SEC. 112. *Refunds or Tax Credits of Input Tax.*

[7] CTA Case No. 10258, 05 October 2023.

Memorandum Circular (**RMC**) No. 17-2018,[8] held that any denial must be communicated in writing to the taxpayer within the 90-day period. On this basis, respondent again prays that the *Petition for Review* be dismissed for lack of jurisdiction and that the Court *En Banc* reverses its assailed Decision and reinstates the Second Division's dismissal.

In its Comment, petitioner counters that the instant MR must be denied for want of any cogent or substantial ground to reverse or modify the assailed Decision. Petitioner stresses that the Court *En Banc* granted the *Petition for Review* not because any statute amended or repealed the "inaction" provision, but precisely because the Court *En Banc* found no inaction in this case. According to petitioner, the Court *En Banc* expressly ruled that the doctrine of deemed denial does not apply and that the thirty (30)-day period for judicial recourse should be computed from petitioner's actual receipt of respondent's decision, and not from the expiration of the 90-day period under Section 112(C)[9] of the NIRC of 1997, as amended.

Petitioner further points out that respondent, despite knowing that he or she had already issued a denial dated 05 June 2023 (but received by petitioner only on 04 July 2023[10]) within the 90-day period, nonetheless invoked "failure to act" as a defense to bar petitioner's judicial claim. Allowing respondent to characterize a case as "inaction" even after a decision has in fact been issued but was belatedly mailed would, in petitioner's view, create an inequitable and dangerous precedent. It would empower respondent to defeat timely judicial recourse through his or her own delay in communicating a decision, to the prejudice of taxpayers legitimately seeking VAT refunds.

Petitioner thus maintains that there was no inaction to be deemed. The doctrine of deemed denial never attached and there was no separate "deadline to be anticipated" from the mere lapse of the 90-day window. The only operative trigger was petitioner's actual

---

8 Amending Revenue Memorandum Circular (RMC) No. 89-2017 and Certain Provisions of RMC No. 54-2014 Regarding the Processing of Claims for Issuance of Tax Refund/Tax Credit Certificate (TCC) in Relation to Amendments Made in the National Internal Revenue Code of 1997, as Amended by Republic Act No. 10963, Known as the Tax Reform for Acceleration and Inclusion (TRAIN).

9 SEC. 112. *Refunds or Tax Credits of Input Tax.* –

...

(C) *Period within which the Refund or Tax Credit of Input Taxes shall be Made.* –

10 Division Docket, pp. 84-85.

receipt of the categorical denial on 04 July 2023. Counting 30 days from that date, consistent with the TRAIN, petitioner's judicial claim was seasonably filed, and the Court *En Banc*'s assailed Decision ought to be sustained.

We resolve.

Incipiently, We observe that the present MR merely reasserts the same arguments already exhaustively addressed and passed upon by the Court *En Banc* in the assailed Decision.[11] Nevertheless, to finally lay the matter to rest, the Court *En Banc* elaborates further below.

Firstly, Section 112 of the NIRC of 1997, as amended by TRAIN, states that:

> ...
>
> **Sec. 112.** *Refunds or Tax Credits of Input Tax -*
>
> ...
>
> (C) *Period within which Refund of Input Taxes shall be Made.* — In proper cases, the Commissioner shall grant a refund for creditable input taxes within **ninety (90) days from the date of submission of the official receipts or invoices and other documents** in support of the application filed in accordance with Subsections (A) and (B) hereof: *Provided*, **That should the Commissioner find that the grant of refund is not proper, the Commissioner must *<u>state</u>* in writing the legal and factual basis for the denial.**
>
> In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals: *Provided, however*, That **failure on the part of any official, agent, or employee of the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.**[12]
>
> ...

[11] Supra at note 2, pp. 96-103.
[12] Emphasis and underscoring supplied, italics in the original text and supplied.

Verily, Sections 7 and 11 of the RA 9282[13] provide that when the CIR or his or her authorized representative fails to act within the **specific period prescribed by the NIRC of 1997, as amended, such inaction is deemed a denial of the taxpayer's claim, that is already appealable before the Court of Tax Appeals (CTA):**

> ...
>
> **SEC. 7.** *Jurisdiction.* - The CTA shall exercise:
>
> a. Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> ...
>
> 2. **Inaction by the Commissioner of Internal Revenue in cases involving** disputed assessments, **refunds of internal revenue taxes**, fees or other charges, penalties in relations thereto, or other matters 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 of <u>action</u>, in which case the inaction shall be deemed a denial**[.]
>
> ...
>
> **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** after the receipt of such decision or ruling 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** from the receipt of the decision or ruling or **in the case of inaction as herein provided, from the expiration of the period fixed by law to act thereon.** A Division of the CTA shall hear the appeal: *Provided, however,* That with respect to decisions or rulings of the Central Board of Assessment Appeals and the Regional Trial Court in the exercise of its appellate jurisdiction, appeal shall be made by filing a petition for review under a procedure analogous to that provided for under rule

---

[13] 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.

