REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

AG COUNSELORS CORPORATION, Petitioner,	**CTA CASE NO. 9329**
	Members:
-versus-	Castañeda, Jr., *Chairperson,* Mindaro-Grulla, and, Bacorro-Villena, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	**Promulgated:** OCT 25 2019 1:25 p.m.

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DECISION

CASTAÑEDA, JR., *J.:*

STATEMENT OF THE CASE

This is a claim for refund or issuance of tax credit certificate in the amount of ₱24,130,218.00, representing AG Counselors Corporation's unutilized/excess creditable withholding taxes for calendar year ending December 31, 2013.

THE FACTS

Petitioner AG Counselors Corporation is duly organized under Philippine laws, with principal office at the Tower One & Exchange

Plaza, Ayala Triangle, Ayala Avenue, Makati City.[1] It is engaged in the business of providing advisory, consultancy, assistance and other allied services relating to the organization and operation of any productive enterprise, venture, or project of any business, industry or person.[2]

It is also registered with the Bureau of Internal Revenue (BIR) under Certificate of Registration No. 9RC0000354486 and Tax Identification Number (TIN) 007-202-045-000.[3]

On the other hand, respondent is the duly appointed Commissioner of Internal Revenue (CIR) vested by law with the authority to, *inter alia,* act upon and approve claims for refund or tax credit, pursuant to the provisions of the National Internal Revenue Code (NIRC) of 1997, as amended, and other tax laws. He holds office at the 5th Floor, BIR National Office Building, BIR Road, Diliman, Quezon City.

In 2013, petitioner entered into various transactions with third parties that included, among others, the sale or provision of advisory, consultancy, assistance and other allied services. In making their payments, the third parties withheld a portion of the contract price as creditable withholding taxes (CWT) and remitted the same to the BIR.[4]

On April 10, 2014, petitioner filed its Corporate Annual Income Tax Return[5] (ITR) for the calendar year (CY) ending December 31, 2013 reflecting the following:

Net Taxable Income		₱57,677,879.00
Income Tax Due (30%) other than MCIT		17,303,364.00
Less:		
Prior Year's Excess Credits	13,189,614	
Creditable Tax Withheld for 2013 (1st to 3rd quarters	15,688,879	
Creditable Tax Withheld for 2013 (4th quarter)	12,575,088	
Total Tax Credits/Payments		(41,433,581)
Net Tax Payable (Overpayment)		₱ (24,130,218)

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[1] Exhibit "P-2".
[2] *Ibid.*
[3] Exhibit "P-1".
[4] Exhibits "P-12", "P-13", "P-13-1" to "P-13-159", "P-14" and "P-15".
[5] Exhibit "P-3".

On October 28, 2014, petitioner filed a letter-request[6] for refund or tax credit certificate with BIR Revenue District Office (RDO) 50 – South Makati in the amount of ₱24,130,218.00.

Claiming inaction thereof, petitioner filed on April 8, 2016 the present Petition for Review[7] with this Court.

On February 22, 2017, respondent filed his Answer[8], interposing the following special and affirmative defenses, *viz.*:

> "6. Respondent reproduces and repleads all the foregoing allegations insofar as they are relevant to her defenses which are discussed hereunder and incorporates them herein by way of reference and, in addition thereto, most respectfully avers THAT:
>
> 7. Petitioner's alleged claim for issuance of tax credit certificate is still subject to administrative routinary investigation/examination by the respondent's Bureau.
>
> 8. Taxes paid and collected are presumed to have been made in accordance with law, hence, not refundable.
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> 9. Petitioner's claim for refund or issuance of tax credit certificate, if any, in the amount of ₱24,130,218.00, representing unutilized/excess Creditable Withholding Taxes (CWT) for taxable year ending December 2013, were not substantiated by proper documents, such sales invoices, official receipts and others pursuant to Revenue Regulations No. 7-95 in relation to Section 113 and 237 of the 1997 Tax Code.
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> 10. In an action for refund credit, the burden of proof is on the petitioner to establish its right to claimed refund and failure to adduce sufficient proof is fatal to the claim for tax refund credit.
>
> 11. It is incumbent upon the latter to show that it has complied with the provisions under Section 204 (c) in relation to Section 229 of the Tax Code. Otherwise, its failure to prove the same is fatal to its claim for refund.
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> 12. Claims for refund are construed strictly against herein petitioner since the same partakes the nature of exemption from taxation (*Commissioner of Internal Revenue vs. Ledesma, 31 SCRA 95*) and as such, they are looked upon with disfavor (*Western Minolco Corp. vs. Commissioner of Internal Revenue, 124 SCRA 1211*)."

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[6] Exhibit "P-10".
[7] Docket (vol. I), pp. 10-17.
[8] *Id.*, pp. 264-267.

Then, in the Resolution[9] dated March 20, 2017, the case was set for pre-trial conference on June 22, 2017. Accordingly, a Pre-Trial Brief (for the Respondent)[10] was filed on June 20, 2017 while Petitioner's Pre-Trial Brief[11] was filed, through registered mail, on June 16, 2017.

On July 7, 2017, the parties submitted their Joint Stipulation of Facts and Issues[12] (JSFI). Subsequently, a Pre-Trial Order[13] was issued by this Court on August 9, 2017 which approved and adopted the parties' JSFI, and afterwards deemed the pre-trial terminated.

Meanwhile, on July 21, 2017, petitioner filed a Motion for Commissioning of an Independent Certified Public Accountant[14] (ICPA). Petitioner prays that Ms. Ma. Milagros F. Padernal, Managing Partner of Uy, Singson, Abella & Co., be appointed as the ICPA for the present case. Finding merit thereon, this Court in the Order[15] dated August 17, 2017, granted petitioner's motion and commissioned Ms. Ma. Milagros F. Padernal as the ICPA for the present case.

During the trial, petitioner presented the following witness, Ms. Katrina R. Placente,[16] petitioner's Finance Specialist; Ms. Victoria Frejas,[17] its Deputy Chief Finance Officer; and Ms. Ma. Milagros F. Padernal,[18] the court-commissioned ICPA, who all testified on direct by way of judicial affidavits.

Thereafter, petitioner filed its Formal Offer of Evidence[19] on March 7, 2018. In the Resolution[20] dated September 10, 2018, this Court admitted petitioner's exhibits and, in view of the parties' stipulation[21] that respondent will no longer present evidence for the present case, also ordered the submission of the parties' respective memoranda within thirty (30) days. *Jr*

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[9] *Id.*, p. 273
[10] Docket (vol. IV), pp. 1804-1805.
[11] *Id.*, pp. 1818-1833.
[12] *Id.*, pp. 1840-1842.
[13] *Id.*, pp. 2105-2111.
[14] *Id.*, pp. 2090-2094.
[15] *Id.*, pp. 2117-2118.
[16] Exhibits "P-40" and "P-40-1"; Judicial Affidavit of Katrina R. Placente dated June 16, 2017, docket (vol. III), pp. 1054-1069.
[17] Exhibits "P-41" and "P-41-1"; Judicial Affidavit of Victoria D. Frejas dated July 11, 2017, docket (vol. IV), pp. 1850-1858.
[18] Exhibits "P-39" and "P-39-1"; Judicial Affidavit of Ma. Milagros F. Padernal (In Question and Answer Form) dated November 22, 2017, docket (vol. IV), pp. 2142-2151.
[19] Docket (vol. IV), pp. 2189-2215.
[20] *Id.*, pp. 2231-2232.
[21] Witnesses to be Presented, JSFI, docket (vol. IV), p. 1841.

Complying thereon, petitioner filed on October 22, 2018 its Memorandum[22], while respondent, on the other hand, failed to file his as per Records Verification[23] dated November 5, 2018. Accordingly, in the Resolution[24] dated November 16, 2018, the present case was deemed submitted for decision.

ISSUE

The sole issue[25] stipulated by the parties for this Court's resolution is, whether petitioner is entitled to its claim for refund or issuance of tax credit certificate in the amount of ₱24,130,218.00, representing unutilized/excess CWT for calendar year ending December 31, 2013.

THE COURT'S RULING

This Court shall first determine whether it has jurisdiction over the present Petition for Review in relation to petitioner's claim for refund of the unutilized/excess creditable withholding tax for CY 2013.

Verily, jurisdiction over the subject matter or nature of an action is fundamental for a court to act on a given controversy. It is conferred only by law and not by the consent or waiver upon a court which, otherwise, would have no jurisdiction over the subject matter 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.[26]

Perforce, the jurisdiction of the Court of Tax Appeals (CTA) is conferred by Section 7(a)(1) and (2) of Republic Act (RA) No. 1125, as amended by RA Nos. 9282 and 9503, which provides that:

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[22] Docket (vol. IV), pp. 2234-2241.
[23] *Id.*, p. 2242.
[24] *Id.*, p. 2243.
[25] Stipulated Issue, JSFI, docket (vol. IV), p. 1840.
[26] *Nippon Express (Philippines) Corp. vs. Commissioner of Internal Revenue*, G.R. No. 185666, February 4, 2015.

"**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 other matters arising under the National Internal Revenue 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 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 action, in which case the inaction shall be deemed a denial;" *(Emphases supplied)*

Indeed, the CTA shall exercise exclusive appellate jurisdiction to review by appeal the decisions, as well as the inactions thereof, by the BIR Commissioner in cases involving refund of internal revenue taxes. In cases where the NIRC of 1997, as amended, provides for a specific period for action, the BIR Commissioner's inaction shall be deemed a denial.[27]

Relative thereto, Sections 204(C) and 229 of the NIRC of 1997, as amended, provides for the period when to file an administrative claim for refund with the BIR and judicial claim for refund with the CTA for recovery of tax erroneously or illegally collected, to wit:

"**SEC. 204.** *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* – The Commissioner may–

x x x

(C) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the

[27] *Commissioner of Internal Revenue vs. San Roque Power Corporation*, G.R. Nos. 187485, 196113, and 197156, February 12, 2013.

> purchases, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. **No credit or refund of taxes or penalties shall be allowed unless the taxpayer filed in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the tax or penalty**: Provided, however, That a return filed showing an overpayment shall be considered as a written claim for credit or refund."
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> "**SEC. 229.** *Recovery of Tax Erroneously or Illegally Collected.*– No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, of any sum alleged to have been excessively or in any manner wrongfully collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress.
>
> **In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment**: *Provided, however,* That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears clearly to have been erroneously paid." *(Emphasis supplied)*

From the foregoing, the administrative and judicial remedy of filing a claim for refund of erroneously or excessively paid tax must be done within two years from the date of payment of the tax. In actions for refund of excess corporate income tax, the Supreme Court ruled that the two-year prescriptive period should be counted from the filing of the Final Adjustment Return, because it is only during that date that the exact tax liability or refundability of the tax can be determined.[28]

Moreover, in the case of *Metropolitan Bank & Trust Company vs. The Commissioner of Internal Revenue*,[29] the Supreme Court held that it is only logical to reckon the two-year prescriptive period from the time the Final Adjustment Return or the Annual Income Tax Return was filed, since it is only at that time that it would be possible to

[28] *Commissioner of Internal Revenue vs. TMX Sales, Inc. and the Court Tax Appeals*, G.R. No. 83736, January 15, 1992; *ACCRA Investments Corporation vs. The Honorable Court of Appeals, et al.*, G.R. No. 96322, December 20, 1991.

[29] G.R. No. 182582, April 17, 2017.

determine whether the corporate taxpayer paid an amount exceeding its annual income tax liability.

In the present case, petitioner filed its annual ITR[30] for CY 2013 on April 10, 2014. Counting two (2) years therefrom, petitioner had until April 10, 2016, within which to file both administrative and judicial claims for refund of its unutilized/excess CWT for CY 2013. Accordingly, by filing its administrative claim[31] for refund on October 28, 2014, and thereafter the judicial claim, via Petition for Review,[32] on April 8, 2016, both petitioner's administrative and judicial claims for refund clearly falls within the two-year prescriptive period mentioned by law.

That having been settled, this Court shall now proceed to determine the merit of petitioner's claim.

