REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

ALYSONS CHEMICAL ENTERPISES, INC. represented by its President ARSENIO ISIDRO G. YAP, JR.,
Petitioner,

- versus –

COMMISSIONER OF INTERNAL REVENUE
Respondent.

CTA CASE NO. 11721

Members:

RINGPIS-LIBAN, *Chairperson,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:

4:28 pm

x - x

RESOLUTION

Before the Court is petitioner's **Motion for Reconsideration (To the Resolution dated April 8, 2025)** (*Motion*) filed through accredited courier on May 19, 2025.

Petitioner seeks reconsideration of the Court's Resolution dated April 8, 2025, which dismissed its *Petition for Review on Certiorari* (*Petition*) for having been filed out of time and prays for the Court to give due course to its *Petition* dated December 27, 2024 and *Supplemental Petition* dated January 28, 2025.

In its *Motion*, petitioner argues that the assessment which was the basis of the Final Decision on Disputed Assessment (FDDA) is void for lack of a new and valid Letter of Authority (LOA) authorizing the Revenue Officer (RO) to conduct the investigation. It posits that, considering a void assessment does not bear fruit, it follows that the void assessment or FDDA does not become final, executory and demandable. Consequently, the reglementary period to appeal does not run, and this Court still has and should exercise its jurisdiction over the case.

Petitioner further argues that even granting that the 30-day reglementary period had already set in, it should still be granted liberality from the rigid application of the rules because respondent has committed a gross violation of the rules when it conducted an investigation on petitioner's alleged tax deficiencies without a valid LOA rendering its subsequent actions and procedure also void and without any legal effect. To allow respondent to violate its own rules without any consequence and then apply the rigid application of rules to petitioner would be the height of injustice.

Lastly, petitioner emphasizes that the amount of money taken from it due to a void assessment is substantial; thus, the damage that a person would receive if the rigid application of the rules is applied should also be considered.

After due consideration, the Court finds petitioner's *Motion* bereft of merit.

It bears emphasis that the right to appeal is neither a natural right nor is it a component of due process. It is a mere statutory privilege and may be exercised only in the manner and in accordance with the provisions of law.[1] In *Boardwalk Business Ventures, Inc. vs. Elvira A. Villareal*,[2] the Supreme Court emphasized that perfecting an appeal within the period required by law is not only mandatory, but jurisdictional as well, *viz.*:

> To stress, the right to appeal is statutory and one who seeks to avail of it must comply with the statute or rules. **The requirements for perfecting an appeal within the reglementary period specified in the law must be strictly followed as they are considered indispensable interdictions against needless delays. Moreover, the perfection of an appeal in the manner and within the period set by law is not only mandatory but jurisdictional as well, hence failure to perfect the same renders the judgment final and executory.** And, just as a losing party has the privilege to file an appeal within the prescribed period, so also does the prevailing party have the correlative right to enjoy the finality of a decision in his favor. (*Emphasis added*)

It has, thus, been held that the relaxation of procedural rules cannot be made without any valid reasons proffered for or underpinning it. To merit liberality, petitioner must show reasonable cause justifying its non-compliance with the rules and must convince the Court that the outright dismissal of the petition would defeat the administration of substantive justice.[3] The resort to a liberal application, or suspension of the application of procedural rules, must remain as the exception to the well-settled

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1 *Elizabeth Brual vs. Jorge Brual Contreras, et. al.*, G.R. No. 205451, March 7, 2022.
2 G.R. No. 181182, April 10, 2013.
3 *Daikoku Electronics Phils., Inc. vs. Alberto J. Raza*, G.R. No. 181688, June 5, 2009.

principle that rules must be complied with for the orderly administration of justice.[4]

In the instant case, petitioner's arguments do not warrant the relaxation of the rules as prayed for. Petitioner's bare allegation that it was uncounseled during the period to file an appeal is not a sufficient justification to relax the application of the rules. Notably, petitioner did nothing during the period within which it should have filed an appeal, nor did it allege that it was in any way legally or physically prevented from doing so.

The Court of Tax Appeals (CTA), being a court of special jurisdiction, can take cognizance only of matters that are clearly within its jurisdiction.[5] To reiterate, Section 11 of Republic Act (R.A.) No. 1125,[6] as amended by RA No. 9282,[7] categorically provides that, in order for the Court to have jurisdiction over an appeal, the taxpayer adversely affected by the decision of the Commissioner of Internal Revenue (CIR) has the remedy to appeal the same with this Court ***within 30 days*** from the date it received the said decision or ruling.

As found herein, petitioner received respondent's Decision on August 8, 2024. Counting 30 days therefrom, petitioner had until September 9, 2024,[8] within which to file its appeal. Petitioner, however, filed its appeal with this Court only on January 7, 2025. Clearly, the *Petition* was filed beyond the reglementary period of 30 days, thereby rendering the Court without jurisdiction to hear the *Petition*. If the court has no jurisdiction over the nature of an action, its only authority is to dismiss the case. The court could not decide the case on the merits.[9]

The Court cannot also subscribe to petitioner's argument that respondent's deficiency assessments have never become final, executory, and demandable since it is a void assessment due to the lack of a new and valid LOA. The Court reiterates that jurisprudence has consistently held that jurisdiction is defined as the power and authority of a court to hear, try, and decide a case. In order for the court or an adjudicative body to have authority to dispose of the case on the merits, it must first acquire, among

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[4] *Gregorio De Leon, doing business as G.D.L. Marketing vs. Hercules Agro Industrial Corporation, et. al.*, G.R. No. 183239, June 2, 2014.

[5] *Commissioner of Internal Revenue vs. V.Y. Domingo Jewellers, Inc.*, G.R. No. 221780, March 25, 2019.

[6] AN ACT CREATING THE COURT OF TAX APPEALS, approved on June 16, 1954.

[7] AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING TTS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OR REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES, approved on March 30 2004.

[8] September 7, 2024 fell on a Saturday. The next working day was Monday, September 9, 2024.

[9] *Commissioner of Internal Revenue vs. Silicon Philippines, Inc. (formerly Intel Philippines Manufacturing, Inc.)*, G.R. No. 169778, March 12, 2014.

others, jurisdiction over the subject matter.[10] It is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. Thus, when a court has no jurisdiction over the subject matter, the only power it has is to dismiss the action.[11] Consequently, a tax assessment that has become final, executory and enforceable for failure of the taxpayer to assail the same can no longer be contested,[12] thus, depriving the Court of its jurisdiction to resolve the merits of the case.

Petitioner ought to be reminded that procedural rules are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to the parties' substantive rights. Like all rules, they are required to be followed except only for the most persuasive of reasons as when "transcendental matters" of life, liberty or state security are involved.[13]

True, litigation is not a game of technicalities. It is equally true, however, that every case must be presented in accordance with the prescribed procedure to ensure an orderly and speedy administration of justice.[14]

ACCORDINGLY, the instant **Motion for Reconsideration (To the Resolution dated April 8, 2025)** is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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[10] *Bernadette S. Bilag, et.al. vs. Estela Ay-ay, et al.,* G.R. No. 189950, April 24, 2017

[11] *Mitsubishi Motors Philippines Corporation vs. Bureau of Customs*, G.R. No. 209830, June 17, 2015.

[12] *Oceanic Wireless Network, Inc. vs. Commissioner of Internal Revenue, et al.*, G.R. No. 148380, December 9, 2005.

[13] *Mindanao Savings and Loan Association, Inc. vs. Vicenta Vda. De Flores, et. al.,* G.R. No. 142022, September 7, 2005.

[14] *Ibid.*

CORAZON G. FERRER-FLORES
Associate Justice