Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

EN BANC

COMMISSIONER OF INTERNAL REVENUE AND PERFECTO L. ARANAS REGIONAL DIRECTOR OF REVENUE REGION NO. 19, DAVAO CITY, Petitioners,	**CTA EB CASE NO. 1174** (CTA Case No. 8315)
-versus-	Present: DEL ROSARIO, P.J., CASTAÑEDA, JR. BAUTISTA UY CASANOVA FABON-VICTORINO MINDARO-GRULLA COTANGCO-MANALASTAS RINGPIS-LIBAN, JJ.
ELRIC AUXILIARY SERVICES CORPORATION/SACRED HEART GAS STATION, Respondent.	Promulgated: SEP 09 2016 2:30 p.m.

x---x

RESOLUTION

MINDARO-GRULLA, J.:

This resolves petitioner's "Motion for Reconsideration" of the Decision dated March 3, 2016 of this Court en banc, the dispositive portion of which states:

> ***"WHEREFORE,*** *premises considered, the petition is* ***DENIED*** *for lack of merit. The Decision of the Second Division of this Court in CTA Case No. 8315, promulgated on February 17, 2014, and its Resolution promulgated on April 30, 2014, are hereby* ***AFFIRMED****. No Pronouncement as to costs.*
>
> ***SO ORDERED****."*

In assailing this Court's Decision, petitioner raised the following issues:

"I.

WITH ALL DUE RESPECT THE HONORABLE COURT HAS NO JURISDICTION OVER THE INSTANT CASE AS THE SAME DOES NOT

INVOLVE A DECISION ON A DISPUTED ASSESSMENT.

II.

ASSUMING ARGUENDO THAT THE HONORABLE COURT CAN TAKE COGNIZANCE OF " OTHER MATTERS" ARISING UNDER THE NATIONAL INERNAL REVENUE CODE, NEVERTHELESS THE SAME DOES NOT INVOLVE A DECISION OF THE COMMISSIONER OF INTERNAL REVENUE PURSUANT TO REVENUE MEMORANDUM ORDER NO. 3-2009.

III.

THE 48 HOUR NOTICE AND THE (5) DAY VCN WERE ISSUED IN ACCORDANCE WITH LAW AND THE RULES LEGITIMATELY CITING THE VIOLATIONS AND ACCORDING RESPONDENT ITS RIGHT TO DUE PROCESS.

IV.

THE COMPLIANCE NOTICE WAS ISSUED BASED ON FACTUAL AND LEGAL BASES.

Petitioner maintains its arguments previously raised before the Division of this Court and the Court En Banc. Petitioner insists on the existence of a "decision" either on disputed assessment or "decision" on other matters by the Commissioner of Internal Revenue, before this Court can acquire jurisdiction. Likewise, petitioner maintains that the compliance notice was based on factual and legal ground.

We resolve to deny the motion.

After a careful examination of petitioner's "Motion for Reconsideration", the Court finds that the issues and arguments raised in said motion had already been sufficiently passed upon and fully discussed not only by the Second Division's Decision dated February 17, 2014, and its Resolution dated April 30, 2014, but also by this Court En Banc's Decision dated March 3, 2016.

To reiterate, the jurisdiction of this Court is not limited to cases which involve "decisions" of the Commissioner of Internal Revenue on matters relating to assessments or refunds. This Court also has jurisdiction on other cases that arise out of the NIRC or related laws administered by the Bureau of Internal Revenue pursuant to Section 7 (a) (1) of Republic Act (RA) No. 1125, An Act Creating the Court of Tax Appeals, as amended[1], as well as Rule 4, Section 3 (a) (1), in relation to Rule 8, Section 4(a), of the Revised Rules of the Court of Tax Appeals (RRCTA)[2]. In the case of Phillippine Journalist, Inc., vs. CIR[3] and CIR vs. Hambrecht and Quist Phillipnes, Inc.[4], the Supreme Court has already

[1] 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;

x x x x x x

[2] RULE 4
JURISDICTION OF THE COURT

Sec. 3. *Cases within the jurisdiction of the Court in Division.* – The Court in Division shall exercise:

(a) Exclusive original over or appellate jurisdiction to review by appeal the following:

(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;

x x x x x x

RULE 8
PROCEDURE IN CIVIL CASES

Sec. 4. *Where to appeal; mode of appeal.* –

(a) An Appeal from a decision or ruling or the inaction of the Commissioner of Internal Revenue on disputed assessments or claim for refund of internal revenue taxes erroneously or illegally collected; the decision or ruling of the Commissioner of Customs, the Secretary of Finance, the Secretary of Trade & Industry, the Secretary of Agriculture, and the Regional Trial Court in the exercise of their original jurisdiction, shall be taken to the Court by filing before it a petition for review as provided in Rule 42 of the Rules of Court. The Court in Division shall act on the appeal.

[3] G.R. No. 162852, December 16, 2004.

[4] G.R. No. 169225, November 17, 2010.

setttled that this Court also has jurisdiction over cases that arise out of the NIRC or related laws administered by the Bureau of Internal Revenue.

The "Oplan Kandado" through the 48-Hour Notice and 5-Day VAT Compliance Notice pursuant to Section 115 "Power of the Commissioner to Suspend the Business Operations of a Taxpayer" in relation to Section 6 " Power of the Commissioner to Make Assessment and Prescribe Additional Requirements for Tax Administration and Enforcement" of the National Internal Revenue Code (NIRC) as amended, and implemented by Revenue Memorandum Order No. 3-2009, falls within the meaning of "other matters" arising under the National Internal Revenue Code.

As to the claim that the compliance notice was issued based on factual and legal basis, it must be emphasized that not only should the compliance notice be based on factual and legal grounds; the same must likewise be disclosed in the notice to sufficiently inform the taxpayer. In this case, through the 48-Hour Notice and 5-Day VAT Compliance Notice, petitioner held respondent liable to deficiency VAT and demanded that the amount of Php1,196,583.13 be paid, thus, respondent taxpayer has the right to be duly informed of its factual and legal grounds.

In sum, We found that no substantial argument was raised to merit a reconsideration of our Decision promulgated on March 3, 2016.

WHEREFORE, premises considered, petitioner's "Motion for Reconsideration" is hereby **DENIED** for lack of merit.

SO ORDERED.

Cielito N. Mindaro-Grulla

CIELITO N. MINDARO-GRULLA
Associate Justice

WE CONCUR:

"I maintain my Dissenting Opinion."
ROMAN G. DEL ROSARIO
Presiding Justice

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

LOVELL R. BAUTISTA
Associate Justice

(took no part in the Decision)
ERLINDA P. UY
Associate Justice

CAESAR A. CASANOVA
Associate Justice

(On Official Business)
ESPERANZA R. FABON-VICTORINO
Associate Justice

AMELIA R. COTANGCO-MANALASTAS
Associate Justice

Ma. Belen
MA. BELEN M. RINGPIS LIBAN
Associate Justice