23-000297-0052

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

CTA CRIM CASE NO. O-1065

PEOPLE OF THE PHILIPPINES,
Plaintiff,

- versus -

GREEN MONEY TREE LENDING CORP., CHARLES RENZI C. AYSON and ANNE MARJERRIE S. DOMINGO,
Accused.

NOTICE OF RESOLUTION

To:

CITY PROSECUTOR DINDO G. VENTURANZA
DEPUTY CITY PROSECUTOR JOSEFA D. LAURENTE
ASSISTANT CITY PROSECUTOR MICHAEL M. VALMORIA
Office of the City Prosecutor
16/F, Makati City Hall (New Building)
Poblacion, Makati City

ATTY. NORWIDAD R. SOLIMAN
ATTY. JEE D. BELO
ATTY. FELICIANO A. VERSOZA, JR.
Bureau of Internal Revenue - Revenue Region No. 8A - Makati
36/F, Export Bank Plaza Building
Sen. Gil Puyat Avenue corner Chino Roces Avenue
Makati City

MR. CHARLES RENZI C. AYSON
U-1846, Tower 4, Grace Residences
Barangay Ususan, Taguig City

GODINEZ VILLANUEVA ESPIRITU & SOLIMAN (GVES Law)
Unit 1205 Tower 2, Highstreet Sout Corporate Plaza
26th Street corner 11th Avenue, Bonifacio Global City
Taguig City

COMMONWEALTH INSURANCE COMPANY
35th Floor, Tower I, The Enteprise Center
6766 Ayala Avenue corner Paseo de Roxas Avenue
Makati City

GREETINGS:

You are hereby notified by these presents that on **December 5, 2025,** a Resolution was rendered in the above-entitled case, copy of which is attached hereto.

Quezon City, Philippines, **December 10, 2025.**

Atty. Maria Johoanna F. Chan-Te
Executive Clerk of Court III

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

PEOPLE OF THE PHILIPPINES, Plaintiff,	CTA CRIM. CASE NO. **O-1065**
	For: Violation of Sec. 255, in relation to Secs. 253 and 256 of the National Internal Revenue Code of 1997, as amended
- versus -	
GREEN MONEY TREE LENDING CORP., CHARLES RENZI C. AYSON and ANNE MARJERRIE S. DOMINGO (Green Money Tree Lending Corp., 22F The World Trade Centre, 330 Sen. Gil Puyat Ave. Brgy. Bel-Air, Makati City 1209), Accused.	Members: **BACORRO-VILLENA**, *Acting Chairperson*, *and* **CUI-DAVID**, JJ. Promulgated: DEC 05 2025; 2:00PM

x - x

RESOLUTION

For the Court's resolution are:

1. Accused Anne Marjerrie S. Domingo's (**Domingo**'s) "Motion to Reduce Bail" (**Motion to Reduce**), filed on 10 December 2024 (and emailed on 11 December 2024), *sans* plaintiff's comment or opposition despite due notice;[1]

2. Accused Charles Renzi C. Ayson's (**Ayson**'s) "Motion to Quash Information" (**MTQ**), filed on 07 February 2025 (and emailed on even date), with plaintiff's "Comment (to Motion to Quash Information dated 7 February 2025)", filed on 10 March 2025 (and emailed on 11 March 2025); and

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[1] See Records Verification dated 05 February 2025.

3. Plaintiff's Motion dated 05 February 2025 (**Motion to Amend**), filed *via* registered mail on 12 February 2025[2] (and emailed on 10 April 2025)[3], for the admission of the Amended Information; and

4. Plaintiff's Compliance, filed on *via* accredited courier[4] and emailed on 10 April 2025[5], submitted in response to the Resolution dated 24 March 2025, which directed plaintiff to file *via* email a PDF copy of the Motion, together with the attached Amended Information, within twenty-four (24) hours from notice.

In the Resolution dated 11 October 2023, the First Division found probable cause to issue Warrants of Arrest (**WOAs**) against accused Ayson and Domingo and set the bail for their provisional liberty in the amount of **₱60,000.00 each**.

While accused Ayson and Domingo remained at large following the issuance of Alias WOAs against them, the First Division archived the case without prejudice to its immediate revival upon their apprehension. Additionally, it directed plaintiff and the Commissioner of Internal Revenue (**CIR**) to exert diligent efforts to determine accused's whereabouts to facilitate their prompt arrest.[6]

Subsequently, in an Order dated 11 December 2024, the First Division retrieved the case docket from the archives and reinstated it as an active case following the voluntary surrender of accused Ayson. Additionally, the First Division accepted and approved accused Ayson's surety bond of ₱60,000.00, which was posted for his provisional liberty. Consequently, it lifted and set aside the WOA issued on 17 October 2023, as well as the Alias WOA issued on 05 January 2024, for accused Ayson's arrest.

Accused Domingo, on the other hand, filed the instant Motion to Reduce, requesting this Court to allow her to post bail for her provisional liberty in the reduced amount of ₱30,000.00, which she intends to pay in cash. She notes that she is currently facing a total of six (6) criminal cases initiated by the Bureau of Internal Revenue (**BIR**),

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2 Received by the Court on 19 February 2025.
3 See Printout of Email Transmittal received by the Court on 10 April 2025.
4 Received by the Court on 11 April 2025.
5 See Minute Resolution dated 14 May 2025.
6 See Resolution dated 08 February 2024.

three (3) of which are pending before the Regional Trial Court (**RTC**) of Makati, while the remaining three (3) are before the Court of Tax Appeals (**CTA**). These cases were allegedly filed against her because her name appears in the General Information Sheet (**GIS**) of accused Green Money Tree Lending Corp. (**accused corporation/GMTLC**) as "Treasurer".

Accused Domingo further asserts that she intends to face all the criminal cases against her and prove her innocence. However, as a mere ordinary employee, she is facing extreme financial difficulties in securing legal representation and posting bail for all six (6) criminal cases.

On the other hand, as previously mentioned, plaintiff failed to comply with this Court's directive to file a comment and/or objection to the instant Motion to Reduce within five (5) days from notice.

Whereas, in the MTQ, accused Ayson argues that, following the guidelines set in *People of the Philippines v. Joel C. Mendez*[7] (**Mendez**), this Court has no jurisdiction over the instant case because the alleged unpaid amount of ₱3,601,865.64 — as stated in the Information and the Joint Complaint-Affidavit (**JCA**) — pertains solely to penalties, *i.e.*, surcharge, interest and compromise, and not to any principal or basic deficiency tax of accused GMTLC.

Accused Ayson points out that, as reflected in accused GMTLC's Quarterly Percentage Tax Return (BIR Form No. 2551) for the Third Quarter of the Calendar Year (**CY**) 2019 (attached as Annex **"D-4"** to the JCA), the unpaid amount of ₱3,601,865.64 consists of ₱3,501,217.88 in surcharge, ₱50,647.75 in interest, and ₱50,000.00 in compromise. He notes that the principal tax liability in the amount of ₱14,004,871.53 has already been fully paid. Meanwhile, the total amount of ₱10,979,850.73 may have been computed by erroneously imposing further interest on the penalties totalling ₱3,601,865.64, which the BIR and plaintiff allegedly treated as the principal or basic tax.

In essence, accused Ayson contends that this Court lacks jurisdiction over the offense charged and that the case should be dismissed, as there is no principal tax deficiency involved. The alleged

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[7] G.R. Nos. 208310-11 & 208662, 28 March 2023.

unpaid amount consists entirely of penalties — specifically, surcharge, interest, and compromise — which, according to him, do not confer jurisdiction upon this Court.

In plaintiff's Motion to Amend, prosecution seeks to amend the Information to conform to the evidence, specifically to revise the name of accused corporation from "Green Money Tree Lending **Corporation**" to "Green Money Tree Lending **Corp.**" to reflect its actual name as stated in the GIS. Plaintiff also attached the Amended Information to its Motion.

We resolve.

This Court will first resolve the MTQ because its resolution will determine whether there is any need to act on the other pending motions. The outcome of the MTQ will affect the relevance of the remaining incidents, making it proper to address it before all other matters.

