REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

DOLE PHILIPPINES INC. – STANFILCO DIVISION,
Petitioner,

- versus -

THE SANGGUNIANG PANLUNGSOD OF THE CITY OF DAVAO, and the HON. SARA Z. DUTERTE-CARPIO and BELLA LINDA N. TANJILI, in their respective capacities as Mayor and Treasurer of the City of Davao,
Respondents.

CTA AC NO. 285
(RTC Civil Case No. 18-01176-CV)

Members:

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

Promulgated:

FEB 28 2025 3:10 p.m.

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RESOLUTION

FERRER-FLORES, J.:

Before this Court is petitioner's **Motion for Reconsideration (of the Decision dated 02 October 2024)** (MR) filed on October 17, 2024, with respondents' **Comments/Opposition to the Motion for Reconsideration (filed on October 17, 2024)** filed through registered mail on December 9, 2024 and received by the Court on December 16, 2024.

In the assailed Decision, the Court found that the Environmental Tax imposed by respondents is not a local tax ordinance which, consequently, deprives this Court of jurisdiction over the present *Petition for Review*, the dispositive portion of which states as follows:

> **WHEREFORE**, in light of the foregoing considerations, the present *Petition for Review* is **DISMISSED** for this Court's lack of jurisdiction.
>
> **SO ORDERED.**

Petitioner anchors its MR on the following grounds, viz.:

i. The Court erred in ruling that it has no jurisdiction over the Petition;

ii. The Court erred in holding that the Environmental Tax imposed by Article 17 of Davao City Ordinance No. 0310-07 entitled "Watershed Protection, Conservation and Management Ordinance", or the Watershed Code, is a regulatory fee rather than a local tax primarily intended to generate revenue; and,

iii. The Court erred in not considering the other substantive issues raised by petitioner.

Anent the *first* ground, petitioner submits that the nature of an action is determined by the allegations in the complaint and the character of the relief sought. It insists that the subject matter of the present case involves a local tax case because it emanates from respondent City Treasurer's denial of a protest on assessment in collecting an Environmental Tax to which petitioner paid under protest pursuant to Section 195 of Republic Act (R.A.) No. 7160,[1] as amended, otherwise known as the *Local Government Code (LGC) of 1991*, in relation to Sections 422 and 423 of Davao City Ordinance 158-05,[2] otherwise known as the *2005 Revenue Code of the City of Davao*. Petitioner asserts that the appellate jurisdiction of the Court already becomes operative when the Regional Trial Court (RTC) has ruled on a local tax case involving a disputed environmental tax assessment.

As regards the *second* ground, petitioner argues that the Court erred in ruling that Article 17 of the City of Davao's Ordinance No. 0310-07, series of 2007, entitled *Watershed Protection, Conservation and Management Ordinance*,[3] (Watershed Code) is a regulatory fee rather than a local tax measure considering that it is primarily intended to generate revenue. The sweeping declaration that fees are collected to implement declared policies of local government units does not *ipso facto* make the fees or the corresponding ordinance regulatory in nature. Otherwise, petitioner posits that local legislative bodies could easily circumvent the procedural requirements in enacting revenue-raising measures under the guise of regulation without the need to contain the required set of standards.

Petitioner further continues that the collection of the Environmental Tax does not meet the jurisprudential standards and factors to determine

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[1] Approved on October 10, 1991.
[2] Enacted November 16, 2005 and approved on December 2, 2005.
[3] Approved on February 23, 2007.

whether a fee is a regulation. It asserts the Environmental Tax assessed under the Watershed Code bears no reasonable relation to the cost of regulating, preserving, and conserving watersheds within the City of Davao's jurisdiction. Petitioner also points out that it was, in fact, never subjected to any inspection relative to the implementation of the Watershed Code and was only required to pay the assessed Environmental Tax annually upon renewal of the business permit without requiring it to submit any document in relation to the inspection and regulation of the City of Davao's watershed, which clearly belies the position that the Watershed Code is a regulatory ordinance.

Lastly, petitioner contends that the present *Petition for Review* is an appeal from the adverse decision of the RTC which is within the scope of the exclusive and expanded appellate jurisdiction of this Court and, as such, it opens other substantive issues for review and determination. In this regard, petitioner re-pleads the arguments in its *Petition for Review*.

On the other hand, in their Comment, respondents submit that the Court correctly ruled that it can only address matters that are clearly within its authority, specifically, regarding local tax cases outlined in Section 7(a)(3) of RA No. 1125, as amended by RA No. 9282.[4] The present case pertains to a regulatory fee rather than a revenue fee in which the Court fittingly dismissed the present *Petition for Review* for lack of jurisdiction. Differentiating between a tax and a fee is critical in determining the nature of an imposition – fees are defined as charges for regulation, inspection, or licensing, and must be reasonable and commensurate with these activities, while charges imply a pecuniary liability, as opposed to taxes that primarily aim to raise revenue.

Respondents further stress that the nature and purpose of the City of Davao's Watershed Code is to promote the conservation and protection of the Davao City Watershed. As such, the Environmental Tax imposed by the Watershed Code is categorized as a regulatory fee rather than a tax because its primary purpose is to regulate and manage environmental resources, specifically watersheds, and not to generate revenue. This is in consonance with Section 458 of the LGC of 1991, which empowers respondent *Sangguniang Panlungsod* of the City of Davao to enact ordinances for the city's general welfare, including environmental protection and conservation measures.

According to respondents, the term Environmental Tax in the said ordinance does not always imply that a local tax is being imposed for revenue purposes. The requirements found in the afore-mentioned ordinance do not indicate that it will result in increased revenue from the funds collected, since

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4 "An Act Creating The Court Of Tax Appeals", June 16, 1954.

they are in fact allocated to the City of Davao's Watershed Management Council (WMC) which is the agency responsible for the management and preservation of the watershed and carrying out projects aimed at maintaining its ecological integrity.

Lastly, respondents point out that the Court need not discuss the other arguments raised by petitioner regarding the legality and reasonableness of the subject environmental tax imposition since the Court lacks jurisdiction over the subject matter.

We resolve.

The Court finds petitioner's MR bereft of merit. The arguments proffered in the MR are mere rehash of matters that have already been considered and weighed by the Court in the assailed Decision.

The Court affirms that since the Environmental Tax imposed under Article 17 of the Watershed Code is primarily regulatory in nature, such is not considered a local tax case within the purview of this Court's jurisdiction.

It must be borne in mind that in distinguishing tax and regulation as a form of police power, the determining factor is the purpose of the implemented measure. If the purpose is primarily to raise revenue, then it will be deemed a tax even though the measure results in some form of regulation. On the other hand, if the purpose is primarily to regulate, such as in this case, it is deemed a regulation and an exercise of police power of the state, albeit incidentally, revenue is generated.[5]

At this juncture, the Supreme Court ruling in *Social Justice Society (SJS) Officers, et al. v. Lim*,[6] is instructive:

> The grounds relied on being mere reiterations of the issues already passed upon by the Court, there is no need to "cut and paste" pertinent portions of the Decision or re-write the ponencia in accordance with the outline of the instant motion.
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> As succinctly put by then Chief Justice Andres R. Narvasa in *Ortigas and Co. Ltd. Partnership v. Judge Velasco* on the effect and disposition of a motion for reconsideration:

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5 *Chevron Philippines, Inc. (Formerly Caltex Philippines, Inc.) vs. Bases Conversion Development Authority, et al.;* G.R. No. 173863, September 15, 2010.

6 G.R. Nos. 187836 & 187916, March 10, 2015 (Resolution).

> The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first time, these being, as above stated, deemed waived because not asserted at the first opportunity. It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, Art. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.

All told, there being no new matter or substantial issue raised by petitioner in its MR, the Court finds no compelling reason to reverse or modify the assailed Decision.

WHEREFORE, premises considered, petitioner's **Motion for Reconsideration (of the Decision dated 02 October 2024)** is **DENIED** for lack of merit.

SO ORDERED.

CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Inhibited
MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice