CTA Form No. 8 (For DCC)

17-000078-0014

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CRIM CASE NO. O-632

PEOPLE OF THE PHILIPPINES,
Plaintiff,

- versus -

CESAR R. SANTIAGO JIE Mar Construction,
Accused.

NOTICE OF RESOLUTION

To:

CITY PROSECUTOR FERDINAND U. VALBUENA
SENIOR ASSISTANT CITY PROSECUTOR ISABELITO E. SICAT
Department of Justice
Office of the City Prosecutor
Caloocan City

DIRECTOR
Thru: General Services Division
National Bureau of Investigation
Building C&D, Filinvest Cyberzone
Bay City, Pasay City

REGIONAL DIRECTOR
Nation Bureau of Investigation
Bulacan - BULDO
NBI Bulacan District Office
Capitol Compound, Malolos City
Bulacan

PNP CHIEF
Thru: CIDG
National Headquarters, Philippine National Police
Camp General Rafael Tagle Crame
EDSA, Quezon City

CHIEF, WARRANT AND SUBPOENA SECTION
Malolos City Police Station
Brgy. Poblacion, Malolos City
Bulacan

CHIEF, WARRANT & SUBPOENA SECTION
Calumpit Police Station
Purok I-Provincial Road
Calumpit, Bulacan

GREETINGS:

You are hereby notified by these presents that on **May 18, 2026,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **May 20, 2026.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

PEOPLE OF THE PHILIPPINES,
Plaintiff,

-*versus*-

CESAR R. SANTIAGO
JIE Mar Construction
32 Francis, Calumpit Bulacan
(AT LARGE)
Accused.

CTA CRIM. CASE NO. O-632
I.S. Docket No. XV-02-INV-16G-02483

For: Violation of Section 255 of the National Internal Revenue Code of 1997, as amended

Members:

RINGPIS-LIBAN, *Chairperson,*
REYES-FAJARDO, and
ANGELES, *JJ.*

Promulgated:

MAY 1 8 2026 ; 1:55 PM

x---x

RESOLUTION

Accused Cesar R. Santiago is charged for violation of Section 255 of the National Internal Revenue Code of 1997 (NIRC), as amended. The pertinent portion of the *Information* is quoted below:

> "That on or about the 29th day of August, 2011, in Caloocan City, Metro Manila and within the jurisdiction of his Honorable Court, the above-named accused, in his capacity as the Proprietor of KIE MAR Construction, with taxpayer Identification Number 148-654-091-000 registered with the Revenue District No. 25-A-Plaridel, Bulacan and which is under the jurisdiction of Revenue Region No. 5 this City, did then and there willfully, unlawfully and feloniously fail and refuse to pay his tax liabilities for the year 2008, to wit:

Tax Type	: Basic Tax	: Interest	: Total Amount of Tax Deficiency
Income Tax	: 2,049,761.30	: 959,083.31	: 3,008,884.61
Value-added Tax	: 1,165,603.51	: 611,708.72	: 1,777,312.23
Total	***: 3,215,364.81***	**: 1,570,792.03**	**: 4,786,196.84**

> and still fails and refuses to do so until the present, despite receipt of various demands/notices and despite the finality and incontestability of the Final Assessment Notice and Formal Demand dated July 29, 2011, from the Commissioner of Internal Revenue through the BIR Regional Director of Revenue Region No. 5 in Caloocan City.
>
> CONTRARY TO LAW."

After plaintiff submitted to the Court the original or certified true copies of the documents attached to the *Information*,[1] the Court issued the Resolution[2] dated December 14, 2017 finding the existence of probable cause to hold the accused for trial, and ordering the issuance of a Warrant of Arrest against accused Santiago. Subsequently, a *Warrant of Arrest*[3] commanding the arrest of accused Santiago was issued on January 3, 2018.

On September 26, 2018, the Judicial Records Division issued a Records Verification Report[4] stating that as of even date, no report was made by the Director of the National Bureau of Investigation (NBI), Philippine National Police (PNP) Chief, Chief of the Warrant and Subpoena Section of Malolos City Police Station, and Regional Director of NBI Bulacan, on why accused Santiago has not yet been apprehended.

Thereafter, on April 16, 2019, the Executive Clerk of Court III of the Third Division of this Court through a letter[5] of even date, instructed the above-named officials to make a return of the above-mentioned *Warrant of Arrest*.

In the Resolution[6] dated July 22, 2019, the Court noted the Return of the Warrant of Arrest stating that the accused cannot be located in the given address. Thus, an *Alias Warrant of Arrest*[7] was issued on July 29, 2019, to be returned to the Court only upon the arrest of the accused.

In the same Resolution, the Court ordered that the instant case be archived.[8]

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[1] *Manifestation and Compliance* dated November 6, 2017, with attachments, Division Docket, pp. 51-81.
[2] Division Docket, pp. 83-85.
[3] Division Docket, pp. 86.
[4] Division Docket, p. 89.
[5] Division Docket, p. 94.
[6] Division Docket, pp. 100-101.
[7] Division Docket, pp. 102-103.
[8] *Id.*

Meanwhile, the number of criminal cases archived due to the failure of authorities to cause the arrest of the accused, as well as the successive dismissal of recent cases on the ground of prescription, among others, prompted this Court to review the archived cases.