Also pertinent in the resolution of the present case is Section 76 of the NIRC of 1997, as amended, which speaks of final adjustment return, thus:

> "**SEC. 76.** *Final Adjustment Return.*— Every corporation liable to tax under Section 27 shall file a final adjustment return covering the total taxable income for the preceding calendar or fiscal year. If the sum of the quarterly tax payments made during the said taxable year is not equal to the total tax due on the entire taxable income of that year, the corporation shall either:
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> (A) Pay the balance of tax still due; or
> (B) Carry-over the excess credit; or
> (C) Be credited or refunded with the excess amount paid, as the case may be.
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> In case the corporation is entitled to a tax credit or refund of the excess estimated quarterly income taxes paid, the excess amount shown on its final adjustment return may be carried over and credited against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable years. Once the option to carry-over and apply the excess quarterly income tax against income due for the taxable quarters of the succeeding taxable years has been made, such option shall be considered irrevocable for that taxable period and no application for cash refund or issuance of a tax credit certificate shall be allowed therefor." *Jv*

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30 Exhibit "P-3".
31 Exhibits "P-10", "P-10-a", and "P-10-b".
32 Supra No. 7.

Apparently, the above provision prescribes two options to a taxable corporation whose total quarterly income tax payments in a given taxable year exceed its total income tax due. The taxpayer may either (1) file a claim for refund (either in the form of cash or tax credit certificate) or (2) carry over the same to the succeeding taxable quarters/years until it is fully utilized. However, once the carry-over option is taken, actually or constructively, it becomes irrevocable for that taxable period.[33] The phrase "for that taxable period" refers to the taxable year when the excess income tax, subject of the option, was acquired by the taxpayer.[34]

In exercising its option, the corporation must signify in its annual corporate adjustment return (by marking the option box provided in the BIR form) its intention, whether to carry over the excess credit or to claim a refund. To facilitate tax collection, these remedies are in the alternative and the choice of one precludes the other.[35]

Perusal of petitioner's annual ITR for CY 2013 shows that petitioner had an income tax due of ₱17,303,364.00. The said amount was paid using its income tax credits of ₱41,433,581.00, which consisted of prior year's excess credits in the amount of ₱13,189,614.00 and accumulated CWT during the four quarters of CY 2013 in the amount of ₱28,243,967.00. Therefore, leaving a balance of the Creditable Tax Withheld in CY 2013 in the aggregate amount of ₱24,130,217.00 which remained unutilized as of December 31, 2013, as shown below:

Income Tax Due other than MCIT			₱17,303,364
Less: Tax Credits/Payments[36]			
Prior Year's Excess Credits Other Than MCIT		₱13,189,614	
Creditable Tax Withheld from Previous Quarter/s	₱15,668,879		
Creditable Tax Withheld for the 4th Quarter	12,575,088	28,243,967	41,433,581
Net Tax Payable (Overpayment)			**(₱24,130,217)**[37]

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[33] *Philam Asset Management, Inc. vs. Commissioner of Internal Revenue,* G.R. Nos. 156637 & 162004, December 14, 2005; *Systra Philippines, Inc. vs. Commissioner of Internal Revenue,* G.R. No. 176290, September 21, 2007.
[34] *Commissioner of Internal Revenue vs. Bank of the Philippine Islands,* G.R. No. 178490, July 7, 2009.
[35] *Philippine Bank of Communications vs. Commissioner of Internal Revenue, et al.,* G.R. No. 112024, January 28, 1999
[36] As reflected in Schedule 7, Exhibit "P-3".
[37] ₱24,130,218 per actual return (difference of one peso).

From the above, the Prior Year's Excess Credits in the amount of ₱13,189,614.00 represents the balance of petitioner's income tax credits for the CY 2012. As indicated in its annual ITR for CY 2012, the said amount arose from its Prior Year's Excess Credits in the amount of ₱6,111,056.00 and creditable tax withheld in the amount of ₱16,355,564.00,[38] which totals to ₱22,466,620.00, minus the income tax liability for the same taxable period of ₱9,277,006.00.

Apropos, to prove the existence of the Prior Year's Excess Credits of ₱13,189,614.00, petitioner presented the following: its Annual ITR[39] for CY 2012; Schedule[40] and Summary[41] of Creditable Taxes Withheld for CY 2012; and, Certificates of Creditable Tax Withheld at Source (BIR Forms No. 2307)[42] for CY 2012; which reflected CWT in the amount of ₱16,355,561.95. However, this Court notes that petitioner did not submit any BIR Form No. 2307 for its Prior Year's Excess Credits in the amount of ₱6,111,056.00, as declared in its annual ITR for CY 2012.

Upon examination of the CWT supported by BIR Form No. 2307 for the four quarters of CY 2012 in the amount of ₱16,355,561.95,[43] this Court finds that a total amount of ₱2,540,469.74 was supported by CWT certificates indicating a TIN different from petitioner's registered TIN 007-202-045-000,[44] to wit:

Exhibit No.	Period Covered	Payor	TIN indicated in the Certificate	Amount of CWT Withheld
P-30-14	4th quarter of CY 2012	Ayala Automotive Holdings Corp.	003-500-656-000	₱ 8,355.00
P-30-32	4th quarter of CY 2012	Ayala Land, Inc.	007-115-940-000	2,530,058.24
P-30-58	4th quarter of CY 2012	Honda Cars Cebu, Inc.	007-002-045-000	2,056.50
Total				**₱2,540,469.74**

As such, the above total amount of ₱2,540,469.74 shall be deducted from petitioner's CWT for CY 2012 in the amount of ₱16,355,561.95. Thus, only the CWT in the total amount of ₱13,815,092.21[45] for CY 2012 shall be deemed as properly supported

[38] ₱10,387,706 plus ₱5,967,858, lines 33F and 33H, Exhibit "P-5".
[39] Exhibit "P-5".
[40] Exhibit "P-29".
[41] Exhibit "P-30".
[42] Exhibits "P-30-1" to "P-30-128".
[43] Exhibit "P-30".
[44] Exhibit "P-1".
[45] ₱16,355,561.95 less ₱2,540,469.74.

by Certificates of Creditable Tax Withheld at Source (BIR Forms No. 2307).

Moreover, the valid CWTs for CY 2012 in the amount of ₱13,815,092.21 do not represent petitioner's excess CWT for CY 2012 since petitioner reflected an income tax due of ₱9,277,006.00[46] in its annual ITR for CY 2012. Deducting this income tax liability of ₱9,277,006.00 from the valid CWT of ₱13,815,092.21 yields only an amount of ₱4,538,086.21 as excess tax credits as of the end of CY 2012. Hence, the Prior Year's Excess Credits declared in petitioner's annual ITR for CY 2013 in the amount of ₱13,189,614.00 shall be further reduced to ₱4,538,086.21, computed as follows:

Income Tax Due for CY 2012	₱ 9,277,006.00
Less: Valid CWT for CY 2012	13,815,092.21
Net Tax Payable (Overpayment) to be carried-over in CY 2013	**(₱4,538,086.21)**

Accordingly, the foregoing findings shall affect petitioner's total CWT claim for CY 2013. Since the Prior Year's Excess Credits is reduced to ₱4,538,086.21, a bigger portion of the creditable taxes withheld in CY 2013 shall be used to cover the income tax due for the same taxable period. Consequently, only the amount of ₱15,478,689.21 remained unutilized as of December 31, 2013, computed below as follows:

2013 Income Tax Due	**₱ 17,303,364.00**
Less: Total Tax Credits/Payments	
Prior Year's Excess Credits Other Than MCIT	4,538,086.21
Creditable Tax Withheld for CY 2013	28,243,967.00
Total	32,782,053.21
Total Amount Payable (Overpayment)	**(₱15,478,689.21)**

Notably, petitioner clearly manifested its intention to claim refund of CWT by marking the box for the said option as provided in its 2013 annual ITR.[47] Furthermore, perusal of petitioner's annual ITR for CY 2014[48], as well as the quarterly ITR[49] for CY 2014, shows that no amount was declared under the line "Prior Year's Excess Credits", proving that the claimed CWT for CY 2013 were not carried-over in the succeeding taxable period/s. For foregoing reasons, petitioner's

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[46] Line 32, Exhibit "P-5".
[47] Exhibit "P-3-c".
[48] Exhibit "P-6".
[49] Exhibits "P-7", "P-8", and "P-9".

CWT in the amount of ₱15,478,689.21 may be the proper subject of a claim for refund under Section 76 of the NIRC of 1997, as amended.

Based on relevant jurisprudence and BIR Revenue Regulations, in order for a taxpayer to be entitled to a refund of or an issuance of TCC for unutilized/excess CWT, three (3) basic requisites must be sufficiently established, to wit:

1. The claim for refund must be filed within the two-year prescriptive period as provided under Sections 204(C) and 229 of the Tax Code, as amended;

2. The fact of withholding must be established by a copy of a statement duly issued by the payor (withholding agent) to the payee, showing the amount paid and the amount of tax withheld therefrom; and,

3. The income upon which the taxes were withheld must be included in the return of the recipient.[50]

The first requisite was already discussed wherein this Court found that both the administrative and judicial claims were seasonably filed within the two-year period required under Sections 204(C) and 229 of the NIRC of 1997, as amended.

With regard to the remaining requisites, Section 2.58.3(B) of Revenue Regulations (RR) No. 02-98,[51] as amended, states that:

"**Sec. 2.58.3.** *Claim for tax credit or refund.—*

x x x

(B) Claims for tax credit or refund of any creditable income tax which was deducted and withheld on income payments shall be given due course **only when it is shown that the income payment has been declared as part of the gross income and the fact of** gr

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[50] *Republic of the Philippines, represented by the Commissioner of Internal Revenue vs. Team (Phils.) Energy Corporation (formerly Mirant (Phils.) Energy Corporation)*, G.R. No. 188016, January 14, 2015; *United International Pictures AB vs. Commissioner of Internal Revenue*, G.R. No. 168331, October 11, 2012; *Citibank N.A. vs. Court of Appeals, et al*, G.R. No. 107434, October 10, 1997; *ACCRA Investments Corporation vs. The Honorable Court of Appeals, et al*, G.R. No. 96322, December 20, 1991; Section 2.58, Revenue Regulations No. 2-98, as amended.

[51] "Implementing Republic Act No. 8424, 'An Act Amending The National Internal Revenue Code, as Amended' Relative to the Withholding on Income Subject to the Expanded Withholding Tax and Final Withholding Tax, Withholding of Income Tax on Compensation, Withholding of Creditable Value-Added Tax and Other Percentage Taxes".

withholding is established by a copy of the withholding tax statement duly issued by the payor to the payee showing the amount paid and the amount of tax withheld therefrom." (*Emphasis supplied*)

As to the second requisite, to prove the fact of withholding of the CWT for CY 2013 in the amount of ₱28,243,967.00, petitioner presented CWT certificates issued by various clients showing CWT in the aggregate amount of only ₱24,129,080.52, detailed as follows:

Exhibit No.	Period Covered	Payor	Income Payments	Taxes Withheld
P-13-1	4th Quarter	AC Energy GP Corporation	₱ 27,560.00	₱ 4,134.00
P-13-2	1st Quarter	AC Energy Holdings, Inc. (formerly Michigan Power Inc.)	1,874,830.00	281,224.50
P-13-3	2nd Quarter	AC Energy Holdings, Inc. (formerly Michigan Power Inc.)	2,625,900.00	393,885.00
P-13-4	4th Quarter	AC Energy Holdings, Inc. (formerly Michigan Power Inc.)	3,377,922.50	506,688.38
P-13-5	4th Quarter	AC Energy Holdings, Inc. (formerly Michigan Power Inc.)	1,960,195.00	294,029.25
P-13-6	2nd Quarter	AC Infrastructure Holdings Corporation (formerly Liveit Solutions, Inc.)	1,362,500.00	204,375.00
P-13-7	3rd Quarter	AC Infrastructure Holdings Corporation (formerly Liveit Solutions, Inc.)	809,390.16	121,408.52
P-13-8	4th Quarter	AC Infrastructure Holdings Corporation (formerly Liveit Solutions, Inc.)	2,184,377.50	327,656.63
P-13-9	4th Quarter	AC Infrastructure Holdings Corporation (formerly Liveit Solutions, Inc.)	647,915.00	97,187.25
P-13-10	2nd Quarter	Affinity Express Philippines, Inc.	99,850.00	14,977.50
P-13-11	3rd Quarter	Affinity Express Philippines, Inc.	81,351.12	12,202.66
P-13-12	4th Quarter	Affinity Express Philippines, Inc.	53,372.40	8,005.86
P-13-13	4th Quarter	Affordable Private Education Center	30,030.00	4,504.50
P-13-14	4th Quarter	Automobile Central Enterprise, Inc.	627,692.00	94,153.80
P-13-15	1st - 4th Quarter	Ayala Automotive Holdings Corp.	330,035.93	49,505.39
P-13-16	2nd Quarter	Ayala Aviation Corporation	40,100.00	4,010.00
P-13-17	3rd Quarter	Ayala Aviation Corporation	22,650.00	2,265.00
P-13-18	4th Quarter	Ayala Aviation Corporation	16,785.00	1,678.50
P-13-19	4th Quarter	Ayala Aviation Corporation	110,735.00	11,073.50
P-13-20	2nd Quarter	Ayala Corporation	3,000.00	450.00
P-13-21	3rd Quarter	Ayala Corporation	3,000.00	450.00
P-13-22	4th Quarter	Ayala Corporation	3,000.00	450.00
P-13-23	4th Quarter	Ayala Corporation	12,107,466.68	1,816,120.00