> 43 of the 1997 Rules of Civil Procedure with the CTA, which shall hear the case en banc.[14]
>
> ...

From the foregoing provisions and applying the canon of *verba legis*, it is clear that the specific act required to be performed within the 90-day period is for respondent to "**grant a refund**" or, if the refund is found improper, to "**state in writing the legal and factual basis for the denial**" of the refund claim. The statute says nothing about the taxpayer having to receive that written denial within the same period. Only if respondent fails to perform this act within the prescribed period does a situation of inaction arise that may trigger recourse based on inaction. In this case, however, it is undisputed that respondent did issue, and thereby **state in writing**, a full denial of petitioner's administrative claim well within the 90-day period. There was thus no inaction to speak of in the instant case.

Secondly, reiterating the pronouncement in *Commissioner of Internal Revenue v. Aichi Forging Company of Asia, Inc.*[15] (**Aichi**), as affirmed by the Supreme Court *En Banc* in the landmark case of *Commissioner of Internal Revenue v. San Roque Power Corp.*[16] (**SRPC**), the Supreme Court explained that Section 112(D) [now 112(C)] of the NIRC of 1997, as amended, contemplates only two (2) scenarios:

> ...
>
> The second paragraph of Section 112(D) of the NIRC envisions two scenarios: (1) **when a decision is <u>issued</u> by the CIR before the lapse of the 120-day period**; and (2) **when no decision is made after the 120-day period**. In both instances, the taxpayer has 30 days within which to file an appeal with the CTA. As we see it then, the 120-day period is crucial in filing an appeal with the CTA.
>
> ...

Applying these foregoing principles *mutatis mutandis* to post-TRAIN and to the facts at bar, respondent actually issued a categorical denial on 05 June 2023, squarely within the 90-day period ended on 29 June 2023. The present case therefore falls under the "**decision within the period**" scenario, not under "**no decision after the period**"

---

[14] Emphasis and underscoring supplied and italics in the original text.
[15] G.R. No. 184823, 06 October 2010; Emphasis and underscoring supplied.
[16] G.R. Nos. 187485, 196113 & 197156, 12 February 2013.

(or inaction). In such a case, the 30-day period for judicial appeal is properly reckoned from petitioner's receipt of the decision, consistent with *Aichi*.

It bears noting that in *SRPC*, the Supreme Court *En Banc* **first articulated** the 'whichever comes first' rule governing the two (2) scenarios under Section 112(D)[now 112(C)] of the NIRC of 1997, as amended,—namely, when a decision is issued within the 120-day [now 90-day] period and when no decision is issued after its lapse.

Lastly, respondent's insistence that he or she may still invoke "inaction" after issuing a denial within 90 days would produce the very confusion and unfairness the assailed Decision correctly sought to avoid. As petitioner correctly points out, taxpayers would be left in a procedural conundrum: (1) if they appeal after the 90 days on the assumption of inaction, but the CIR's undisclosed decision later turns out to be a grant, the judicial claim may be dismissed as moot or premature; (2) if they file on the last day of the supposed "inaction-based" 30-day period, without yet knowing the CIR's reasons and the decision later turns out to be a denial, their petition may be predicated on grounds inconsistent with the actual basis of denial; and (3) if they wait for the decision and count 30 days from actual receipt and receipt occurs after the 90-day period, the taxpayer risks having the claim dismissed as out of time under respondent's rigid and narrow theory.

In each scenario, the taxpayer is forced to guess the correct reckoning point, while the CIR retains the leeway to label the situation as "action" or "inaction" depending on which is more favorable. The Court *En Banc* cannot adopt a reading of the law that makes the path to judicial recourse a moving target dependent on the timing of the mailing of the administrative decision by the Bureau of Internal Revenue (**BIR**). By affirming, as it already has, that there was action within the 90-day period and that the 30-day appeal period must be counted from the taxpayer's actual receipt of the denial, the Court *En Banc* preserves two (2) fundamental imperatives: (1) the taxpayer's right to a clear and predictable avenue for judicial relief; and (2) the mandatory and jurisdictional nature of the 30-day period to appeal to the CTA.

Accordingly, after a judicious and thorough evaluation of the parties' arguments and the applicable law and jurisprudence, the Court *En Banc* finds no cogent reason to disturb the assailed Decision. The issues raised in respondent's MR have been fully and sufficiently addressed, and no substantial argument has been presented to warrant a reversal or modification of the assailed Decision. Thus, the Court *En Banc* finds it proper to uphold its prior ruling in all respects.

WHEREFORE, in view of the foregoing, respondent Commissioner of Internal Revenue's "Motion for Reconsideration (Re: Decision promulgated 2 September 2025)" filed on 23 September 2025, is hereby **DENIED** for lack of merit.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:

Ma. Belen M. Ringpis-Liban
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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

I reiterate my Concurring Opinion
LANEE S. CUI-DAVID
Associate Justice

I reiterate my vote in the assailed Decision
CORAZON G. FERRER-FLORES
Associate Justice

HENRY S. ANGELES
Associate Justice