REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

FORD GROUP PHILIPPINES INC., *Petitioner,*	**CTA Case No. 11128** Members:
- versus -	**REYES-FAJARDO,** *Acting Chairperson, and* **ANGELES,** *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: JAN 28 2026 4:06 p.m.

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RESOLUTION

REYES-FAJARDO, *J.*:

We resolve petitioner's *Motion for Reconsideration (Motion)*[1] filed on October 27, 2025. It mainly seeks to reverse the Court's Decision promulgated on October 1, 2025,[2] which wholly denied petitioner's refund claim of excess and unutilized Creditable Withholding Taxes (CWTs), for failure to sufficiently prove that the income payments subjected to CWTs were reported as part of its gross income in its Annual Income Tax Return (AITR) for calendar year 2020. The *fallo* of which reads:[3]

> "**WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **DENIED** for lack of merit.
>
> **SO ORDERED.**"

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1 *Rollo*, pp. 796 - 813.
2 *Id.* at pp. 768 - 793.
3 *Id.* at p. 792.

In the assailed Decision,[4] the Court entirely denied petitioner's refund of excess and unutilized CWTs for calendar year 2020 because it failed to prove that the income payments subjected to CWTs were reported as part of its gross income in its 2020 AITR. Specifically, it did not present itemized and traceable evidence (*i.e.* detailed general ledgers, sales registers, invoices, or supporting documents) linking the specific income payments subjected to withholding to the gross income declared in its 2020 AITR.

In its Motion, petitioner argues[5] that the 2020 CWT Certificates clearly show the nature of the income subjected to CWT, as reflected in the General Ledger (GL). Moreover, the Independent Certified Public Accountant, Atty. Conrado M. Briones (ICPA Briones) found that there is no difference between the revenues declared in petitioner's AITR and GL for taxable year 2020. On this premise, petitioner maintains that the income related to the claimed CWTs formed part of its reported sales in its 2020 AITR. Further, it submits that the total denial of its claim for refund is manifestly unfair and unjust, considering that it reported substantial sales/revenues/receipts/fees that were subjected to the corresponding withholding taxes on such income.

Respondent failed[6] to file a comment on petitioner's assertions.

We sustain the Assailed Decision.

Foremost, it should be noted that the total amount of income payments per BIR Form No. 2307 of ₱20,262,988,655.87 is not the same figure that was declared as income by petitioner in its 2020 AITR, *i.e.,* ₱19,473,630,829.00. *Ergo,* petitioner bears the burden to prove the itemized transactions compromising the income amount reported in its 2020 AITR and to demonstrate that the income payments corresponding to the claimed CWT were duly included as part of its reported sales in its 2020 AITR.

Petitioner failed to discharge this burden.

First. Petitioner attached to its Motion a table[7] purporting to reconcile the ₱789,357,826.00 discrepancy between the income

[4] *Supra* note 2.
[5] *Supra* note 1.
[6] Records Verification dated November 11, 2025, *Rollo,* p. 821.
[7] *Rollo,* Annex "A," p. 816.

reported in its 2020 AITR and the amounts reflected in BIR Forms No. 2307. However, the table merely shows total sales per customer and the variance between the ITR and the Summary Alphalist of Withholding Tax at Source, without any detailed breakdown or exhibit references. As such, the Court cannot readily verify the figures against their supporting documents. Thus, it fails to directly link the income payments subjected to withholding to the amounts reported in its 2020 AITR.

Second. Petitioner likewise anchors on ICPA Briones' conclusion that the revenues declared in its 2020 AITR and GL are the same, and on this basis asserts that the income related to the claimed CWTs was included in its reported sales in 2020 AITR.

It merits emphasis that the findings of ICPA Briones are merely recommendatory in nature and do not bind the Court, as they remain subject to the Court's verification. Section 3, Rule 13 of the Revised Rules of the Court of Tax Appeals provides:

> SEC. 3. *Findings of independent CPA.* - The submission by the independent CPA of pre-marked documentary exhibits shall be subject to verification and comparison with the original documents, the availability of which shall be the primary responsibility of the party possessing such documents and, secondarily, by the independent CPA. **The findings and conclusions of the independent CPA may be challenged by the parties and shall not be conclusive upon the Court, which may, in whole or in part, adopt such findings and conclusions subject to verification.**[8]

The Court's verification shows that, based on the various schedules and reconciliation presented in evidence, the income payments related to the claimed CWTs cannot be traced or verified as having formed part of the reported net sales in petitioner's 2020 AITR. Hence, the Court cannot be held in error for refusing to accord evidentiary weight to ICPA Briones' finding on this point.

Lastly. Petitioner claims that it is entitled to at least a proportionate refund of its claimed CWTs.

We disagree.

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8 Emphasis Ours.

Commissioner of Internal Revenue v. Far East Bank & Trust Company (now Bank of the Philippine Islands)[9] pronounced that "... [s]ince tax refunds partake of the nature of tax exemptions, which are construed *strictissimi juris* against the taxpayer, evidence in support of a claim must likewise be *strictissimi* scrutinized and duly proven."

Considering that petitioner failed to sufficiently prove that it complied with the *third* requisite for a refund claim of excess and unutilized CWTs, *i.e.*, that the income payments from which taxes were withheld were declared as part of petitioner's gross income in its 2020 AITR, then, petitioner's claim in its entirety must necessarily fail.

WHEREFORE, petitioner's *Motion for Reconsideration* is **DENIED**. The Decision promulgated on October 1, 2025 is **AFFIRMED**.

SO ORDERED.

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

HENRY S. ANGELES
Associate Justice

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9 G.R. No. 173854, March 15, 2010.