Exhibit No.	Period Covered	Payor	Income Payments	Taxes Withheld
P-13-23	4th Quarter	Ayala Corporation	561,111.72	84,166.76
P-13-24	1st Quarter	Ayala Land, Inc.	7,989,643.17	1,198,446.48
P-13-25	2nd Quarter	Ayala Land, Inc.	7,989,643.17	1,198,446.48
P-13-26	2nd Quarter	Ayala Land, Inc.	10,300,619.91	1,545,092.99
P-13-27	2nd Quarter	Ayala Land, Inc.	16,849,213.84	2,527,382.08
P-13-28	3rd Quarter	Ayala Land, Inc.	8,217,893.17	1,232,683.98
P-13-29	3rd Quarter	Ayala Land, Inc.	13,911,003.17	2,086,650.48
P-13-30	3rd Quarter	Ayala Land, Inc.	7,989,643.17	1,198,446.47
P-13-31	4th Quarter	Ayala Land, Inc.	8,618,643.17	1,292,796.48
P-13-32	4th Quarter	Ayala Land, Inc.	18,373,098.89	2,755,964.83
P-13-33	4th Quarter	Ayala Land, Inc.	20,709,560.71	3,106,434.11
P-13-34	2nd Quarter	Azalea Technology Investments, Inc.	100,800.00	15,120.00
P-13-35	4th Quarter	Azalea Technology Investments, Inc.	101,764.64	15,264.70
P-13-36	4th Quarter	Azalea Technology Investments, Inc.	74,593.92	11,189.09
P-13-37	2nd Quarter	Balabatican Realty Corporation	850.00	127.50
P-13-38	2nd Quarter	Capa Property Holdings, Inc.	850.00	127.50
P-13-39	2nd Quarter	Corullon Holdings, Inc.	8,450.00	1,267.50
P-13-40	3rd Quarter	Corullon Holdings, Inc.	4,950.00	742.50
P-13-41	4th Quarter	Corullon Holdings, Inc.	46,001.25	6,900.19
P-13-42	1st Quarter	Corullon Holdings, Inc.	51,630.00	7,744.50
P-13-43	1st Quarter	Darong Agricultural & Development Corporation	17,050.00	2,557.50
P-13-44	2nd Quarter	Darong Agricultural & Development Corporation	16,600.00	2,490.00
P-13-45	3rd Quarter	Darong Agricultural & Development Corporation	44,280.00	6,642.00
P-13-46	4th Quarter	Darong Agricultural & Development Corporation	78,842.50	11,826.38
P-13-47	4th Quarter	Darong Agricultural & Development Corporation	107,992.50	16,198.88
P-13-48	2nd Quarter	FBC Holdings, Inc.	850.00	127.50
P-13-49	4th Quarter	FBC Holdings, Inc.	36,918.75	5,537.81
P-13-50	1st Quarter	FBC Holdings, Inc.	2,700.00	405.00
P-13-51	4th Quarter	FBC Steps Realty, Inc.	8,925.00	1,338.75
P-13-52	1st Quarter	FBC Steps Realty, Inc.	1,102.50	165.38
P-13-53	4th Quarter	Fercat Holdings, Inc.	36,918.75	5,537.81
P-13-54	1st Quarter	Fercat Holdings, Inc.	2,700.00	405.00
P-13-55	4th Quarter	Gilmon Holdings, Inc.	36,918.75	5,537.81
P-13-56	1st Quarter	Gilmon Holdings, Inc.	2,700.00	405.00
P-13-57	2nd Quarter	GlobalBridge Resources Corporation	15,000.00	2,250.00
P-13-58	1st Quarter	Globe Telecom, Inc.	197,001.00	29,550.51
P-13-59	2nd Quarter	Globe Telecom, Inc.	197,001.00	29,550.15
P-13-60	4th Quarter	Globe Telecom, Inc.	394,002.00	59,100.30
P-13-61	2nd Quarter	Gracie Holdings, Inc.	28,300.00	4,245.00
P-13-62	4th Quarter	Gracie Square Holdings, Inc.	36,918.75	5,537.81

Exhibit No.	Period Covered	Payor	Income Payments	Taxes Withheld
P-13-63	1st Quarter	Gracie Square Holdings, Inc.	2,700.00	405.00
P-13-64	1st Quarter	Hacienda Balabatican Homeowners Association, Inc	700.00	105.00
P-13-65	2nd Quarter	Hacienda Balabatican Homeowners Association, Inc	5,550.00	832.50
P-13-66	4th Quarter	Hacienda Balabatican Homeowners Association, Inc	4,725.00	708.75
P-13-67	3rd Quarter	Honda Cars Cebu, Inc.	15,000.00	2,250.00
P-13-68	4th Quarter	Honda Cars Cebu, Inc.	9,725.00	1,458.75
P-13-69	2nd - 4th Quarter	Honda Cars Cebu, Inc.	93,000.00	13,950.00
P-13-70	2nd Quarter	Honda Cars Makati, Inc.	301,050.00	45,157.50
P-13-71	1st Quarter	HRMall, Inc.	102,600.00	2,052.00
P-13-72	1st Quarter	HRMall, Inc.	25,400.00	508.00
P-13-73	2nd Quarter	HRMall, Inc.	31,450.00	629.00
P-13-74	2nd Quarter	HRMall, Inc.	132,650.00	2,653.00
P-13-75	3rd Quarter	HRMall, Inc.	18,060.00	361.20
P-13-76	3rd Quarter	HRMall, Inc.	7,440.00	148.80
P-13-77	4th Quarter	HRMall, Inc.	56,857.50	1,137.15
P-13-78	4th Quarter	HRMall, Inc.	16,680.00	333.60
P-13-79	4th Quarter	HRMall, Inc.	560,450.00	11,209.00
P-13-80	1st Quarter	Iconic Dealership, Inc.	147,390.00	22,108.50
P-13-81	1st Quarter	Integrated Micro-Electronics, Inc.	6,000.00	900.00
P-13-82	1st Quarter	Integrated Micro-Electronics, Inc.	790,650.00	118,597.50
P-13-82	1st Quarter	Integrated Micro-Electronics, Inc.	412,350.00	61,852.50
P-13-83	2nd Quarter	Integrated Micro-Electronics, Inc.	6,000.00	900.00
P-13-84	2nd Quarter	Integrated Micro-Electronics, Inc.	265,300.00	39,795.00
P-13-85	2nd Quarter	Integrated Micro-Electronics, Inc.	708,250.00	106,237.50
P-13-86	3rd Quarter	Integrated Micro-Electronics, Inc.	661,450.00	99,217.50
P-13-87	3rd Quarter	Integrated Micro-Electronics, Inc.	6,000.00	900.00
P-13-88	4th Quarter	Integrated Micro-Electronics, Inc.	523,042.50	78,456.38
P-13-89	4th Quarter	Integrated Micro-Electronics, Inc.	113,137.50	16,970.63
P-13-90	2nd Quarter	Integreon Managed Solutions Phils., Inc.	17,197.68	2,579.65
P-13-91	3rd Quarter	Integreon Managed Solutions Phils., Inc.	4,058.08	608.71
P-13-92	1st Quarter	Isuzu Automotive Dealership, Inc.	239,700.00	35,955.00
P-13-93	2nd Quarter	Isuzu Automotive Dealership, Inc.	251,800.00	37,770.00
P-13-94	3rd Quarter	Isuzu Automotive Dealership, Inc.	62,640.00	9,396.00

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Exhibit No.	Period Covered	Payor	Income Payments	Taxes Withheld
P-13-95	4th Quarter	Isuzu Automotive Dealership, Inc.	128,850.00	19,327.50
P-13-96	2nd Quarter	Isuzu Cebu, Inc. - Mandaue Branch	9,000.00	180.00
P-13-97	3rd Quarter	Isuzu Cebu, Inc. - Mandaue Branch	9,153.66	183.07
P-13-98	1st Quarter	Isuzu Cebu, Inc. - Mandaue Branch	692,437.50	13,848.75
P-13-99	1st Quarter	Isuzu Iloilo Corporation	9,000.00	1,350.00
P-13-100	2nd Quarter	Isuzu Iloilo Corporation	9,000.00	1,350.00
P-13-101	3rd Quarter	Isuzu Iloilo Corporation	9,000.00	1,350.00
P-13-102	2nd Quarter	Kalima Holdings, Inc.	850.00	127.50
P-13-103	4th Quarter	Kauswagan Power GP Corp.	15,000.00	2,250.00
P-13-104	4th Quarter	LiveIt Global Services Management Institute, Inc.	247,380.00	37,107.00
P-13-105	4th Quarter	LiveIt Global Services Management Institute, Inc.	18,440.00	2,766.00
P-13-106	2nd Quarter	Matic Hydro Power Corporation	15,850.00	317.00
P-13-107	3rd Quarter	Matic Hydro Power Corporation	15,020.00	300.40
P-13-108	4th Quarter	Matic Hydro Power Corporation	15,000.00	300.00
P-13-109	4th Quarter	Matic Hydro Power Corporation	5,000.00	100.00
P-13-110	1st Quarter	Mermac, Inc.	12,000.00	1,800.00
P-13-111	2nd Quarter	Mermac, Inc.	3,850.00	577.50
P-13-112	3rd Quarter	Mermac, Inc.	7,500.00	1,125.00
P-13-113	4th Quarter	Mermac, Inc.	16,668.75	2,500.31
P-13-114	1st Quarter	Mermac, Inc.	3,000.00	450.00
P-13-115	1st - 4th Quarter	Michigan Holdings, Inc.	136,952.50	20,542.88
P-13-116	4th Quarter	Michigan Holdings, Inc.	138,600.00	20,790.00
P-13-117	1st - 4th Quarter	Pameka Holdings, Inc.	60,850.00	9,127.50
P-13-118	4th Quarter	Pameka Holdings, Inc.	1,000.00	150.00
P-13-119	2nd Quarter	Philnew Hydro Power Corporation	17,400.00	348.00
P-13-120	3rd Quarter	Philnew Hydro Power Corporation	15,420.00	308.40
P-13-121	4th Quarter	Philnew Hydro Power Corporation	14,920.00	298.40
P-13-122	4th Quarter	Philnew Hydro Power Corporation	9,410.00	188.20
P-13-123	1st Quarter	PhilnewRiver Power Corporation	15,000.00	300.00
P-13-124	2nd Quarter	PhilnewRiver Power Corporation	17,650.00	353.00
P-13-125	3rd Quarter	PhilnewRiver Power Corporation	15,020.00	300.40
P-13-126	4th Quarter	PhilnewRiver Power Corporation	15,000.00	300.00
P-13-127	4th Quarter	PhilnewRiver Power Corporation	5,000.00	100.00
P-13-128	1st - 4th Quarter	PPI Prime Venture, Inc.	46,830.00	7,024.50
P-13-129	1st - 4th Quarter	Prime Initiatives, Inc.	33,059.00	4,958.85
P-13-130	1st Quarter	PSi Technologies Inc.	3,000.00	300.00

