REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE, *Petitioner,*	**CTA EB No. 2862** (CTA Case No. 9651)
	Present:
-versus-	**RINGPIS-LIBAN,** *P.J.,* **BACORRO-VILLENA, MODESTO-SAN PEDRO, REYES-FAJARDO, CUI-DAVID, FERRER-FLORES,** and **ANGELES,** *JJ.*
METRO RAIL TRANSIT CORPORATION, *Respondent.*	Promulgated: APR 30 2026 2:15pm

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RESOLUTION

REYES-FAJARDO, J.:

On September 2, 2025, a Decision was rendered, the *fallo* of which reads:[1]

> **WHEREFORE,** in light of the foregoing considerations, the Petition for Review is **DENIED** for lack of merit. Accordingly, the Decision dated March 23, 2023 and the Resolution dated January 4, 2024 of the Special Third Division of this Court in CTA Case No. 9651 are **AFFIRMED.**
>
> **SO ORDERED.**

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1 Decision, Docket – pp. 120 to 135.

In its Decision, the Court *En Banc* affirmed the Decision[2] and Resolution[3] of the Special Third Division of this Court ("Court in Division"), and annulled petitioner's Final Decision on Disputed Assessment (FDDA)[4] for want of authority. The Court ruled that absent a new or separate Letter of Authority (LOA) issued by the Commissioner of Internal Revenue (CIR) or his duly authorized representative, Revenue Officer (RO) Benedicto and Group Supervisor (GS) Santos are without authority to conduct the audit and recommend the issuance of the deficiency tax assessments. Consequently, the resulting assessments are void.

Unyielding, petitioner filed his *Motion for Reconsideration*, arguing that the RO and GS named in the LOA merely recommended the issuance of the FDDA, which was issued by the CIR or his duly authorized representative, and that the assessments should not be voided for lack of authority. Petitioner further maintains that respondent belatedly raised the issue of the RO's authority or LOA defect, which should be barred as a new issue on appeal, and invokes estoppel on the ground that respondent allegedly benefited from waivers extending the assessment period. Petitioner likewise argues that the Court erred in relying on Revenue Memorandum Order (RMO) No. 43-90, claiming that it is inapplicable or obsolete, and that reassignment through a Memorandum of Assignment (MOA) suffices.[5]

On the other hand, respondent characterizes petitioner's *Motion* as a mere rehash of arguments already considered and rejected by the Court. Respondent maintains that the Court correctly ruled on the lack of authority arising from the LOA defect, which is jurisdictional, incurable, and may be resolved at any stage of the proceedings. Respondent further contends that petitioner's purportedly "new" arguments—such as estoppel, the alleged obsolescence of RMO No. 43-90, and sufficiency of a MOA—are either irrelevant or inconsistent with settled jurisprudence.[6]

The *Motion* lacks merit.

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2 Dated March 23, 2023, Docket – pp. 29 to 44.
3 Dated January 4, 2024, Docket – pp. 46 to 51.
4 Dated July 13, 2017.
5 Motion for Reconsideration, Docket – pp. 138 to 150.
6 Opposition, Docket – pp. 157 to 173.

At the onset, a careful reading of petitioner's *Motion* reveals that it merely reiterates arguments already raised in his Petition for Review and exhaustively addressed in the Decision. These arguments have already been considered and squarely rejected by both the Court in Division and the Court *En Banc*. To reinvent the wheel is a wastage of Court's time and resources.[7]

In any event, the *Motion* fails for the same reason already explained in the Decision.

Per settled jurisprudence, the authority of ROs to examine a taxpayer's books and records must emanate from a valid LOA, and that only the ROs specifically named therein may conduct the audit. When the ROs originally named in the LOA ceased to participate in the audit and were replaced by other officers without the issuance of a new LOA, the authority to audit was effectively lost. Any assessment resulting from such unauthorized audit is void.[8]

Petitioner's attempt to downplay the defect by arguing that the ROs merely "recommended" the assessments, while the FDDA emanated from the CIR or his authorized representative, is unavailing.

As expressly ruled in the Decision, the absence of a valid LOA deprived RO Benedicto and GS Santos of authority to conduct the audit. As a necessary consequence, acts performed in the course of such unauthorized audit—including the preparation or recommendation of the assessments—cannot be accorded legal effect. This is consistent with *Commissioner of Internal Revenue v. Opulent Landowners, Inc.*,[9] which ruled that deficiency tax assessments are void in the absence of a new LOA issued in favor of the ROs who **recommended** their issuance.

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7 *Social Justice Society (SJS) Officers, et al. v. Lim*, G.R Nos. 187836 & 187916, March 10,2015.

8 *People v. E & D Parts Supply, Inc.*, G.R. No. 259284, January 24, 2024; *Commissioner of Internal Revenue v. McDonald's Philippines Realty Corp.*, G.R. No. 242670, May 10, 2021; *Medicard Philippines, Inc. v. Commissioner of Internal Revenue*, G.R. No. 222743, April 5, 2017.

9 G.R. Nos. 249883-84, January 27, 2020.

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Equally unavailing is petitioner's insistence that the issue of lack of authority should not have been entertained because it was allegedly raised for the first time on appeal.

The Court has already ruled that the validity of an assessment, including the authority of the ROs who conducted the audit, is a jurisdictional matter that may be passed upon at any stage of the proceedings.[10] Moreover, under the Section 1, Rule 14 of the Revised Rules of the Court of Tax Appeals,[11] the Court is not confined to the issues raised by the parties and may resolve matters necessary for an orderly and complete disposition of the case.[12]

In fine, the Court finds no compelling reason to reverse or modify its ruling.

WHEREFORE, petitioner's *Motion for Reconsideration* is **DENIED** for lack of merit. The Decision promulgated on September 2, 2025 is **AFFIRMED.**

SO ORDERED.

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

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

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10 *Himlayang Pilipino Plans, Inc. v. Commissioner of Internal Revenue,* G.R. No. 241848, May 14, 2021.

11 RULE 14. Judgment, Its Entry and Execution

SECTION 1. Rendition of Judgment. —

. . .

In deciding the case, the Court may not limit itself to the issues stipulated by the parties but may also rule upon related issues necessary to achieve an orderly disposition of the case.

12 *Commissioner of Internal Revenue v. Lancaster Philippines, Inc.,* G.R. No. 183408, July 12, 2017.

I reiterate my concurrence in then PJ Del Rosario's Separate Concurring Opinion
JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

I reiterate my concurrence with former PJ Del Rosario's SCO
LANEE S. CUI-DAVID
Associate Justice

I reiterate my position in joining the Separate Concurring Opinion of (Ret.) PJ Del Rosario.
CORAZON G. FERRER-FLORES
Associate Justice

(Inhibited)
HENRY S. ANGELES
Associate Justice