ACCUSED AYSON'S MOTION
TO QUASH INFORMATION

This Court's authority to exercise exclusive original jurisdiction over criminal offenses where the **principal amount** of taxes and fees, exclusive of charges and penalties, claimed is ₱1,000,000.00 or more is clearly laid out in *Mendez*[8]:

> ...
>
> Before Republic Act (RA) No. 9282, the CTA, a court of special jurisdiction, only exercised appellate jurisdiction over tax cases. The tax court had no jurisdiction to hear and decide criminal cases for tax law violations. Criminal prosecution for such offenses was then within the cognizance of the regular courts. But on **April 23, 2004**, RA No. 9282 conferred original and appellate jurisdiction over criminal cases to the CTA Division as follows:
>
> > SEC. 7. Jurisdiction. — The CTA shall exercise:
> >
> > xxx xxx
> >
> > b. **Jurisdiction over cases involving criminal offenses** as herein provided:

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[8] Supra at note 7; Citations omitted; emphasis in the original text.

> 1. **Exclusive original jurisdiction over all criminal offenses** arising from violations of the National Internal Revenue Code or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph where the **principal amount of taxes and fees, exclusive of charges and penalties, claimed is less than One million pesos ([P]1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. Any provision of law or the Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized.**
>
> 2. Exclusive **appellate jurisdiction in criminal offenses**:
>
> a. Over appeals from the judgments, resolutions or orders of the Regional Trial Courts in tax cases originally decided by them, in their [respective] territorial jurisdiction.
>
> b. Over petitions for review of the judgments, resolutions or orders of the Regional Trial Courts in the exercise of their appellate jurisdiction over tax cases originally decided by the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts in their respective jurisdiction. (Emphasis supplied)

A reading of the foregoing provision shows that criminal offenses arising from violations of tax laws may involve an underlying tax claim or none at all. Notably, when a tax claim is involved, the law requires that "the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall **at all times be simultaneously instituted with, and jointly determined in the same proceeding[s] by the** CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized."

Thus, for criminal offenses **with an attendant claim amounting to P1,000,000.00 or more**, exclusive original jurisdiction is vested with the CTA Division. Whereas, when the tax claim is **below P1,000,000.00 or there is no specified amount or no attendant claim**, as when the offense is only punishable by a fine and/or imprisonment, original jurisdiction is vested with the regular courts. ...

...

Clearly, from the foregoing, jurisdiction over criminal offenses under the National Internal Revenue Code (**NIRC**) of 1997, as amended, involving a principal tax deficiency of ₱1,000,000.00 or more is vested in the CTA. Stated differently, jurisdiction depends on whether the unpaid principal amount of tax meets the ₱1 million threshold. This is because Republic Act (**RA**) No. 9282[9], which amended RA No. 1125[10] (the law creating the CTA), expressly excludes 'charges and penalties' from the computation of the threshold amount. As a court of special and limited jurisdiction, this Court cannot extend its authority beyond what the law explicitly grants.

The aforesaid interpretation — that the ₱1 million jurisdictional threshold covers only the principal tax deficiency — is consistent with the recognized canons of statutory construction *verba legis* (or the plain-meaning rule) and *expressio unius est exclusio alterius* (the express mention of one thing excludes all others). Section 7(b)(1) of RA No. 9282 clearly provides that the threshold applies only to the "principal amount of taxes and fees, exclusive of charges and penalties".

In this case, the unpaid amount worth ₱3,601,865.64 alleged in the Information pertains solely to **penalties**, **<u>not</u> to the principal amount** of taxes and fees, as reflected in accused GMTLC's Quarterly Percentage Tax Return (BIR Form No. 2551) for the Third Quarter of the CY 2019 (attached as Annex **"D-4"** to the JCA). As correctly alleged by accused Ayson, the corresponding principal tax liability, amounting to ₱14,004,871.53, has already been fully paid.[11]

This Court is thus confronted with the seemingly novel question of whether it has jurisdiction over a criminal offense for willful failure to pay tax under Section 255[12] of the NIRC of 1997, as amended, when the unpaid amount pertains solely to penalties declared in the tax return and derived from or computed based on the principal tax liability that has already been fully settled.

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9 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 ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

10 AN ACT CREATING THE COURT OF TAX APPEALS.

11 See Memorandum and Certification, both dated 16 November 2022, Annexes "I" and "J" attached to the Joint Complaint-Affidavit (**JCA**) of Revenue Officers (**ROs**) Jee D. Belo, Emmanuel D. Bautista and Feliciano A. Verzosa, Jr. dated 02 December 2022.

12 **SEC. 255.** *Failure to File Return, Supply Correct and Accurate Information, Pay Tax, Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation.*

In this case, the issue of jurisdiction in relation to the threshold amount necessarily involves a determination of whether unpaid penalties fall within the scope of the phrase "any tax" under Section 255, the willful failure to pay which constitutes the offense. The question, therefore, is whether the term "tax" refers strictly to the principal tax deficiency, excluding penalties, or whether it may be reasonably interpreted to include penalties arising from such deficiency — so that the penalties alone may satisfy the ₱1,000,000.00 jurisdictional threshold.

Well-settled is the principle that jurisdiction over the subject matter is conferred by law, and is determined by the allegations of the complaint. In *Gregorio Amogis and Tito Amoguis v. Concepcion Ballado, et al.*[13], the Supreme Court explained:

> ...
>
> Subject matter jurisdiction is a court's or tribunal's power to hear and determine cases of a general class or type relating to specific subject matters. This jurisdiction is conferred by law. To determine a court's or an administrative body's jurisdiction over a subject matter, allegations in the complaint must be examined. The nature of the action, as reflected in the allegations in the complaint, and the reliefs sought determine jurisdiction over the subject matter. It is immaterial whether the claimant has a right to the relief sought.
>
> ...

As earlier noted, the CTA's jurisdiction is conferred by RA No. 1125, as amended by RA No. 9282. Under Section 7(b)(1) thereof, the CTA exercises original or appellate jurisdiction over certain criminal offenses, as quoted in *Mendez* and reproduced above. In *Mendez*, the Supreme Court specifically addressed the conflict arising from RA No. 11576, which expanded the jurisdiction of first-level courts, particularly over the corresponding civil action simultaneously filed with criminal cases involving violations of the NIRC. Despite this amendment, *Mendez* affirmed that jurisdiction over criminal tax offenses where the principal amount of taxes, **exclusive of surcharges and penalties**, is **₱1,000,000.00 or more** remains with CTA.

Section 255 of the NIRC of 1997, as amended, reads as follows:

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[13] G.R. No. 189626, 20 August 2018 [Per J. Leonen, Third Division]; Citations omitted.

> ...
> **SEC. 255**. *Failure to File Return, Supply Correct and Accurate Information, Pay Tax, Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation.* — **Any person required** under this Code or by rules and regulations promulgated thereunder **to pay any <u>tax</u>**, make a return, keep any record, or supply correct and accurate information, **who willfully fails to pay such tax**, make such return, keep such record, or supply such correct and accurate information, or withhold or remit taxes withheld, or refund excess taxes withheld on compensation, at the time or times required by law or rules and regulations shall, **<u>in addition to other penalties provided by law</u>**, upon conviction thereof, be punished by a fine of not less than Ten thousand pesos (P10,000) and suffer imprisonment of not less than one (1) year but not more than ten (10) years.[14]
> ...

From the foregoing, Section 255[15] of the NIRC of 1997, as amended, penalizes the **willful failure to pay any tax** — as distinguished from penalties — that a taxpayer is required to pay under the NIRC or its implementing rules and regulations. Thus, for purposes of determining jurisdiction over violations of Section 255, the term "tax" contemplated therein refers exclusively to the **principal tax liability**, which is **separate and distinct** from the penalties imposed upon the offender.

Given that the **principal tax liability** is separate and distinct from the **penalties**, the logical inference in this case is that when only the penalties remain unpaid, the offense under the special penal provision cannot be deemed to have been committed. This interpretation aligns with the well-settled rule that **penal laws must be strictly construed in favor of the accused**[16], and that **courts have no authority to expand the scope of a special penal law beyond what the legislature has expressly defined**.

It also bears emphasis that Section 255 itself provides that the penalties of fine and imprisonment for the tax violation shall be imposed **"in addition to other penalties provided by law."** This language implies that the willful failure to pay any "tax" under Section 255 triggers not only criminal penalties of fine and imprisonment but also the imposition of other statutory penalties, such as those

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14 Emphasis and underscoring supplied.
15 Supra at pp. 7-8.
16 *The People of the Philippines v. Lucrecia Gabres*, G.R. Nos. 118950-54, 06 February 1997 [Per J. Vitug, First Division].

prescribed under Sections 248 and 249 of the NIRC of 1997, as amended, *viz*:

> . . .
>
> **SEC. 248**. *Civil Penalties.* — (A) There shall be imposed, in addition to the tax required to be paid, a penalty equivalent to twenty-five percent (25%) of the amount due, in the following cases:
>
> (1) Failure to file any return and pay the tax due thereon as required under the provisions of this Code or rules and regulations on the date prescribed; or
>
> (2) Failure to pay the deficiency tax within the time prescribed for its payment in the notice of assessment; or
>
> (3) Failure to pay the full or part of the amount of tax shown on any return required to be filed under the provisions of this Code or rules and regulations, or the full amount of tax due for which no return is required to be filed, on or before the date prescribed for its payment.
>
> (B) In case of willful neglect to file the return within the period prescribed by this Code or by rules and regulations, or in case a false or fraudulent return is willfully made, the penalty to be imposed shall be fifty percent (50%) of the tax or of the deficiency tax, in case any payment has been made on the basis of such return before the discovery of the falsity or fraud: *Provided*, That a substantial underdeclaration of taxable sales, receipts or income, or a substantial overstatement of deductions, as determined by the Commissioner pursuant to the rules and regulations to be promulgated by the Secretary of Finance, shall constitute *prima facie* evidence of a false or fraudulent return: *Provided, further*, That failure to report sales, receipts or income in an amount exceeding thirty percent (30%) of that declared per return, and a claim of deductions in an amount exceeding thirty percent (30%) of actual deductions, shall render the taxpayer liable for substantial underdeclaration of sales, receipts or income or for overstatement of deductions, as mentioned herein.
>
> **SEC. 249**. *Interest.* —
>
> (A) *In General.* — There shall be assessed and collected on any unpaid amount of tax, interest at the rate of twenty percent (20%) *per annum*, or such higher rate as may be prescribed by rules and regulations, from the date prescribed for payment until the amount is fully paid.
>
> (B) *Deficiency Interest.* — Any deficiency in the tax due, as the term is defined in this Code, shall be subject to the interest prescribed in Subsection (A) hereof, which interest shall be assessed and collected from the date prescribed for its payment until the full payment thereof.

(C) *Delinquency Interest.* — In case of failure to pay:

(1) The amount of the tax due on any return required to be filed, or

(2) The amount of the tax due for which no return is required, or

(3) A deficiency tax, or any surcharge or interest thereon on the due date appearing in the notice and demand of the Commissioner, there shall be assessed and collected on the unpaid amount, interest at the rate prescribed in Subsection (A) hereof until the amount is fully paid, which interest shall form part of the tax.

(D) *Interest on Extended Payment.* — If any person required to pay the tax is qualified and elects to pay the tax on installment under the provisions of this Code, but fails to pay the tax or any installment hereof, or any part of such amount or installment on or before the date prescribed for its payment, or where the Commissioner has authorized an extension of time within which to pay a tax or a deficiency tax or any part thereof, there shall be assessed and collected interest at the rate hereinabove prescribed on the tax or deficiency tax or any part thereof unpaid from the date of notice and demand until it is paid.

. . .

It may thus be inferred that the **"tax"** which an erring taxpayer willfully fails to pay under Section 255[17] of the NIRC of 1997, as amended, is **separate and distinct** from the **"penalties"** — such as **surcharge, interest, and compromise** — provided by law.

More importantly, Section 255 of the NIRC of 1997, as amended, must be construed in conjunction with Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282, to determine which court has jurisdiction over the covered tax violations. Even assuming that the term "tax" contemplated in Section 255 includes penalties, Section 7(b)(1) of RA No. 1125, as amended, being the **special law** that specifically delineates jurisdiction over criminal offenses involving violations of the NIRC, **shall prevail** insofar as jurisdiction is concerned.

Based on the foregoing considerations, the subject Information, which alleges only the nonpayment of an amount consisting entirely of penalties without specifying any unpaid basic tax, must be deemed

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[17] Supra at p. 8.

defective. Under Section 3(a)[18], Rule 117[19] of the Rules of Criminal Procedure, an Information that fails to charge an offense is subject to quashal. Since the essential element of **failure to pay a tax** under Section 255 of the NIRC of 1997, as amended, is **patently absent**, the Information must be **quashed** for failure to charge an offense.

For a complete determination of the issue at hand, it is worthwhile to examine the merits of the alternative interpretation — that the term "tax" under Section 255 of the NIRC of 1997, as amended, may be **reasonably construed** to include **penalties** arising from a tax deficiency, such that their amount may be considered in determining compliance with the ₱1,000,000.00 **jurisdictional threshold**.

Pertinently, in *Spouses Pajares and Ida T. Pajares v. Remarkable Laundry and Dry Cleaning, represented by Archemedes G. Solis*[20] (**Spouses Pajares**), citing Supreme Court Administrative Circular No. 09-94[21], the Supreme Court evinced from its rules that the amount of damages claimed determines the jurisdiction of the court when damages itself is the principal relief sought:

> ...
>
> ***In an action for damages, the court which has jurisdiction is determined by the total amount of damages claimed.***
>
> ...
>
> Then in Administrative Circular No. 09-94 this Court declared that "where the claim for damages is the main cause of action, or one of the causes of action, the amount of such claim shall be considered in determining the jurisdiction of the court." In other words, *where the complaint primarily seeks to recover damages, all claims for damages should be considered in determining which court has jurisdiction over the subject matter of the case regardless of whether they arose from a single cause of action or several causes of action.*
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> ...

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18 Sec. 3. *Grounds*. — The accused may move to quash the complaint or information on any of the following grounds:
(a) That the facts charged do not constitute an offense[.]

19 Motion to Quash.

20 G.R. No. 212690, 20 February 2017; Citations omitted, emphasis and italics in the original text, and underscoring supplied.

21 Guidelines in the Implementation of Republic Act No. 7691, Entitled "An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts, Amending for the Purpose Batas Pambansa Blg. 129, otherwise known as the 'Judiciary Reorganization Act of 1980'.

Based on the foregoing, when a complaint primarily seeks the recovery of **damages**, all such claims — whether arising from a single or multiple causes of action — must be considered in determining the court's jurisdiction. Guided by this framework, one might be inclined to argue, by analogy, that **interest, surcharge, and other penalties** arising from a tax deficiency assessment are comparable to damages and therefore constitute the **principal relief** sought in this case. Following this line of reasoning, since the total amount of unpaid penalties is **₱3,601,865.64**, which exceeds the **₱1,000,000.00 jurisdictional threshold, jurisdiction would lie with the CTA**.

However, the said analogy does not hold when examined in light of the express language of RA No. 9282 with respect to the jurisdictional threshold. Unlike in *Spouses Pajares*, where damages constituted the principal cause of action, the statute defining the jurisdiction of the CTA explicitly limits the threshold computation to the "principal amount of taxes and fees, exclusive of charges and penalties". Thus, even if penalties may share certain characteristics with damages in nature or effect, they remain legally immaterial for determining jurisdiction under Section 7(b)(1) of RA No. 1125, as amended by RA No. 9282.

In the case of *Irene Sante and Reynaldo Sante, et al. v. Hon. Edilberto T. Claravall, in his capacity as Presiding Judge of Branch 60, Regional Trial Court of Baguio City, and Vita N. Kalashian*[22] (**Sante**), the Supreme Court distinguished between damages that are merely incidental to the principal claim and those that constitute the main cause of action, stating:

> . . .
>
> But where damages is the main cause of action, should the amount of moral damages prayed for in the complaint be the sole basis for determining which court has jurisdiction or should the total amount of all the damages claimed regardless of kind and nature, such as exemplary damages, nominal damages, and attorney's fees, *etc.*, be used?
>
> In this regard, Administrative Circular No. 09-94 is instructive:
>
> xxx xxx xxx
>
> 2. The exclusion of the term "damages of whatever kind" in determining the jurisdictional amount under Section

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22 G.R. No. 173915, 22 February 2010 [Per J. Villarama, Jr., First Division]; Citations omitted, italics in the original text, emphasis in the original text and supplied.

> 19 (8) and Section 33 (1) of B.P. Blg. 129, as amended by R.A. No. 7691, applies to cases where the damages are merely incidental to or a consequence of the main cause of action. **However, in cases where the claim for damages is the main cause of action, or one of the causes of action, the amount of such claim shall be considered in determining the jurisdiction of the court**. (Emphasis ours.)
>
> In the instant case, the **complaint** filed in Civil Case No. 5794-R is **for the recovery of damages** for the alleged malicious acts of petitioners. The complaint **principally sought an award of moral and exemplary damages, as well as attorney's fees and litigation expenses**, for the alleged shame and injury suffered by respondent by reason of petitioners' utterance while they were at a police station in Pangasinan. It is settled that jurisdiction is conferred by law based on the facts alleged in the complaint since the latter comprises a concise statement of the ultimate facts constituting the plaintiff's causes of action. **It is clear, based on the allegations of the complaint, that respondent's main action is for damages. Hence, the other forms of damages being claimed by respondent, *e.g.*, exemplary damages, attorney's fees and litigation expenses, are not merely incidental to or consequences of the main action but constitute the primary relief prayed for in the complaint.**
>
> . . .

Applied in this case, the unpaid penalties do not represent the substantive tax obligation but are merely consequences arising from it. As held in *Sante*, incidental claims do not determine jurisdiction. Here, the penalties stem from a principal tax liability that has already been fully satisfied and therefore cannot constitute a standalone cause of action under Section 255[23] of the NIRC of 1997, as amended.

Accordingly, while *Spouses Pajares* offers guidance on the treatment of **damages** in civil actions, it does not supersede the **specific and restrictive language** of RA No. 9282, which mandates that only **unpaid principal amount of taxes and fees** be considered in determining this Court's jurisdiction. The **more persuasive view** — anchored in both *Sante* and the principle of *verba legis* — is that when the **unpaid amount alleged** consists solely of **penalties**, the **Information fails to charge an offense** under **Section 255 of the NIRC of 1997, as amended**, since the provision penalizes only the **willful failure to pay a tax**, not the mere nonpayment of penalties.

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[23] Supra at p. 8.

Even if the unpaid penalties exceed ₱1,000,000.00, they do not provide a valid basis to sustain a charge of willful failure to pay a tax. The absence of any unpaid principal tax is not merely a jurisdictional deficiency but a substantive defect that renders the Information fatally infirm, as it fails to allege an essential element of the offense defined under Section 255 of the NIRC of 1997, as amended. For this reason, the Information must be quashed for failure to charge an offense, in accordance with Section 3(a)[24], Rule 117[25] of the RRCP.

Furthermore, any apprehension that this interpretation would encourage the nonpayment of penalties is misplaced. As emphasized in *Mendez* and reflected in the implementing provisions of the NIRC of 1997, as amended, the exclusion of penalties from the jurisdictional computation does not deprive the State of recourse. Civil and administrative remedies remain fully available. Section 205[26] of the NIRC of 1997, as amended, expressly authorizes the CIR to collect unpaid penalties through distraint, levy, or judicial action.

Corollary to this, the law does not criminalize the mere nonpayment of penalties. Section 255[27] of the NIRC, as amended, penalizes only the willful failure to pay a tax, not the failure to settle penalties that arise incidentally from a tax deficiency. The recovery of such penalties, therefore, properly falls within the domain of civil enforcement, not criminal prosecution.

Accordingly, since the unpaid amount alleged in the Information consists exclusively of penalties and no basic tax remains due, this Court finds sufficient basis to quash the Information on the ground that the facts charged do not constitute an offense.

Lastly, while Section 4[28], Rule 117 of the Revised Rules of Criminal Procedure generally requires that, when the quashal of an

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24 Supra at note 18.

25 Supra at note 19.

26 SEC. 205. *Remedies for the Collection of Delinquent Taxes.* — **The civil remedies for the collection of internal revenue taxes, fees or charges, and any increment thereto resulting from delinquency** shall be:

(a) **By distraint** of goods, chattels, or effects, and other personal property of whatever character, including stocks and other securities, debts, credits, bank accounts and interest in and rights to personal property, **and by levy** upon real property and interest in rights to real property; and
(b) **By civil** or criminal **action**. (Emphasis and underscoring supplied)

27 Supra at p. 8.

28 Sec. 4. *Amendment of the complaint or information.* — If the motion to quash is based on an alleged defect of the complaint or information which can be cured by amendment, the court shall order that an amendment be made.