Exhibit No.	Period Covered	Payor	Income Payments	Taxes Withheld
P-13-130	1st Quarter	PSi Technologies Inc.	119,400.00	11,940.00
P-13-131	2nd Quarter	PSi Technologies Inc.	125,450.00	12,545.00
P-13-132	3rd Quarter	PSi Technologies Inc.	158,460.00	15,846.00
P-13-133	4th Quarter	PSi Technologies Inc.	140,855.00	14,085.50
P-13-134	4th Quarter	PSi Technologies Inc.	40,162.50	4,016.25
P-13-135	1st Quarter	QuadRiver Energy Corporation	15,000.00	300.00
P-13-136	2nd Quarter	QuadRiver Energy Corporation	15,850.00	317.00
P-13-137	3rd Quarter	QuadRiver Energy Corporation	15,020.00	300.40
P-13-138	4th Quarter	QuadRiver Energy Corporation	15,000.00	300.00
P-13-139	4th Quarter	QuadRiver Energy Corporation	5,000.00	100.00
P-13-140	2nd Quarter	Reinosa Holdings, Inc.	850.00	127.50
P-13-141	4th Quarter	Reinosa Holdings, Inc.	36,918.75	5,537.81
P-13-142	1st Quarter	Reinosa Holdings, Inc.	2,700.00	405.00
P-13-143	4th Quarter	San Puente Holdings, Inc.	36,918.75	5,537.81
P-13-144	1st Quarter	San Puente Holdings, Inc.	2,700.00	405.00
P-13-145	2nd Quarter	Sonoma Services, Inc.	54,450.00	8,167.50
P-13-146	3rd Quarter	Sonoma Services, Inc.	88,800.00	13,320.00
P-13-147	4th Quarter	Sonoma Services, Inc.	4,725.00	708.75
P-13-148	1st Quarter	Sonoma Services, Inc.	40,890.00	6,133.50
P-13-149	2nd Quarter	South Luzon Thermal Energy Corporation	14,150.00	2,122.50
P-13-150	2nd Quarter	South Luzon Thermal Energy Corporation	180,900.00	27,135.00
P-13-151	4th Quarter	South Luzon Thermal Energy Corporation	457,615.07	68,642.26
P-13-152	2nd Quarter	Technopark Land, Inc.	9,000.00	1,350.00
P-13-153	3rd Quarter	Technopark Land, Inc.	9,000.00	1,350.00
P-13-154	4th Quarter	Technopark Land, Inc.	16,560.00	2,484.00
P-13-155	1st - 4th Quarter	Water Capital Works, Inc.	62,850.00	9,427.50
P-13-156	2nd Quarter	Asticom Technology, Inc.	1,589,500.00	238,425.00
P-13-157	2nd Quarter	Bonifacio Global City Estate	126,000.00	2,520.00
P-13-158	1st Quarter	Fort Bonifacio Development Corporation	385,934.53	57,890.18
P-13-159	4th Quarter	Ayala Corporation	2,395,833.00	23,958.33
		Total	**₱165,114,950.96**	**₱24,129,080.52**[52]

However, after a careful examination of the above enumerated Certificates, this Court finds that the amount of ₱52,880.63, broken down below, shall be denied because the period covered by the corresponding BIR Forms No. 2307 thereof are for the first quarter of 2014, which is outside the period of claim, thus: *gz*

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[52] ₱24,129,080.47 per Exhibit "P-13" (difference of ₱0.50).

Exhibit No.	Period Covered	Payor	Income Payments	Taxes Withheld
P-13-42	1st Quarter	Corullon Holdings, Inc.	₱ 51,630.00	₱ 7,744.50
P-13-50	1st Quarter	FBC Holdings, Inc.	2,700.00	405.00
P-13-52	1st Quarter	FBC Steps Realty, Inc.	1,102.50	165.38
P-13-54	1st Quarter	Fercat Holdings, Inc.	2,700.00	405.00
P-13-56	1st Quarter	Gilmon Holdings, Inc.	2,700.00	405.00
P-13-63	1st Quarter	Gracie Square Holdings, Inc.	2,700.00	405.00
P-13-80	1st Quarter	Iconic Dealership, Inc.	147,390.00	22,108.50
P-13-98	1st Quarter	Isuzu Cebu, Inc. - Mandaue Branch	692,437.50	13,848.75
P-13-114	1st Quarter	Mermac, Inc.	3,000.00	450.00
P-13-142	1st Quarter	Reinosa Holdings, Inc.	2,700.00	405.00
P-13-144	1st Quarter	San Puente Holdings, Inc.	2,700.00	405.00
P-13-148	1st Quarter	Sonoma Services, Inc.	40,890.00	6,133.50
		Total	**₱952,650.00**	**₱ 52,880.63**

Apparently, only the amount of ₱24,076,199.89[53] representing petitioner's CWT for CY 2013 is validly supported by BIR Forms No. 2307. Henceforth, the remaining CWT that may be the proper subject of petitioner's claim for refund shall be further reduced to ₱11,310,922.10, computed as follows:

2013 Income Tax Due		**₱ 17,303,364.00**
Less: Total Tax Credits/Payments		
Prior Year's Excess Credits Other Than MCIT	₱ 4,538,086.21	
Valid CWT for CY 2013	24,076,199.89	28,614,286.10
Net amount of Creditable Taxes Withheld in CY 2013 that may be subject for refund		**(₱11,310,922.10)**

Finally, with regard to the third requisite that the income upon which the taxes were withheld must be declared as part of the gross income of the recipient, the report[54] of the court-commissioned ICPA, Ms. Ma. Milagros F. Padernal, states that some customers were not able to settle their 2009 and 2012 accounts due to financial difficulty. As a result, certain project and retainer fees billed to these payors in CYs 2009 and 2012 were only collected in CY 2013, for which the CWT certificates were issued in the same year.[55]

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[53] ₱24,129,080.52 less ₱52,880.63.
[54] Exhibit "P-37"
[55] *See* page 9 of 24 of the ICPA Report, first paragraph, Exhibit "P-37".

