REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
MANILA

JULIA R. MORALES,
Petitioner,

- versus -

C.T.A. CASE NO. 517

COLLECTOR OF INTERNAL REVENUE,
Respondent.

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R E S O L U T I O N

Petitioner seeks to restrain respondent or any other person acting for and in behalf of the latter from proceeding with the announced third public bidding for the lease of two parcels of land scheduled to take place on March 25, 1958 at San Fernando, Pampanga, or at any other date, time and place; to have the public bidding held on February 20, 1958 at said place for the same purpose declared legal and valid; and to compel respondent to immediately award to her the contract of lease over the two parcels of land.

From the records of the case, the following undisputed facts appear. Since 1947, and continuously until 1953, petitioner leased two parcels of land known as Lots Nos. 3546 and 3321, consisting of an aggregate area of 168 hectares, situated in Moncada, Tarlac, from Maria B. Castro at an annual rental of ₱500.00. By reason of the failure of Maria B. Castro to pay her war profits tax, the parcels of land in question were forfeited to and, subsequently title thereto has consolidated in the Government. On November 16, 1956, petitioner and respondent, the latter acting in behalf of the Government, executed a contract by virtue of which the former leased said two parcels of land for a period of two years, at an annual rental of ₱1,000.00 and subject to renewal by agreement of the parties. (Annex "A", Petition for Review). During the whole period that petitioner leased the parcels of land successively from Maria B. Castro and from the Government, she has invested ₱25,000.00 for improvements, consisting of dikes, roads, embankments, irrigation system and pumps, etc. (Par. 6, Petition for Review.) On January 3, 1958, petitioner wrote respondent, requesting for a renewal of the contract of lease for a period of five (5) years, subject to the same consideration and conditions specified under the previous agreements. (Annex "B", Petition for Review.) In reply thereto, respondent informed petitioner that such renewal was still under consideration, as the same would be granted to any interested party who could offer the highest rental. (Annex "D", Petition for Review.) In a communication to the regional director of BIR Regional District No. 2, dated February 6, 1958, respondent enclosed a copy of the notice of public bidding of February 6, 1958 for the lease of said lands, and advised that the "highest bidder will be awarded the lease contract. However, in view of the length of time the present lessee, Mrs. Julia Morales, has been occupying the said lots and the substantial improvements she has made on them (lands) she may be given priority to offer a higher bid or one equal in amount to that of the highest bidder." (Annex "E", Petition for Review.) At the public bidding held in San Fernando, Pampanga, on February 20, 1958, petitioner was the highest bidder, having offered a bid of ₱3,100.00 as annual rental. (Par. 13, Petition for Review; Annex "H", Petition for Review.) However, on February 28, 1958, respondent returned to petitioner her sealed bid and cash deposit equivalent to 10% of the total bid, at the same time informing the latter that "in order to avoid unfavorable comment against this Office (Bureau of Internal Revenue), we have decided to hold another bidding for the award of said lots on Friday, March 7, 1958, not later than 10:00 A.M. at the Law Division, Bureau of Internal Revenue, Manila." The previous bidding held last February 20, 1958 has accordingly been nullified. (Annex "I", Petition for Review.) On March 3, 1958, petitioner's counsel protested the nullification of the previous bidding and requested that the scheduled bidding be cancelled. (Annex "J", Petition for Review.) In the second public bidding, where petitioner did not participate, one Catalino Guinto was the highest bidder. (Pars. 17 and 18, Petition for Review.) However, this second bidding was again nullified by respondent and another (third) bidding to be held at the Office of the Regional Director, BIR Regional District No. 2, San Fernando, Pampanga, on Tuesday, March 25, 1958, not later than 10:00 A.M. announced. (Annex "K", Petition for Review.)

The issue involved is whether this Court has jurisdiction over the case at bar in accordance with section 7 of Republic Act No. 1125, the pertinent provisions of which reads:

> "Sec. 7. Jurisdiction.—The Court of Tax Appeals shall exercise exclusive appellate jurisdiction to review by appeal, as herein provided -
> "(1) Decisions of the Collector of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue."

It is the contention of petitioner that the instant case is an appealable case falling under "or other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue", recited in the aforequoted codal provision. We cannot agree with this contention. The Supreme Court, in Ollada v. The Court of Tax Appeals et al, G. R. No. L-8878, July 24, 1956, defined and delimited the words "other matters" found in (1), as well as (2) and (3) of said section 7 of Republic Act No. 1125, thus:

> "Note that the law gives to the Court of Tax Appeals exclusive appellate jurisdiction to review the decisions of the Collector of Internal Revenue, the Commissioner of Customs, and the provincial or city Boards of Assessment Appeals. Note also that in defining the cases that may be reviewed the law begins by enumerating them and then adds a general clause pertaining to other matters that may arise under the National Internal Revenue Code, the Customs Law and the Assessment Law. This shows that the 'other matters'

> that may come under the general clause should be of the same nature as those that have preceded them applying the rule of construction known as <u>ejusdem generis</u>. In other words, in order that a matter may come under the general clause, it is necessary that it belongs to the same kind or class therein specifically enumerated. Otherwise, it should be deemed foreign or extraneous and is not included."

The case at bar is obviously not one of disputed assessment or refund of internal revenue tax, fee, charge or penalty imposed in relation thereto. However much we stress and stretch the law, we cannot find a kinship between this case and those enumerated in section 7. It does not belong to the same kind or class therein specifically enumerated. On the contrary, we find it as involving a contract of lease, giving rise to contractual rights and obligations which is purely civil in character. It is a case entirely different from and alien to those over which this Court, by law, is conferred jurisdiction.

WHEREFORE, the "Petition for Review" should be, as it is hereby, dismissed for lack of jurisdiction. With costs against petitioner.

SO ORDERED.

Manila, March 24, 1958.

AUGUSTO M. LUCIANO
Associate Judge

WE CONCUR:

MARIANO NABLE
Presiding Judge

ROMAN M. UMALI
Associate Judge

28