REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

SHIRLEY TAN FESTIN, doing business under the name and style of CSR CONSTRUCTION AND SUPPLY,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 10264

Members:

REYES-FAJARDO, *Chairperson,*
ANGELES, *JJ.*

Promulgated:

MAR 13 2026 2:30 pm

x- -x

RESOLUTION

REYES-FAJARDO, *J.*:

In the Decision[1] dated August 13, 2025, We found that: (1) jurisdiction was obtained over CTA Case No. 10264, because petitioner timely instituted its appeal, within thirty (30) days from her receipt of respondent's Warrant of Distraint and/or Levy (WDL) dated January 28, 2020; (2) the deficiency internal revenue tax assessments for Taxable Year (TY) 2014 were voided because there was no proof that the Formal Letter of Demand and Final Assessment Notice (FLD/FAN) pertaining thereto was actually received by petitioner or her duly authorized representative; and (3) petitioner failed to show entitlement to the issuance of a Tax Clearance Certificate, per pertinent regulations. Precisely, CTA Case No. 10264 was disposed as follows:

> **WHEREFORE,** We **RESOLVE** to:
>
> a. **GRANT** the Petition for Review dated March 2, 2020;

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1 Docket, pp. 1111-1130.

b. **NULLIFY** and **LIFT** the Warrant of Distraint and/or Levy dated January 28, 2020 and Warrants of Garnishment, pertinent to the 2014 deficiency internal revenue taxes, and corresponding increments, for being fruits of a void assessment;

c. **PROHIBIT** the Commissioner of Internal Revenue, his agents, or other persons acting on his behalf from collecting on Shirley Tan Festin, the deficiency Income Tax, Value-Added Tax, Expanded Withholding Tax, and Miscellaneous Charges in the total amount of ₱19,426,405.22, inclusive of interest, covering Taxable Year 2014; and

d. **DENY** the Supplemental Petition for Review dated October 20, 2020, for lack of merit.

SO ORDERED.

Unfazed, respondent lodged his Motion for Reconsideration (Re: Decision dated 13 August 2025),[2] praying that the Decision dated August 13, 2025 be overturned, attended by the following justifications:

> *One*. Jurisdiction was not obtained over CTA Case No. 10264, because petitioner failed to file its appeal within thirty (30) days from her receipt of the Final Decision on Disputed Assessment.
>
> *Two*. The tax assessments found by his agents are *prima facie* presumed true and correct. In the absence of proof that the same are flawed, then such tax assessments should be sustained.

Via Comment/Opposition (To the Motion for Reconsideration dated September 12, 2025),[3] petitioner ripostes that no reversible error was committed, in the rendition of the Decision dated August 13, 2025, with the following postulations:

> *One*. Jurisdiction was secured over CTA Case No. 10264, because she timely filed her appeal, within thirty (30) days from receipt of the WDL dated January 28, 2020.
>
> *Two*. She cannot be compelled to pay the 2014 deficiency taxes found under the FLD/FAN because she failed to receive the same, offensive of her right to due process.

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2 *Id*. at pp. 1131-1140.
3 *Id*. at pp. 1147-1162.

We agree with petitioner.

First. Respondent provided a myopic understanding of the Court's jurisdiction. Section 7(a)(1) of Republic Act No. 1125, as amended, reads:

> Sec. 7. Jurisdiction. - The CTA shall exercise:
>
> a. Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> 1. **Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments**, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, **or other matters arising under the National Internal Revenue Code** or other laws administered by the Bureau of Internal Revenue;

True, as pointed out by respondent, a timely appeal of the Final Decision on Disputed Assessment (FDDA) is required for Us to acquire jurisdiction over respondent's decision on disputed assessment. However, petitioner's recourse to Us was **not** triggered by the FDDA. Rather, it was the service of the BIR's Warrant of Distraint and/or Levy (WDL) to her on January 31, 2020, which prompted petitioner to seek judicial redress. Additionally, a WDL falls under other matters arising from the National Internal Revenue Code (NIRC), as amended. Thus, counting thirty (30) days such service, petitioner had until March 2, 2020[4] to seek recourse. Therefore, the timely filing of the Petition on March 2, 2020 clothed Us with jurisdiction over CTA Case No. 10264.[5]

Second. True, tax assessments prepared by respondent's examiners are presumed true and correct.[6] Yet, as found in the assailed Decision, no such formal assessment was validly issued, let alone, received by petitioner.[7] Without the valid issuance and receipt of the formal assessment, petitioner was deprived of opportunity to contest the same, as guaranteed by Section 228 of the NIRC, as amended, as implemented by Revenue Regulations No. 18-2013, thereby exposing violation of petitioner's right to due process. For this reason, the formal assessment for 2014 deficiency internal

[4] The 30th day, *i.e.*, March 1, 2020, fell on a Sunday.
[5] See page 12, assailed Decision. Docket, p. 1122.
[6] Respondent cites plethora of cases in support of his position. *Id.* at p. 1137.
[7] See pages 13-16 of the assailed Decision. *Id.* at pp. 1123-1126.

revenue taxes issued against petitioner is void. Being void, it produces no valid effect.[8]

ACCORDINGLY, respondent's Motion for Reconsideration (Re: Decision dated 13 August 2025) is **DENIED**, for lack of merit. The Decision dated August 13, 2025 is **AFFIRMED**.

SO ORDERED.

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

I CONCUR:

HENRY S. ANGELES
Associate Justice

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8 See *Prime Steel Mill, Incorporated v. Commissioner of Internal Revenue*, G.R. No. 249153, September 12, 2022.