Section 281 of the NIRC, as amended, provides the period of prescription for violations of any provision of the NIRC, to wit:

> SEC. 281. Prescription for Violations of any Provision of this Code. - All violations of any provision of this Code shall prescribe after **five (5) years.**
>
> Prescription **shall begin to run from the date of the commission of the violation of the law**, and if the same be not known at the time, from the discovery thereof and the institution of judicial proceedings for its investigation and punishment.
>
> The **prescription shall be interrupted when proceedings are instituted against the guilty persons** and shall begin to run again if the proceedings are dismissed for reasons not constituting jeopardy.
>
> The term of prescription shall not run when the offender is absent from the Philippines. *(Emphasis supplied)*

Further, Section 2, Rule 9 of the Revised Rules of the Court of Tax Appeals (RRCTA) provides that the institution of criminal actions shall interrupt the running of the period of prescription, *viz.:*

> Section 2: Institution of criminal actions. **All criminal actions** before the Court in Division in the exercise of its original jurisdiction **shall be instituted by the filing of an information in the name of the Republic of the Philippines**. In criminal actions involving violations of the National Internal Revenue Code and other laws enforced by the Bureau of Internal Revenue, the Commissioner of Internal Revenue must approve their filing. In criminal actions involving violations of the tariff and Customs Code and other laws enforced by the Bureau of Customs, the Commissioner of Customs must approve their filing.
>
> **The institution of criminal actions shall interrupt the running of the period of prescription**. *(Emphasis supplied)*

Pursuant to the foregoing provisions, all violations of any provision of NIRC shall prescribe after five (5) years. The running of the 5-year prescriptive period shall begin to run from the date of the commission of the violation of the law, and only the institution of criminal actions shall interrupt such period.

This is consistent with the ruling of the Supreme Court in the case of *Lim, Sr. v. Court of Appeals*[9] where the High Court held that the prescriptive period of tax cases is reckoned from the discovery *and* institution of judicial proceedings for its investigation and punishment, *up to* the filing of the information in court.

Apropos to the instant case, the Court notes that at the time the crime was allegedly committed and at the time the *Information* was filed in Court, the controlling jurisprudence on the issue of prescription of violation of Section 255 of the NIRC was the *Lim* case. To reiterate, the Supreme Court categorically stated therein that the five (5)-year prescriptive period runs up to the filing of the Information in court.

While the Court is aware of the Supreme Court's ruling in the 2025 case of *People v. Consebido*,[10] where it was held that the filing of the complaint with the fiscal's office tolls the running of the prescriptive period, We are equally mindful that such ruling shall apply prospectively, in line with the time-honored principle that the interpretation that is most favorable to the accused should be adopted with respect to laws on prescription of crimes. Thus, the new doctrine laid down in the *Consebido* case is inapplicable herein.

Applying, therefore, the ruling of the Supreme Court in the *Lim* case, together with the above-cited rules, the Court finds that the instant case has prescribed.

Based on the allegations in the *Information* and *Complaint-Affidavit* dated July 20, 2016, including their supporting documents, the Formal Letter of Demand (FLD) with attached Assessment Notices was issued on **July 29, 2011**[11] and served on accused Santiago via registered mail on **August 26, 2011.**[12] Even assuming these factual claims to be true, the subject assessment became final, executory and demandable <u>after</u> the lapse of thirty (30) days from receipt, or on **September 27, 2011**, the accused having failed to file a valid protest thereto. Accordingly, the cause of action of the Bureau of Internal Revenue (BIR) accrued on September 27, 2011.

As the offense of failure to pay tax under Section 255 of the NIRC was committed on September 27, 2011, plaintiff had five (5) years from the said date, or until **September 27, 2016** within which to file the

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[9] G.R. Nos. 48134-37, October 18, 1990.
[10] G.R. No. 258563, April 2, 2025.
[11] Annexes "H" and "I", *Complaint-Affidavit* dated July 20, 2016, Division Docket, pp. 27-30.
[12] Annex "J", *Registry Return Notice covering Registry No. Billing Reg. # 1390* dated August 26, 2011, Division Docket, p. 31.

Information in Court. In this case, the *Information* was filed on **March 14, 2017.**

Considering that the five (5) year prescriptive period commenced when the FLD became final, executory and demandable on September 27, 2011, and that the prescriptive period to institute the criminal action lapsed on September 27, 2016, the subject *Information* filed on March 14, 2017 was clearly beyond the five (5) year prescriptive period.

WHEREFORE, premises considered, CTA Crim. Case No. O-632 is hereby **WITHDRAWN** from the archives and **DISMISSED** due to prescription of the offense charged. Let the *Warrant of Arrest* issued against accused be **RECALLED** and **SET ASIDE.**

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

(ON OFFICIAL BUSINESS)
MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice