Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

EN BANC

ORGANIZATIONAL CHANGE CONSULTANTS INTERNATIONAL CENTER FOR LEARNING, INC., Petitioner,	**CTA EB NO. 1679** (CTA Case No. 8625)
	Present: DEL ROSARIO, *P.J.*, CASTAÑEDA, JR., UY,
-versus-	FABON-VICTORINO, MINDARO-GRULLA, RINGPIS-LIBAN, and MANAHAN, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, Respondent.	Promulgated: NOV 19 2018 4:15 p.m.

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DECISION

MINDARO-GRULLA, J.:

Submitted for decision is a Petition for Review for the Court *En Banc* under Rule 4, Section 2(a)(1), in relation to Rule 8, Section 4(b) of the 2005 Revised Rules of the Court of Tax Appeals (RRCTA)[1], as amended, of the Decision[2]

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[1] Sec. 2. *Cases within the jurisdiction of the Court en banc.*- The Court en banc shall exercise exclusive appellate jurisdiction to review by appeal the following:

(a) Decisions or resolutions on motions for reconsideration or new trial of the Court in Division in the exercise of its exclusive appellate jurisdiction over:

(1) Cases arising from administrative agencies- Bureau of Internal Revenue, Bureau of Customs, Department of Finance, Department of Trade and Industry, Department of Agriculture;

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Sec. 4. *Where to appeal; mode of appeal.*-
(a) xxx.
(b) An appeal from a decision or resolution of the Court in Division on a motion for reconsideration or new trial shall be taken to the Court by petition for review as provided in Rule 43 of the Rules of Court. The Court en banc shall act on the appeal.
(c) xxx.

dated February 10, 2017, rendered by the Second Division of this Court in CTA Case No. 8625, and its Resolution[3] dated June 9, 2017.

The Second Division of this Court cancelled the assessment for deficiency documentary stamp tax and compromise penalty and affirmed with modifications the assessment for deficiency income tax, value-added tax and expanded withholding tax for taxable year 2009 by the respondent Commissioner of Internal Revenue (CIR).

Petitioner assails both the aforesaid Decision and Resolution, the dispositive portions of which, respectively, read as follows:

Decision dated February 10, 2017:

*"**WHEREFORE**, premises considered, the assessments issued by respondent against petitioner for taxable year 2009 covering deficiency documentary stamp tax and compromise penalty are hereby **CANCELLED**. However, the assessments issued by respondent against petitioner for taxable year 2009 covering deficiency income tax, value-added tax and expanded withholding tax are hereby **AFFIRMED** but with modifications. Accordingly, petitioner is ordered to pay **SIX MILLION SIX HUNDRED NINETY THOUSAND FIVE HUNDRED EIGHTY ONE AND 50/100 (₱6,690,581.50)** for the taxable year 2009, inclusive of the 25% surcharge imposed under Section 248(A)(3) of the NIRC of 1997, as amended, computed as follows:*

Tax Type	***Basic***	***25% Surcharge***	***Total Due***
Income Tax	*₱ 4,160,170.59*	*₱ 1,040,042.65*	*₱ 5,200,213.24*
Value-added tax	*841,517.40*	*210,379.35*	*1,051,896.75*
Expanded Withholding Tax	*350,777.21*	*87,694.30*	*438,471.51*
Total	***₱ 5,352,465.20***	***₱ 1,338,116.30***	***₱ 6,690,581.50***

In addition, petitioner is ordered to pay:

(a) Deficiency interest at the rate of 20% per annum on the basic deficiency income tax, value added tax, and expanded withholding tax computed from the dates

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[2] En Banc Docket, pp. 35-81.
[3] En Banc Docket, pp. 114-124.

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indicated below until full payment thereof pursuant to Section 249(B) of the NIRC, as amended;

Tax Type	***Basic Tax***	***Deficiency Interest Computed From***
Income Tax	*₱ 4,160,170.59*	*April 15, 2010*
Value-Added Tax	*841,517.40*	*January 25, 2010*
Expanded Withholding Tax	*350,777.21*	*January 13, 2010*

(b) Delinquency interest at the rate of 20% per annum on the total amount of P6,690,581.50 and on the 20% deficiency interest which have accrued as aforestated in (a), computed from July 14, 2013 until full payment thereof pursuant to Section 249(C) of the NIRC of 1997, as amended.

SO ORDERED."

Resolution June 9, 2017:

"***WHEREFORE****, premises considered, respondent's* ***Motion for Reconsideration*** *and petitioner's* ***Motion for Partial Reconsideration*** *are* ***DENIED*** *for lack of merit.*

SO ORDERED."

The pertinent facts as narrated by the Court in Division in its Decision read as follows:

"On April 15, 2010, petitioner submitted its Annual Income Tax Return (AITR) for TY 2009. Petitioner also filed its 1st, 2nd, 3rd, and 4th Quarterly Value-Added Tax (VAT) Returns for TY 2009 on April 24, 2009, July 24, 2009, October 23, 2009, and January 25, 2010, respectively.

On September 15, 2010, respondent issued a Letter of Authority No. LOA-43-A-2010-00000261, which was received by petitioner on September 17, 2010, authorizing his revenue officers to examine petitioner's books of accounts and other accounting records for all internal revenue taxes covering the period from January 1, 2009 to December 31, 2009. Accordingly, respondent requested that petitioner make available its pertinent records/documents for tax audit. Respondent, likewise, asked petitioner, through the First Request for Presentation of Records and Second and Final Request for Presentation of Records, to submit its accounting records at Revenue District Office in East-Pasig City, which

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petitioner received on October 6 and 20, 2010, respectively.

Petitioner subsequently received a Notice for Informal Conference on March 21, 2011, containing a computation of its deficiency taxes for TY 2009. Petitioner sent a Letter dated April 28, 2011 questioning the legal and factual bases of the said computations.

Then, respondent issued the Revenue Officer's Audit Reports on Documentary Stamp Tax (DST), Expanded Withholding Tax (EWT), Value-Added Tax (VAT), and Income Tax (IT). Another Notice for Informal Conference was issued on March 1, 2012, which petitioner received on March 5, 2012.

On July 20, 2012, petitioner received a Preliminary Assessment Notice (PAN) dated July 13, 2012, assessing it for the following deficiency taxes (DST):

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Thus, petitioner protested the PAN and Details of Discrepancies on August 2, 2012.

Respondent likewise served a Formal Letter of Demand (FLD) together with the Assessment Notices (FAN), all dated August 21, 2012, which petitioner received on August 24, 2012, assessing the latter as follows:

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Petitioner disputed the FLD and FAN on September 17, 2012.

On February 27, 2013, petitioner received a Preliminary Collection Notice dated February 21, 2013.

Consequently, petitioner filed this Petition for Review on April 1, 2013.

Respondent issued a Final Notice Before Seizure on June 20, 2013, which petitioner received on July 4, 2013. Petitioner then informed respondent, through a Letter dated July 9, 2013, that a Petition for Review has already been filed questioning the subject assessment.

On May 17, 2013, respondent filed an Omnibus Motion, praying for the amendment of the Petition for Review in order to comply with Section 2(a), Rule 7 of the Revised Rules of Court, which the Court granted on July 10,

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2013. Accordingly, petitioner filed its Amended Petition for Review on July 18, 2013.

In the Answer filed on July 29, 2013, respondent interposed the following special and affirmative defenses:

> *"12. All presumptions are in favor of the correctness of the Assessment;*
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> *13. The Assessment/Demand Letter No. 043A-B056-09 dated 21 August 2012 for the year 2009 against the petitioner was issued in compliance with the provisions of Section 228 of the National Internal Revenue Code and in accordance to existing Revenue Rules and Regulations relative to the right of the taxpayer/petitioner to be informed of the factual and legal bases upon which the assessment was made.*
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> *14. The herein Petitioner was fully appraised of the facts and the law on which the Final Assessment was issued. The Final Assessment Notice, Demand Letter and Details of Discrepancies which were all together sent at the same time to the Petitioner, contained, in detail, the manner of computation, the facts on which the assessment was based and the provisions of the law used in arriving at such deficiency assessment.*
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> *15. Verification disclosed that the petitioner failed to properly support with valid documentary evidence certain expenses, hence disallowed as deductions from gross income pursuant to the provisions of Section 34(1)(B) of the National Internal Revenue Code, as amended.*
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> *16. Verification disclosed that representations claimed by petitioner per ITR/FS exceeds the statutory ceiling set forth under Revenue Regulations No. 10-2002. hence disallowed as deduction from gross income.*
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> *17. Verification disclosed that the petitioner failed to subject portion of rental expense and salaries and wages to withholding tax as required under RR No. 2-98 thus disallowed as deductions from gross income pursuant to Section 34(k) of the NIRC, as amended.*
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> *18. Verification disclosed that the sales reported per income tax return is understated by P5,287,034.18 as compared to sales reported per investigation*

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> *thereby resulting to understatement of your taxable income. hence (sic), assessed pursuant to Section 31, in relation to Section 32.*
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> *19. Verification disclosed that portions of income payments of petitioner to prime subcontractor were not reported in the financial statement. The discrepancy was considered as unaccounted source of cash which led to the inference that part of the income of the petitioner has not been declared as enunciated in the case of Perez vs. CTA L10507 dated 30 May 1958. Therefore, the amount is added to reported taxable income pursuant to Section 31 of the NIRC.*
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> *20. Verification disclosed that certain creditable withholding tax has not been supported with appropriate documentary evidence, hence disallowed and assessed pursuant to Revenue Regulation No. 4-2002*
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> *21. Verification disclosed that petitioner failed to subject gross receipts to value added tax as determined during investigation, hence assessed pursuant to Section 106 and 108 of the NIRC, as amended.*
>
> *22. Verification disclosed that petitioner failed to subject portion of income payments to expanded withholding tax as required under Revenue Regulations No. 2-98*
>
> *23. Verification disclosed that petitioner failed to pay documentary stamp tax on transaction as listed in the Formal Demand Letter. DST was assessed pursuant to Section 179 of the NIRC, as amended.*
>
> *24. The 20% interest per annum has been imposed pursuant to the provisions of Section 249 (B) of the NIRC.*
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> *25. The 25% surcharge must be impose (sic) pursuant to the provisions of Section 248 (A) of the NIRC."*

Pre-Trial Brief for the Respondent and Pre-Trial Brief (For the Petitioner) were, respectively, filed on October 24, 2013 and November 4, 2013. Then, the parties submitted their Joint Stipulations of Facts on April 22, 2014, and consequently, the Court issued a Pre-Trial Order on April 28, 2014.

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To prove its claim, petitioner presented its witnesses, namely: Ms. Ma. Soledad D. Lopez, and Ms. Hazel S. Maximo. Thereafter, petitioner formally offered its documentary exhibits which were admitted by the Court except Exhibits "P-16", "P-19-G", "P-20-A" to "P20-J", "P-21-A", "P-21-B", "P-23", "P-33-B" to "P-33-E", "P-34-E" to "P34-G", "P-34-J", "P-34-K", "P-34-L", "P-36-B", "P-38-A" to "P-38-L", "P39-C" to "P-39-F", and "P-198".

On the other hand, to refute petitioner's allegations, respondent presented the following witnesses: Ms. Gemina B. Salvador, Mr. Charlie de Leon, and Ms. Ma. Flor A. Lising. Respondent, likewise, formally offered his documentary evidence which the Court admitted on August 13, 2015.

On rebuttal, petitioner again presented Ms. Ma. Soledad D. Lopez and formally offered her testimony, as well as its documentary evidence, which were all admitted by the Court in a resolution dated November 6, 2015. Considering, the manifestation of respondent's counsel that he would no longer present sur-rebuttal evidence, this Court granted the parties a period of thirty (30) days within which to submit their respective Memoranda.

Thus, on January 18, 2016, petitioner submitted its Memorandum, while respondent, on the other hand, failed to submit his as per Records Verification dated February 22, 2016.

Accordingly, the instant case was deemed submitted for decision on March 1, 2016.

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On February 10, 2017, the Court in Division partly granted petitioner's petition. Assessments issued by respondent against petitioner for taxable year 2009 covering deficiency documentary stamp tax and compromise penalty were cancelled. On the other hand, the assessed deficiency income tax, value added tax and expanded withholding tax were affirmed with modifications.

Subsequently, petitioner timely filed a "Motion for Partial Reconsideration" arguing that the Court's Division erred in considering the amount of Php2,251,700.00 as subject to income tax and in sustaining the disallowance of the consultant fees, commission fees, professional fees, facilitators fees and donations.

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On June 9, 2017, the Court in Division denied petitioner's Motion for Partial Reconsideration.

Hence, the present petition was filed[4].

On November 20, 2017 the petition was given due course and submitted for decision.

The grounds relied upon by the petitioner read as follows:

> "5.1. RESPONDENT CIR ERRED IN DISALLOWING THE FACILITATORS FEES AND CONSULTANT FEES AS DEDUCTIONS FROM PETITIONER'S GROSS INCOME.
>
> 5.2. RESPONDENT CIR ERRED IN HOLDING THAT THE AMOUNT OF PHP 2,251,700 WHICH, REPRESESENTS SUBSCRIPTION PAYMENTS, ARE SUBJECT TO INCOME TAX.
>
> 5.3 RESPONDENT CIR ERRED IN HOLDING THAT THE AMOUNT OF PHP1,142,400.67 IS SUBJECT TO INCOME TAX."[5]

Petitioner claims that this Court's Division erroneously applied the cases of H. Tambunting Pawnshop, Inc. vs. Commissioner of Internal Revenue[6] (*Tambunting Case*) and Towne & City Development Corporation vs. Court of Appeals[7] (*Towne and City Case*) in the present case. Petitioner insists that they presented and submitted adequate records to substantiate its claim for deductions of its business expense. Petitioner claims that respondent treated the payments for stock subscription as sales transactions including the amount of Php2,261,700.00 when it should not be considered as sales transactions subject to income tax. Similarly, petitioner claims that the return of advances for Seminar Funds, advances to officers and employees, other

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[4] En Banc Docket, pp. 7-148.
[5] Ibid. at p 12.
[6] G.R. No. 173373, July 29, 2013.
[7] G.R. No. 135043, July 14, 2004.

advances and the amount due from Fullness of Life (FOL) should not be considered as sales transactions and should be deducted from the undeclared sales.

We resolve.

To be entitled to claim a tax deduction, the taxpayer must competently establish the factual and documentary bases of its claim.[8] The requisites for the deductibility of ordinary and necessary trade or business expenses, are that: (a) the expenses must be ordinary and necessary; (b) they must have been paid or incurred during the taxable year; (c) they must have been paid or incurred in carrying on the trade or business of the taxpayer; and (d) they must be supported by receipts, records or other pertinent papers.[9]

Section 34(A)(1)(b) of the NIRC, as amended provides as follows:

> ***(b) Substantiation Requirements.*** *- No deduction from gross income shall be allowed under Subsection (A) hereof unless the taxpayer shall substantiate with sufficient evidence,* ***such as official receipts or other adequate records****: (i) the amount of the expense being deducted, and (ii) the direct connection or relation of the expense being deducted to the development, management, operation and/or conduct of the trade, business or profession of the taxpayer.*

In the case at hand, petitioner failed to present as evidence the official receipts. However, petitioner insists that it presented adequate records to substantiate its deductions. Petitioner maintains that the facilitators fees and consultant fees as business expenses is substantiated by the Certificate of Withholding Tax and that the commissioner's fees and professional fees were supported by vouchers. Other than this bare allegation, petitioner failed to present specific and convincing argument to reconcile and overcome the findings of fact of this Court's Division to merit its modification. At the outset, several of petitioner's exhibits as evidence were not admitted[10]. Thus, We find that this Court's Division was correct when it ruled that:

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[8] Supra. Note 6.
[9] Ibid.
[10] Division Docket, pp. 1652-1658.

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"xxx, the Court cannot determine how many days were rendered by each facilitator so as to determine the total fees actually incurred by petitioner during TY 2009.

Moreover, even if the Court considers the Certificates of Creditable Tax Withheld At Source (BIR Form No. 2307), issued by petitioner to its facilitators, the income payments reflected therein do not tally with the disallowed expenses, as shown below. Absent any reconciliation of the difference, the Court cannot ascertain whether the payments per Certificates form part of the disallowed expenses as to merit partial allowance.

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Likewise, the Annual Income Tax Returns of the above named facilitators do not substantiate petitioner's claimed expenses as the income received by the former may come not only from the petitioner but from other sources as well.[11]

Concomitantly, petitioner's assertion that it presented adequate records without specifying and reconciling the inconsistencies found by the Court's Division based on the admitted evidence deserves scant consideration. Absence thereof, the alleged deductibility of its alleged expense lacks merit. True, business expenses can be substantiated not only by official receipts but also by other adequate records. Moreover, aside from the inconsistencies found, vouchers alone to support the alleged expenses incurred are insufficient. Under the principle of *stare decisis*, We find that this Court's Division correctly applied the cases of *Tambunting Case*[12] and *Towne and City Case*[13] in the present case. Thus, We find that this Court's Division aptly ruled as follows:

"In the case of H. Tambunting Pawnshop, Inc. vs. Commissioner of Internal Revenue, the High Tribunal affirmed the Decision of the CTA en banc as to the proper substantiation requirement for an expense to be allowed as deduction from gross income, to wit:

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[11] Supra. Note 2.
[12] H. Tambunting Pawnshop, Inc. vs. Commissioner of Internal Revenue, G.R. No. 173373, July 29, 2013.
[13] Towne & City Development Corporation vs. Court of Appeals, G.R. No. 135043, July 14, 2004.

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'xxx the proper substantiation requirement for an expense to be allowed is the official receipt or invoice. xxx.

Moreover, the issue on the submission of cash vouchers as evidence to prove expenses incurred has been addressed by this Court in the assailed Resolution, to wit:

'The trend then was to allow deductions based on cash vouchers which are signed by the payees. It bears to note that the cases cited by petitioner are pronouncements by this Court in 1980, 1982 and 1989.

However, latest jurisprudence has deviated from such interpretation of the law. Thus, this Court held in the case of Pilmico-Mauri Foods Corporation vs. Commissioner of Internal Revenue C.T.A. Case No. 6151, December 15, 2004;

[P]etitioner's contention that the NIRC of 1977 did not impose substantiation requirements on deductions from gross income is bereft of merit. Section 238 of the 1977 Tax Code [now Section 237] provides:

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From the foregoing provision of law, a person who is subject to an internal revenue tax shall issue receipts, sales or commercial invoices, prepared at least in duplicate. The provision likewise imposed a responsibility upon the purchaser to keep and preserve the original copy of the invoice or receipt for a period of three years from the close of the taxable year in which the invoice or receipt was issued. The rationale behind the latter requirement is the duty of the taxpayer to keep adequate records of each and every transaction entered into in the conduct of its business. So that when their books of accounts are subjected to a tax audit examination, all entries therein could be shown as adequately supported and proven as legitimate business transactions. Hence, petitioner's claim that the NIRC of 1977 did not require substantiation requirements is erroneous.'

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In order that cash vouchers may be given probative value, these must be validated with official receipts."[14]

The undeclared sales which petitioner insists be reduced in the following amounts: a) stock subscription for Php 2,261,700.00, b) Return of Advances of Seminar Funds for Php 22,640.70, c) Advances to Officers and Employees for Php 195,717.67, d) Advances to Others for Php 25,709.15, and e) Due from Fullness of Life for Php 898,333.15 or for a total amount of Php 3,404,100.57 as non-revenue item, lacks merit.

Exhibits "P-49", "P-51" , "P-52", "P-53" , "P-54" , "P-55" , "P-56" , "P-57" , "P-58" , "P-59" , "P-60" , "P-61" , "P-62" , "P-63" , "P-64" , "P-65" , and "P-66" , pertaining to official receipts on stock subscription dated 2007 and 2008 in the total amount of Php2,251,700.00 were not considered precisely because they were not within the taxable period of 2009. [15] Indeed, stock subscription payments do not constitute as sales income subject to tax regardless of the tax period they are included. In the petition, petitioner claims that said official receipts were included as payment for stock subscription for January 2009. However, other than this allegation, petitioner failed to identify any exhibits or evidence to prove its claim. Similarly, petitioner failed to identify the exhibits or evidence to prove its assertion pertaining to the Return of Advances of Seminar Funds, Advances to Officers and Employees, Advances to others, and Due from Fullness of Life. Bare allegations in the petition without identifying the exhibits and evidence to support such allegation will not suffice to overturn the findings of fact by this Court's Division.

Perusal of the records reveals that petitioner tried to present evidence to support its claim before the Court's Division when it attached new evidence in its Motion for Partial Reconsideration of the Decision rendered by this Court's Division. However, said evidence were mere photocopies and neither formally offered nor admitted as evidence, thus, were not considered. We find that this Court's Division correctly ruled as follows:

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[14] Supra. Note 3.
[15] Ibid.

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> *"To support its contention, petitioner presents the photocopies of the pertinent pages of its columnar pad for cash receipts (marked as Exhibits "MR-328" to MR-335"). The highlighted portions allegedly pertain to the subscription payments made by stockholders. Though allegedly received in December 2007 and January 2008, said payments formed part of those received in January 2009. Verily, petitioner posits that the same should not be considered as sales transactions and not subject to income tax.*
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> *As regards the return of cash advances, petitioner explains that it issued official receipts (marked as Exhibits "MR-336" to "MR-357") for the amounts returned by the recipients of the advances because these were cash receipts. However, they should not be considered as sales transactions; therefore, do not form part of the income of petitioner.*
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> *Although petitioner has introduced new documents for the Court's consideration which were marked as Exhibits "MR-328" to "MR-357", the same cannot be considered by the Court pursuant to Section 34, Rule 132 of the Rules of Court. Also, there is nothing in the records which would show that the documents are newly discovered, thus, shall be considered as forgotten evidence."*

Exhibits "MR-328" to "MR-357" attached to the Motion for Partial Reconsideration of the Decision rendered by this Court's Division are simply inadmissible in evidence on the ground that a motion for reconsideration cannot be used as a vehicle to introduce new evidence, otherwise the opposing party will be deprived of the right to examine it and object to its admissibility. Further, the said exhibits have not been authenticated and petitioner was unable to explain its belated presentation, that is after the unfavorable judgment.

A party should present all its evidence at the first instance and not by piecemeal when it suits the case. An additional documentary evidence, which is already in existence or available before or during a trial; known to and obtainable to petitioner; and could have been presented and offered in a seasonable manner; which petitioner seeks to present only after obtaining an unfavorable decision; cannot be allowed. It is a forgotten evidence. Presentation of forgotten evidence is disallowed because it results in a

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piecemeal presentation of evidence, a procedure that is not in accord with orderly justice.[16]

In sum, there is no compelling reason to disturb the findings and conclusion of the Court in Division as it is supported by jurisprudence and evidence on record.

WHEREFORE, the Petition for Review is **DENIED,** for lack of merit. Accordingly, the Decision dated February 10, 2017 and Resolution dated June 9, 2017 by the Second Division of this Court in CTA Case No. 8625 are **AFFIRMED with MODIFICATION** in the computation of deficiency interest and delinquency interest in view of the effectivity of Republic Act No. 10963 (TRAIN Law) on January 1, 2018 and the issuance of Revenue Regulation No. 21-2018[17]. No pronouncement as to costs.

