REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

PEOPLE OF THE PHILIPPINES,
Petitioner,

CTA EB No. 2188
(CTA OC No. 024)

Members:
DEL ROSARIO, *P.J. Chairperson,*
CASTAÑEDA, JR.,
UY,
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA, and
MODESTO-SAN PEDRO, *JJ.*

-versus-

ROBIEGIE CORPORATION,
Respondent,

Promulgated:

JUN 10 2021 3:16 p.m.

x- -x

RESOLUTION

MANAHAN, J.:

For this Court's resolution is plaintiff's *Motion for Reconsideration (Re: Decision promulgated on January 08, 2021)* filed on January 28 2021, with respondent's *Comment/Opposition to the Motion for Reconsideration (Re: Decision promulgated on January 08, 2021)* filed on February 10, 2021.

Petitioner prays for the reversal and setting aside of the Court *En Banc's* Decision dated January 8, 2021, the dispositive portion of which reads:

> "**WHEREFORE**, premises considered, the Petition for Review is hereby **DENIED** for lack of merit. Accordingly, the Resolutions dated August 9, 2019 and November 7, 2019 issued by the Court in Division are **AFFIRMED.**

SO ORDERED."

The arguments of petitioner in his *Motion for Reconsideration* revolve around a single premise as follows:

> "The Honorable Court erred in holding that the tax assessments are invalid for want of authority of the revenue officers who conducted the examination, through an LOA."

Petitioner asserts that a Letter of Authority (LOA) is not the only authority given to a revenue officer (RO) to empower him/her to examine the books of a taxpayer and that a Memorandum of Assignment (MOA) will suffice. Petitioner cites paragraph IV (F) (2) of Revenue Memorandum Order (RMO) No. 8-2006 dated February 1, 2006, which supposedly provides that in cases of reassignment of the original ROs, a memorandum shall be issued by the head of the investigating office to the concerned taxpayer and such will be sufficient authority to continue the audit investigation. Petitioner also added that RMO No. 69-2010 dated August 11, 2010 which repealed all revenue issuances inconsistent thereto, maintained that manual serially numbered MOAs are sufficient authority for ROs to continue the examination of books of accounts and other accounting records of taxpayers.

Petitioner avers that it was erroneous on the part of the Court to apply the ruling of the Supreme Court in the case of *Medicard vs. CIR*[1] because no LOA was issued in the said case while records of the instant case clearly show that an LOA was issued.

In his *Comment/Opposition to the Motion for Reconsideration,* respondent cites the case of *CIR vs. Sony Philippines, Inc.*[2] where the Supreme Court ruled that in the absence of such an authority (by way of an LOA) to conduct an examination of the books of accounts of a taxpayer, the assessment or examination is a nullity. Respondent agrees with the Court that without any new LOA issued authorizing the subsequent ROs to conduct the reinvestigation of its books

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[1] G.R. No. 222743, April 5, 2017.
[2] G.R. No. 178697, November 17, 2010.

for taxable year 2007, the assessment arising from such investigation is a nullity, hence petitioner had no right to collect the subject deficiency taxes.

RULING OF THE COURT

Petitioner's arguments are bereft of merit.

The issues raised by petitioner have been exhaustively discussed and disposed of not only in the assailed Decision of the Court *En Banc* but in a slew of cases dealing with a similar issue. In the instant case, it was not only the legal insufficiency of the MOA that was the deal breaker that led to the cancellation of the assessments but also the lack of authority of the person who issued the same. Records show that the MOA was signed by Revenue District Officer (RDO) Teodoro A. Huelva, whose rank is lower than a Regional Director, hence violative of Section 10 (c) of the 1997 National Internal Revenue Code (NIRC), as amended, which designates an officer with a rank of Revenue Regional Director to issue LOAs. The assailed Decision disposed of this matter as follows:

> "Thus, assuming for the sake of argument that the MOA *cum* LOA authorizes the continuation of the investigation, Revenue District Officer (RDO) Teodoro A. Huelva who signed the MOA holds a rank lower than an RD, hence violative of the aforequoted Section of the 1997 NIRC, as amended."

There being no new arguments raised by petitioner in its Motion for Reconsideration, this Court finds no cogent justification to reconsider its ruling in the assailed Decision. We quote in part the Supreme Court ruling[3] which dealt on a similar issue, thus:

> "x x x. Likewise, the CTA *EB* correctly held that the deficiency tax assessments were invalid due to the revenue officers' lack of authority to do so. Under prevailing jurisprudence, a LOA is statutorily required under the

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[3] *CIR. vs. Opulent Landowners, Inc.*, G.R. Nos. 249883-84, January 27, 2020.

National Internal Revenue Code in order to clothe revenue officers with authority to examine taxpayers."

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration (Re:Decision promulgated on January 08, 2021)* is **DENIED** for lack of merit. The Court **AFFIRMS** the assailed Decision dated January 8, 2021.

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice