REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

BELLE CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE.
Respondent.

CTA CASE NO. 8939

Members:

Bautista, Chairperson,
Fabon-Victorino, and
Ringpis-Liban *JJ.*

Promulgated:
JUN 2 1 2017
2:10 p.m.

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RESOLUTION

RINGPIS-LIBAN, *J.*:

This resolves Respondent's "Motion for Reconsideration (of the Decision dated 20 April 2017)"[1] filed on May 22, 2017 *via* registered mail seeking to set aside the Decision[2] issued on April 20, 2017 granting the Petition for Review (assailed Decision).

On June 06, 2017, the Court issued a Resolution[3] requiring Petitioner to comment on Respondent's "Motion for Reconsideration (of the Decision dated 20 April 2017)" within fifteen (15) days from notice.

Petitioner filed its "Comment/Opposition [To Respondent's Motion for Reconsideration (of the Decision dated 20 April 2017) dated 22 May 2017]"[4] on June 05, 2017.

In its motion, Respondent avers that there exists an exchange between Belle Bay City Corporation (BBCC) and Petitioner resulting in a gain. Thus, said gain is

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[1] Docket, pp. 801-805.
[2] Id. at pp. 781-795.
[3] Id. at p. 814.
[4] Id. at pp. 806-813.

subject to the final withholding capital gains tax imposed under Section 27(D)(5) of the 1997 Tax Code. On the other hand, Petitioner argues that BBCC's transfer of real properties by way of liquidating dividends to its stockholders is not considered as a sale of such asset for tax purposes; and consequently, will not give rise to any liability for payment of income tax, withholding tax and documentary stamp tax on the part of BBCC.

After a careful consideration, the Court finds that the issues and arguments raised in Respondent's motion had already been exhaustively discussed, passed upon and addressed by this Court in the assailed Decision. Respondent's arguments constitute neither compelling nor cogent reason to modify, much less reverse our Decision dated 20 April 2017.

We reiterate our finding that –

> "[A] mere distribution of liquidating dividends on account of the dissolution of a corporation is not considered a sale of asset by the liquidating corporation for the purpose of the imposition of capital gains tax... xxx
>
> In view of the foregoing, BBCC's transfer of real property as a liquidating dividend in favor of petitioner is not subject to capital gains tax."[5]

WHEREFORE, premises considered, Respondent's ""Motion for Reconsideration (of the Decision dated 20 April 2017)" is hereby **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

LOVELL R. BAUTISTA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

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[5] Id. at pp. 793-794.