Information is based on the ground that the facts charged do not constitute an offense, the prosecution must first be given an opportunity to cure the defect by amendment, such opportunity is no longer available in this case. The defect in the Information — its failure to allege any unpaid tax — cannot be remedied by amendment because this omission goes to the very essence of the offense charged. The mere nonpayment of penalties that arise only as an incident of a tax deficiency does not, by itself, constitute a criminal offense.

THE OTHER PENDING MOTIONS ARE MOOT AND ACADEMIC.

It is well-settled that once an Information is quashed, it is deemed *void* and produces no legal effect. In *Benjamin "Kokoy" Romualdez v. The Honorable Sandiganbayan (First Division), et al.*[29], the Supreme Court held that "an [I]nvalid information is no [I]nformation at all" and cannot serve as the basis of a criminal prosecution. The Court emphasized that, at every stage of the proceedings, an accused must be charged and tried only under a valid Information and in accordance with constitutional and statutory requirements. Just as the reading of the Information during arraignment is not a useless formality, the Court stressed that the validity of the Information itself is never "an idle ceremony", as it is the very foundation of the court's jurisdiction to try the accused.[30]

Having already quashed the subject Information, this Court finds no practical need to resolve accused Domingo's Motion to Reduce and plaintiff's Motion to Amend, as the issue has become moot and academic.

The Supreme Court consistently holds that when granting or denying a motion will not serve any useful purpose or have any practical legal effect on the parties because the principal criminal action has already been dismissed or quashed, such motion becomes

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If it is based on the ground that the facts charged do not constitute an offense, the prosecution shall be given by the court an opportunity to correct the defect by amendment. The motion shall be granted if the prosecution fails to make the amendment, or the complaint or information still suffers from the same defect despite the amendment.

29 G.R. Nos. 143618-41, 30 July 2002 [Per J. Ynares-Santiago, First Division].

30 Id.

moot and academic.[31] Courts do not resolve issues that have been rendered moot, as doing so would amount to issuing an advisory opinion.[32]

Accordingly, the other motions filed in connection with the quashed Information — accused Domingo's Motion to Reduce and plaintiff's Motion to Amend — are deemed moot and academic. Resolving them despite the absence of a valid Information would serve no legal purpose and would violate the long-standing proscription against rendering advisory opinions.

WHEREFORE, accused Charles Renzi C. Ayson's "Motion to Quash Information", filed on 07 February 2025, is **GRANTED**. Hence, the Information filed on 30 June 2023 is hereby **QUASHED** on the ground that the facts charged do not constitute an offense.

Accordingly, the surety bond in the amount of ₱60,000.00, posted by accused Charles Renzi C. Ayson for his provisional liberty, is hereby **CANCELLED** and ordered **RELEASED** pursuant to Section 22[33], Rule 114[34] of the Revised Rules of Criminal Procedure upon the presentation of proper documents, in accordance with usual accounting rules and regulations.

On the other hand, accused Anne Marjerrie S. Domingo's "Motion to Reduce Bail", filed on 10 December 2024, as well as plaintiff's Motion (for the admission of the Amended Information), filed on 12 February 2025, are rendered **MOOT AND ACADEMIC**.

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31 See *Saher International Trading, Inc. v. Warner Lambert Co., LLC and Pfizer, Inc. (Philippines)*, G.R. No. 194872, 09 June 2014 [Per J. Perlas-Bernabe, Second Division], citing *Peñafrancia Sugar Mill, Inc. v. Sugar Regulatory Administration*, G.R. No. 208660, 05 March 2014 [Per J. Perlas-Bernabe, Second Division].

32 See *Colmenares, et al. v. Commission (ERC), et al.*, G.R. No. 246422, 08 October 2024 [Per J. Leonen, *En Banc*].

33 Sec. 22. *Cancellation of bail.* — Upon application of the bondsmen, with due notice to the prosecutor, the bail may be cancelled upon surrender of the accused or proof of his death.

The bail shall be deemed automatically cancelled upon acquittal of the accused, **dismissal of the case**, or execution of the judgment of conviction.

In all instances, the cancellation shall be without prejudice to any liability on the bond. (Emphasis and underscoring supplied)

34 Bail.

Lastly, plaintiff's Compliance filed in response to the Resolution dated 24 March 2025, which directed the submission *via* email of a PDF copy of the Motion, together with the attached Amended Information, is merely **NOTED**.

SO ORDERED.

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

LANEE S. CUI-DAVID
Associate Justice