Per petitioner's prepared Schedule of Revenue for the CYs 2009,[56] 2012,[57] and 2013,[58] the total revenues for the said years are in the amounts of ₱41,648,410.00, ₱119,016,643.84, and ₱178,193,147.25, respectively. Accordingly, the said amounts tally with the amounts of revenues/receipts declared in the annual ITRs for CYs 2009,[59] 2012,[60] 2013.[61]

From the said declared revenues in CYs 2009, 2012, and 2013, the related income payments collected from which the CWT of ₱24,129,080.52 in CY 2013 has been withheld are detailed as follows, *viz.*:[62]

	Income Payments per CWT Certificates	Amount of Taxes Withheld
Project and Retainer Fees		
CY 2013	₱ 159,524,821.71	₱ 23,648,327.70
CY 2009	1,589,500.00	238,425.00
CY 2012	1,604,796.25	218,369.44
Subtotal	₱ 162,719,117.96	₱ 24,105,122.14
Sale of Transportation Equipment		
CY 2013	₱ 2,395,833.00	₱ 23,958.33
Total	**₱165,114,950.96**	**₱24,129,080.47**[63]

More so, as determined by the ICPA, the total income payments of ₱165,114,950.96 can be traced to petitioner's name as submitted in its Statement of Accounts (SOA),[64] which is either from related income payments or from Out-of-Pocket Expenses.[65] Thus, upon comparison thereof, a difference of ₱600,111.77 is noted, computed below as follows:[66] *gr*

[56] Exhibit "P-16-1".
[57] Exhibit "P-16-2".
[58] Exhibit "P-16-3".
[59] Exhibit "P-27"
[60] Exhibit "P-5"
[61] Exhibit "P-3".
[62] Exhibit "P-13"
[63] ₱24,129,080.52 per actual BIR Forms No. 2307 (difference of ₱0.50).
[64] Exhibits "P-15-1" to "P-15-199".
[65] Mere reimbursements of costs chargeable to the customers.
[66] Exhibit "P-15".

	Per CWT Certificates		Per SOA (which is traced to)			Difference
	Income Payments	**Amount of Taxes Withheld**	**Related Income Payments**	**Out-of-Pocket Expenses**	**Total**	
Project and Retainer Fees						
CY 2013	₱ 159,524,821.71	₱ 23,648,327.70	₱ 151,596,003.52	₱ 7,328,706.42	₱ 158,924,709.94	₱ 600,111.77
CY 2009	1,589,500.00	238,425.00	1,589,500.00	-	1,589,500.00	-
CY 2012	1,604,796.25	218,369.44	1,587,901.72	16,894.53	1,604,796.25	-
Subtotal	162,719,117.96	24,105,122.14	154,773,405.24	7,345,600.95	162,119,006.19	600,111.77
Sale of Transportation Equipment						
CY 2013	2,395,833.00	23,958.33	2,395,833.00	-	2,395,833.00	-
Total	**₱165,114,950.96**	**₱24,129,080.47**	**₱157,169,238.24**	**₱7,345,600.95**	**₱164,514,839.19**	**₱600,111.77**

In her report, the ICPA traced the difference of ₱600,111.77 as pertaining to the incorrect amount of income payment reflected in the CWT certificate issued by Isuzu Mandaue Branch *(Exhibit P-13-98)*. Per CWT certificate, the amount of tax withheld was ₱13,848.75 for income payment of ₱692,437.50. However, the related income payment should have been ₱92,325.00 based on a 15% CWT rate. Hence, the correct income payments from which the creditable taxes were withheld are ₱164,514,839.19.

Also, the related income payments pertaining to project and retainer fees in the amount of ₱154,773,405.24 can be further traced to petitioner's General Journal Book (GJB)[67] for CYs 2009, 2012, and 2013. Upon comparison, there is no noted inconsistencies except for rounding-off difference, as shown below, to wit:

Calendar Year	Per Petitioner Prepared Schedule of Revenue[68]	Exhibit No.	Per General Journal Book	Exhibit No.	Difference
2009	₱ 41,648,410.00	P-16-1	₱ 41,648,409.73	P-18-1	₱ 0.27
2012	119,016,643.84	P-16-2	119,016,643.83	to	0.01
2013	178,193,147.25	P-16-3	178,193,147.26	P-18-30	(0.01)
Total	**₱338,858,201.09**		**₱338,858,200.82**		**₱ 0.27**

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[67] Exhibit "P-18".
[68] From which the ₱154,773,405.24 is included.

With regard to the income payments in the amount of ₱7,345,600.95 related to out-of-pocket expenses, the same were verified by the ICPA as shown in the "Summary of Income Payments Traced from SOA to Summary of Expenses Accounts to Out-of-Pocket Expenses CYs 2012 and 2013".[69] As a result of the examination of the ICPA, there is a noted difference of ₱2,121,038.17, computed as follows:[70]

	Exhibit No.	**Income Payments**
Per SOA - Out-of-Pocket Expenses	P-15	₱ 7,345,600.95
Per Summary of Expense Accounts Related to Out-of-Pocket Expenses		
Project Cost - Contracted Services	P-19	₱ 951,645.00
Project Cost - Supplies		1,806,700.64
Project Cost - Others		480,444.14
Contracted Services		813,665.00
Supplies		1,172,108.00
Total		₱ 5,224,562.78
Difference		**₱2,121,038.17**

Thus, this Court finds the ICPA report of Ms. Padernal proper. As such, the difference of ₱2,121,038.17, with an equivalent creditable tax withheld of ₱318,135.75, which cannot be traced to various expense accounts, shall be disallowed and therefore deducted from petitioner's claim for refund.

As to the sale of transportation equipment of ₱2,395,833.00, the same is properly recorded as part of the declared income in CY 2013 in the amount of ₱178,193,147.25 as evidenced by the related GJB[71] and the Deed of Absolute Sale[72] entered into by the petitioner and Ayala Corporation.

All told, based on the foregoing discussions, petitioner sufficiently proved that it is entitled to a refund of excess CWT for CY 2013 but, however, only to the reduced amount of ₱10,992,786.35, as computed below, to wit:

[69] Exhibit "P-20".
[70] See ICPA Report, page 10 of 24, Exhibit "P-37"
[71] Exhibit "P-21-2".
[72] Exhibit "P-21-1".

Net Creditable Taxes Withheld in CY 2013 (as previously computed)	**₱11,310,922.10**
Less: CWT where the related income payments cannot be traced from the declared income/expense in the period claim	318,135.75
Total Refundable CWT	**₱10,992,786.35**

WHEREFORE, premises considered, petitioner's Petition for Review is **PARTIALLY GRANTED**. Accordingly, respondent is **ORDERED TO REFUND OR TO ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner in the reduced amount of **Ten Million Nine Hundred Ninety-Two Thousand Seven Hundred Eighty-Six and 35/100 Pesos (₱10,992,786.35)**, representing petitioner's excess and unutilized CWT for CY 2013.

SO ORDERED.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

WE CONCUR:

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
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.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and 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.

ROMAN G. DEL ROSARIO
Presiding Justice