Accordingly, the Decision dated February 10, 2017 by the Second Division of this Court, is modified and shall read as follows:

> "**WHEREFORE**, premises considered, the assessments issued by respondent against petitioner for taxable year 2009 covering deficiency documentary stamp tax and compromise penalty are hereby **CANCELLED**. However, the assessments issued by respondent against petitioner for taxable year 2009 covering deficiency income tax, value-added tax and expanded withholding tax are hereby **AFFIRMED** but with modifications. Accordingly, petitioner is ordered to pay **TWENTY-FOUR MILLION EIGHT HUNDRED NINETY THOUSAND FIVE HUNDRED TWENTY-FIVE AND 45/100 (₱24,890,525.45)** for the taxable year 2009, inclusive of the 25% surcharge and deficiency and delinquency interests imposed under Sections 248(A)(1)(3) and 249(B) and (C) of the NIRC of 1997, as amended, respectively computed until December 31, 2017 as follows:[18]

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[16] Office of the Ombudsman, Represented by Hon. Simeon V. Marcelo vs. Carmencita D. Coronel, G.R. No. 164460, June 27, 2006.
[17] Regulations Implementing Section 249 (Interest) of the National Internal Revenue Code (NIRC) of 1997, as amended under Section 75 of the Republic Act (RA) No. 10963 or the "Tax Reform for Acceleration and Inclusion (TRAIN Law)".
[18] Section 6 of Revenue Regulations No. 21-2018 dated September 14,2018.

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	Income Tax	Value-Added Tax	Expanded Withholding Tax	Total Due
Basic Tax	P 4,160,170.59	P 841,517.40	P 350,777.21	P 5,352,465.20
25%Surcharge	1,040,042.65	210,379.35	87,694.30	1,338,116.30
20%Deficiency Interest[19]				
April 15,2010 to September 21, 2012 (891 Days)	2,031,075.07			2,031,075.07
January 25, 2010 to September 21, 2012 (971 Days)		447,733.37		447,733.37
January 15, 2010 to September 21, 2012 (981 Days)			188,554.76	188,554.76
Total Amount Due as of September 21, 2012	**P7,231,288.30**	**P1,499,630.12**	**P687,026.28**	**P 9,357,944.70**
Add:				
20% Deficiency Interest[20]				
From September 22, 2012 to December 31, 2017 (1,927 Days)	4,392,684.23	888,550.15	370,382.29	5,651,616.68
20% Delinquency Interest[21]				
From September 22, 2012 to December 31, 2017 (1,927 Days)	7,635,447.98	1,583,445.06	662,071.03	9,880,964.07
Total Amount Due as of December 31, 2017	**P 19,259,420.52**	**P 3,971,625.33**	**P 1,659,479.60**	**P 24,890,525.45**

In addition, petitioner is liable to pay delinquency interest at the rate of 12% on the total unpaid basic deficiency tax, surcharge and deficiency interest as of September 21, 2012 amounting to P7,231,288.30 for Income Tax, P1,499,630.12 for VAT, P687,026.28 for Expanded Withholding Tax, or in the aggregate amount of P9,357,944.70, computed from January 1, 2018 until full payment thereof pursuant to Section 249(C) of the NIRC of 1997, as amended by Republic Act No. 10963, also known as Tax Reform for Acceleration and Inclusion (TRAIN)."

SO ORDERED.

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

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[19] Basic tax multiplied by 20% Deficiency Interest and years.
[20] Ibid.
[21] Total Amount Due as of September 21, 2012 multiplied by 20% Deficiency Interest and years.

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

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

ERLINDA P. UY
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

Ma. Belen G. L
MA. BELEN M. RINGPIS-LIBAN
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

C E R T I F I C A T I O N

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

ROMAN G. DEL ROSARIO
Presiding Justice