REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

BENGUET CORPORATION – Philippine Branch,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

C.T.A. CASE NO. 5576

Promulgated:
NOV 11 1999

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DECISION

This is a petition for review filed by the petitioner, **BENGUET CORPORATION**, against respondent **COMMISSIONER OF INTERNAL REVENUE**, for the failure of the latter to act on the former's claim for refund/tax credit in the total amount of ₱62,828,889.88, representing petitioner's alleged unutilized input tax for the quarters ended March 31, 1996 and June 30, 1996.

As represented, petitioner is a domestic corporation, primarily engaged in the mining business which includes exploration, development and operation of mining properties for purposes of commercial production, and the marketing of marketable mineral products produced by it. It is registered with the respondent's Bureau as a Value-Added Tax (VAT) taxpayer, with VAT Registration No. 31-9-000027 (Exh.

A) and is a holder of zero-rating certificate. Petitioner's sale of goods was categorized by the respondent as constructive exports or effectively zero rated sales in accordance with Section 100(2) of the Tax Code (Exh. B).

On April 22, 1996, petitioner filed with the Urban Bank its Value-Added Tax (VAT) Return for the first quarter of 1996 (Exh. C), declaring therein, among others, a total input VAT of ₱33,420,256.87, withheld taxes in the amount of ₱180,000.00, total output VAT amounting to ₱586,425.28 and the amount of ₱33,013,831.59, its alleged excess input VAT for the quarter ending March 31, 1996.

Likewise, on July 22, 1996, petitioner filed with Banco de Oro Commercial Bank its Value-Added Tax (VAT) Return for the second quarter of 1996 (Exh. D), which showed, *inter alia*, a total input VAT of 37,714,171.72, total output tax of ₱8,155,040.39, and the claimed excess input VAT for the second quarter of 1996 in the amount of ₱29,559,131.33.

On March 7, 1997 and May 15, 1997, petitioner filed with the One Stop Shop Inter-Agency Tax Credit and Duty Drawback Center of the Department of Finance, pursuant to Revenue Audit Memorandum Order No. 2-93, applications for the refund/tax credit of its excess input VAT payments for the first and second quarters of 1996 (Exhibits E, E-1, F and F-1) in the amounts of ₱33,318,939.26 and ₱29,509,950.62, respectively.

The aforesaid applications for refund/tax credit were not acted upon by the said Center of the Department of Finance, hence, on January 28, 1998, petitioner filed with this Court the instant petition for review.

Petitioner presents the proposition as reason of the instant petition for review that it is entitled to the refund of its excess input VAT for the periods in question, in accordance with Section 106(a) [now 112 (A)] of the Tax Code, stated hereunder, since it falls squarely within the ambit of Sec. 100 (a) (1) [now 106 (A) (a)] also quoted below. It propounded that the sales for the aforesaid quarters were export sales, paid for in acceptable foreign currency, inwardly remitted to the Philippines and accounted for in accordance with rules and regulations of the Central Bank of the Philippines (now Bangko Sentral ng Pilipinas), hence it incurs no output tax liability as the same is subject to VAT at 0% rate.

> **Sec. 106 (a) Export Sales.** - An exporter who is a VAT-registered person may within two years from the date of exportation, apply for the issuance of a tax credit certificate or refund of the input tax attributable to the goods exported, to the extent that such input tax has not been applied to output tax and upon presentation of proof that the foreign exchange proceeds has been

accounted for in accordance with the regulations of the Central Bank of the Philippines.

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Sec. 100. ***Value-added tax on sale of goods.*** - *(a) Rate and base of tax.* - There shall be levied, assessed and collected on every sale, barter or exchange of goods, a value-added tax equivalent to 10% of the gross selling price or gross value in money of the goods sold, bartered or exchanged, such tax to be paid by the seller or transferor: *Provided*, That the following sales by VAT-registered persons shall be subject to 0%:

(1) Export sales;

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It was likewise alleged by petitioner that the instant claim for refund was well within the two (2) year period prescribed in the applicable provisions of the Tax Code.

On the other hand, respondent raises in the usual token of a defense that (1) taxes paid and collected are deemed to have been made in accordance with law and pertinent existing BIR regulations, (2) claims for tax credit/refund are construed strictly against the claimants thereof as they are in the nature of exemption from payment of tax, hence, it is incumbent upon herein petitioner to prove that it is entitled thereto, and (3) petitioner must prove that it has complied with the requirements of Section 230 (now Sec. 229) of the Tax Code.

There is no squabble that sales of goods of petitioner are zero-rated. This was clearly established by petitioner when it presented in evidence its application for zero-rate which was duly approved by Deputy Commissioner Victor A. Deoferio, Jr., of the respondent's Bureau, on May 4, 1988 (Exh. B). Aside from this approved application, petitioner also presented in evidence its Schedule of Inward Remittance and Export Sales, supported by export bills and bank credit advices (Exhibits K-1 to K-1-182, inclusive), and a certification from Sycip, Gorres, Velayo & Co. (SGV), an independent Certified Public Accountant, which vouched the accuracy of the "Summary of Inward Remittances of Export Sales Proceeds" which were prepared by the petitioner for the first and second quarters of 1996. As a matter of fact, respondent in his memorandum, did not raise the issue of whether or not the sales of goods of petitioner are zero-rated, hence, there exist no iota of doubt that petitioner is engaged in export sales (directly and constructively), thus, subject to zero percent (0%) rate of value added tax.

The legal issue having been settled, the issues which confront the Court for its consideration are whether or not petitioner has adduced sufficient evidence that will prove that it incurred an excess input VAT credit for the first and second quarter of 1996 in the total amount of

₱62,828,889.88 and whether or not the instant claim for refund was filed within the prescriptive period provided by the Tax Code.

Section 104(b) of the Tax Code, quoted hereunder, is clear from any ambiguity and obscurity, insofar as the same is brought to bear upon the circumstances of the petitioner in the case at bar. The provision itself furnishes the best means of its own exposition that the input taxes paid on domestic purchases of goods and services attributable to the zero-rated sales in excess of the output VAT can either be refunded or credited as the case may be to any internal revenue taxes, subject to the provisions of Section 106 of the said Code. No doubt that if the issues, which are presented to this Court for resolution, result to affirmative answers, petitioner will be entitled to the relief sought by it.

There is no question that petitioner has complied with the statutory requirements of Section 230 (now Sec. 229) taken in relation to Sec. 106 (now Sec. 112) both of the Tax Code. The written claim for refund with respondent and suit (petition for review) with this Court on January 28, 1998 are well within the two (2) year prescriptive period to appeal counted from the date of payment of the tax which is on the date of filing of the VAT Quarterly Returns for the first and second quarters of 1996 (April 22, 1996 and July 22, 1996, respectively). As clearly stated by this Court in its resolution dated July 20, 1998 in the case of ***Atlas Consolidated Mining and Development Corp. vs. Commissioner of Internal Revenue, CTA Case No. 5296,*** the two year period should be counted from the date of filing of the corresponding VAT quarterly return which is within 20 days after the close of each taxable quarter.

The burden of proof was overcome by the petitioner insofar as the excess input VAT of ₱27,423,004.46 for the first quarter and ₱22,355,083.45 for the second quarter are concerned, as these were the amounts ascertained and verified by the Court to be the correct refundable amount to the petitioner, properly substantiated and supported by documents in accordance with the existing VAT law. Its presentation of various documentary evidence such as its Value-Added Tax Registration Certificate (Exh. A), its approved application for zero-rating (Exh. B), value-added tax (VAT) returns (Exhs. C & D), its claim for refund in the administrative level (Exhs. E & F), the certification issued by SGV & Co. pursuant to CTA Circular 1-95 (Exh. Q) and the voluminous invoices, official receipts, import entry declarations, export bills and bank credit advices showing its VAT paid on its local purchases of taxable goods and services and on its importations for the first and second quarter of 1996 and the remittances of its sales for the said period (Exhibits H-1 to O-1-124, inclusive) have all established the propriety of its claim for refund reduced by the amounts stated by SGV & Co. to be non-refundable and the amounts hereunder stated by the Court. Moreover, respondent failed to present a single evidence to support his denials to petitioner's material allegations. Respondent submitted his case for decision on the basis of the pleadings, records and the evidence by petitioner.

A careful scrutiny of the evidence presented by petitioner led this Court to find that aside from the amounts of P726,314.25 and P2,698,523.57, which SGV & Co. stated in its report (Exh. Q) to be deductible from the total claimed refund of petitioner on various grounds stated therein; the additional amounts of P4,864,512.88 for the first quarter and P4,660,746.64 for the second quarter of 1996, the reasons and the break down of which are stated below, should likewise be deducted from the claimed refund of petitioner pursuant to Revenue Regulations No. 7-95:

REASON FOR THE DISALLOWANCE		1st QUARTER (ANNEX A)		2nd QUARTER (ANNEX B)		TOTAL
(1) Invoices/Official Receipts With Handwritten/Typewritten "V" after TIN	P	3,033,070.84	P	1,714,042.18	P	4,747,113.02
(2) Invoices/Official Receipts Without TIN or "V" / "VAT After TIN		1,184,720.34		1,240,125.80		2,424,846.14
(3) Without supporting documents		39,257.83		923,219.98		962,477.81
(4) Non-Vat Invoices/Official Receipts		28,094.11		14,431.80		42,525.91
(5) Invoices/Official Receipts not in the name of Benguet Corp.		19,088.45		122,830.21		141,918.66
(6) Invoices/Official Receipts not within the period of claim		187,889.87		7,527.50		195,417.37
(7) Without Invoices/Official Receipts but supported by invalid documents such as statements of accounts, provisional receipts, letter-billings, etc.		238,271.72		284,029.60		522,301.32
(8) Invoices/Official Receipts Without BIR Permit to print		64,508.38				64,508.38
(9) Overstatement of reported Invoice amount		176.34				176.34
(10) Invoice amount reported twice		69,435.00				69,435.00
(11) Discrepancy of amount Claimed per summary & return		-		150,136.53		150,136.53
TOTAL	P	4,864,512.88	P	4,456,343.60	P	9,320,856.48

Under the circumstances, We are persuaded to extend the relief sought by petitioner but only up to the amount of P49,778,087.91, computed as follows:

(186)

	Per Return (Exhs. C & D)	Per Claim (Exhs. E-1 & F-1)	Allowable Claim for Refund
Excess Input Taxes			
1st quarter – 1996	P 33,013,831.59	P 33,318,939.26	P 33,013,831.59
2nd quarter – 1996	29,559,131.33	29,509,950.62	29,509,950.62
	P 62,572,962.92	P 62,828,889.88	62,523,782.21
Less: Disallowances			
1. Per SGV Report (Exh. Q)			
1st qtr. – 1996	P 726,314.25		
2nd qtr. – 1996	2,698,523.57	P 3,424,837.82	
2. Per Court's further verification			
1st qtr. – 1996 (Annex A)	P 4,864,512.88		
2nd qtr. – 1996 (Annex B)	4,456,343.60	9,320,857.44	12,745,695.26
Amount Refundable			P 49,778,087.91

IN THE LIGHT OF ALL THE FOREGOING, the petition is **PARTIALLY GRANTED**. Respondent is hereby **ORDERED** to **REFUND** or **ISSUE** a **TAX CREDIT CERTIFICATE** to herein petitioner in the amount of ₱49,778,087.91, representing the latter's excess input VAT for the first and second quarters of 1996. No costs.

SO ORDERED.

ERNESTO D. ACOSTA
Presiding Judge

WE CONCUR:

RAMON O. DE VEYRA
Associate Judge

AMANCIO Q. SAGA
Associate Judge

CERTIFICATION

I hereby certify that the above decision was reached after due consultation with the members of the Court of Tax Appeals in accordance with Section 13, Article VIII of the Constitution.

ERNESTO D. ACOSTA
Presiding Judge

188

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

(1) INVOICES/OFFICIAL RECEIPTS WITH HANDWRITTEN/TYPEWRITTEN "V" AFTER TIN

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
OMEGAN CONST. & DEVT. CORP.	0251	J-8-205; J-8-206	0642	P 1,030,593.85	P 93,690.35
		J-8-208 to J-8-210	0644	2,477,402.23	225,218.38
		J-8-212; J-8-213	0645	4,550,005.70	413,636.88
		J-8-215 to J-8-217	0646	1,903,040.95	173,003.72
		J-8-79 to J-8-81	0639	5,513,935.14	501,266.83
		J-8-83 to J-8-85	0640	3,278,802.76	298,072.98
		J-8-87; J-8-88	0641	15,303.49	1,391.23
		J-8-90; J-8-91	0643	25,335.91	2,303.26
BENGUET MANAGEMENT CORP.	0252	I-10-230	5926	195,000.00	17,727.27
		I-10-231	5940	73,125.00	6,647.73
		I-10-232	5941	195,000.00	17,727.27
		I-10-51	5904	48,750.00	4,431.82
		I-10-52	5908	146,250.00	13,295.45
		I-10-53	5921	97,500.00	8,863.64
		I-11-39	5895	99,450.00	9,040.91
		I-11-40	5902	241,800.00	21,981.82
		I-11-41	5905	3,750.00	340.91
		I-11-42	5942	148,200.00	13,472.73
		I-11-43	5946	292,500.00	26,590.91
NEW BAGUIO JOHNNY AUTO SUPP.	0252	I-10-118	7251	280.00	25.45
		I-10-119	7254	400.00	36.36
		I-10-265	7217	2,370.00	215.45
		I-10-266	7338	850.00	77.27
		I-11-122	7337	1,245.00	113.18
		I-11-123	7393	450.00	40.91
		I-11-124	7473	75.00	6.82
		I-11-125	7493	495.00	45.00
		I-11-126	7519	80.00	7.27
		I-11-127	7520	120.00	10.91
		I-11-128	7565	1,950.00	177.27
		I-11-129	7566	7,300.00	663.64
		I-11-130	7567	11,400.00	1,036.36
BENGUET MANAGEMENT CORP.	0262	I-12-51	5535	128,390.00	11,671.82
		I-12-52	5551	206,830.00	18,802.73
		I-12-53	5573	1,553,630.00	141,239.09
		I-12-55	5619	6,768,687.50	615,335.23
		I-12-56	5691	278,517.50	25,319.77
		I-12-57	5695	90,650.00	8,240.91
BENGUET MANAGEMENT CORP.	0452	I-3-10	5557	229,048.50	20,822.59
		I-3-11	5655	221,195.26	20,108.66
		I-3-12	5690	457,292.25	41,572.02
		I-3-13	5729	7,853.24	713.93
		I-3-14	5760	98,337.12	8,939.74
		I-3-15	5766	307,600.00	27,963.64
		I-3-16	5767	790,000.00	71,818.18
		I-3-17	5770	20,649.20	1,877.20
		I-3-18	5924	27,248.90	2,477.17
		I-3-19	5925	23,990.00	2,180.91
		I-3-20	5931	172,420.22	15,674.57
		I-3-6	4027	748,473.00	68,043.00
		I-3-8	4042	786,965.03	71,542.28
		I-3-9	4045	73,443.15	6,676.65
NEW ARC DRUG		I-5-169	0028	7,127.46	647.95
		I-5-206	0029	2,670.95	242.81
			SUBTOTAL	**P 33,363,779.31**	**P 3,033,070.84**

(2) INVOICES/OFFICIAL RECEIPTS WITHOUT TIN OR "V" / "VAT" AFTER TIN

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
ARROW FREIGHT CORP.	0262	I-12-48	446	P 12,307.68	P 1,118.88
ETHNOL GENERICS PHILS.		I-12-75	2280	16,378.00	1,488.91
		I-12-76	2281	37,350.00	3,395.45

(189)

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON
CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
MENDOZA BROS.	0645	I-13-358	2591	950.00	86.36
OMEGAN CONST. & DEVT. CORP.	0251	J-8-310 to J-8-312	0647	5,816,479.90	528,770.90
		J-8-314; J-8-315	0648	40,053.39	3,641.22
		J-8-317 to J-8-319	0649	4,430,260.75	402,750.98
ETHNOL GENERICS PHILS.	0452	I-5-427	2278	60,552.96	5,504.81
		I-5-428	2279	17,366.40	1,578.76
MEDAL PRINTERS	1701	J-7-120	1788	4,250.00	386.36
PHIL. INT'L CONTRACTORS SUPP.	1702	I-8-739	1826	59,180.00	5,380.00
ATA AUTO SUPPLY	1705	I-14-348	74441	400.00	36.36
BUNTAK MINES, INC.		I-14-11;I-14-12	062	291,995.53	26,545.05
		I-14-201;I-14-202	063	471,217.57	42,837.96
		I-14-354;I-14-355	064	360,725.19	32,793.20
KAR MANNN COMMERCIAL		I-14-263	1195	1,470.00	133.64
MOSE ANGALA ENT., INC. CONST.		I-14-121	0483	182,010.42	16,546.40
		I-14-273	0484	191,738.63	17,430.78
		I-14-524	0485	156,680.41	14,243.67
PHILGERMA MFG., INC.		I-14-297	691	10,530.00	957.27
		I-14-299	693	30,120.00	2,738.18
		I-14-301	692	9,700.00	881.82
		I-14-303	685	1,400.00	127.27
		I-14-305	689	21,000.00	1,909.09
		I-14-307	687	5,400.00	490.91
		I-14-309	686	4,800.00	436.36
		I-14-311	688	11,800.00	1,080.00
		I-14-313	690	69,120.00	6,283.64
		I-14-315	695	14,000.00	1,272.73
		I-14-317	694	45,000.00	4,090.91
FAMILY AUTO SUPPLY		I-14-388	25033	120.00	10.91
OLONGAPO COMMUTER AUTO SUPP.		I-14-552	270661	314.00	28.55
S P G S I		I-14-159;I-14-160	0086	137,223.36	12,474.85
		I-14-162;I-14-163	0083	128,646.90	11,695.17
		I-14-32;I-14-328	0087	128,646.90	11,695.17
		I-14-568;I-14-569	0095	128,646.90	11,695.17
		I-14-571;I-14-572	0092	120,070.44	10,915.49
ST. JOSEPH DRUG STORE		I-14-574	746216	97.50	8.86
TRIANGLE ACE CORP		I-6-142	08469	150.00	13.64
		I-6-143	08899	450.00	40.91
PONG'S HARDWARE & LUMBER		I-14-145	3101	4,803.00	436.64
		I-14-147	3056	2,402.00	218.36
		I-14-149	3058	6,036.00	548.73
			SUBTOTAL	**P 13,031,843.83**	**P 1,184,720.34**

(3) NO SUPPORTING DOCUMENTS

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
DIZ-MAC INSURANCE BROKERAGE	0450			P	P 118.34
					130.68
SKYLAND BROKERAGE INC.			19236	1,181.18	107.38
JOSE F. RODRIGUEZ TRADING	0451		3515	34,200.00	3,109.09
			3516	76,500.00	6,954.55
			3518	122,850.00	11,168.18
NLA TRADING & CONSTRUCTION			2045	14,584.75	1,325.89
PILTEL			0108	759.33	69.03
			STMT	466.40	42.40
PROFEEL COLORLAB			19899	3,510.00	319.09
TNW PTE LTD	1703		58365422	175,045.20	15,913.20
			SUBTOTAL	**P 429,096.86**	**P 39,257.83**

190

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON
CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

(4) NONVAT INVOICES/OFFICIAL RECEIPTS

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE		INVOICE AMOUNT		INPUT TAX CLAIMED
AYALA INSURANCE BROKERAGE	0261	J-9-140	289396	P	2,481.60	P	225.60
		J-9-141	300975		38,723.96		3,520.36
ROYAL STAR AVIATION		J-9-138	155		42,550.00		3,868.18
SURETY SERVICES CORP.		J-9-58	43344		10,080.00		916.36
INT'L COMMUNICATION	0450	J-3-245 to J-3-247	4727D		107,599.80		9,781.80
		J-3-249; J-3-250	4923D		107,599.80		9,781.80
			SUBTOTAL	**P**	**309,035.16**	**P**	**28,094.11**

(5) INVOICES/OFFICIAL RECEIPTS NOT IN THE NAME OF BENGUET CORPORATION

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE		INVOICE AMOUNT		INPUT TAX CLAIMED
B D C C I	0452	I-3-268;I-3-270	1944/50525	P	200.00	P	18.18
		I-3-268;I-3-271	1944/ 50674		200.00		18.18
BRAIN COMPUTER CENTER		I-3-417	3686		150.00		13.64
DIPOLOG PHARMA		I-3-493	4960		315.70		28.70
		I-3-494	5853		241.15		21.92
EVER COMMERCIAL		I-4-16	27634		1,229.75		111.80
HARDWARE WORKSHOP INC.		I-5-49	099727		412.50		37.50
		I-5-49	099868		1,549.00		140.82
IVAN'S AUTO SUPPLY		I-5-50	24145		1,060.00		96.36
MACROMIND CORP.		I-5-145	51439		572.00		52.00
MAX'S RESTAURANT		I-5-139	261116		271.70		24.70
		I-5-140	262388		304.70		27.70
		I-5-141	272714		327.25		29.75
		I-5-141	273831		449.10		40.83
		I-5-142	28980		271.70		24.70
MERCURY DRUG CORP.		I-5-135	243170		727.80		66.16
		I-5-136	312267		336.00		30.55
		I-5-137	442680		2,116.00		192.36
		I-5-138	444704		2,607.95		237.09
MLV PHARMACY & GEN. MDSE.		I-5-146	12147		540.00		49.09
OASIS (GREENHILLS)		I-5-425	215470		2,051.50		186.50
ORIGINAL SKIN CARE		I-5-424	23780		540.00		49.09
OTTO GENERAL MERCHANDISE		I-5-426	0811		1,200.00		109.09
PHIL. PACKINGS & SEALS CORP.		I-6-382	58173		86,240.00		7,840.00
ZENCO FOOTSTEPS		I-6-182	27279		1,749.75		159.07
		I-6-196	30677		1,123.00		102.09
ARCHIE GENERAL MDSE.	1705	I-14-189	354837		200.00		18.18
		I-14-346	358941		35.00		3.18
BENSO CHAMP CORPORATION		I-14-199	7178		60.75		5.52
CHRIS SPORTS PLAZA, INC.		I-14-217	5243		1,330.00		120.91
CITY CENTRAL DEPT. STORE		I-14-219	236406		65.00		5.91
ENOC DRUG CORPORATION		I-14-386	45123		349.00		31.73
FARMACIA CASTILLO & GIFT SHOP		I-14-39	37307		60.00		5.45
		I-14-43	38284		550.00		50.00
		I-14-462	39598		540.00		49.09
		I-14-468	8365		175.00		15.91
		I-14-51	38494		80.00		7.27
		I-14-57	37426		276.00		25.09
LA BOTICA		I-14-102	119179		252.50		22.95
		I-14-104	122593		200.50		18.23
LED-DA DRUG CORPORATION		I-14-106	8475		903.50		62.36
LORMA MEDICAL CENTER		I-14-108	305599		185.00		16.82
MERCURY DRUG CORP.		I-14-110	637737		308.05		28.00
		I-14-111	236845		175.50		15.95
		I-14-111	237116		877.50		79.77
		I-14-111	638041		262.80		23.89
		I-14-111	638124		293.00		26.64
		I-14-113	187455		60.75		5.52
		I-14-115	74497		287.25		26.11
		I-14-117	490105		134.40		12.22
		I-14-265	493239		221.70		20.15

191

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON
CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
		I-14-267	150539	974.50	88.59
		I-14-269	493018	174.25	15.84
		I-14-512	901944	107.50	9.77
		I-14-514	156417	432.80	39.35
		I-14-516	998148	516.25	46.93
		I-14-518	311920	63.00	5.73
		I-14-520		261.00	23.73
NEW MASINLOC HENRY'S HARD.		I-14-279	75462	450.00	40.91
NEW SAN ANDRES CONCRETE PROD.		I-14-542	15820	375.00	34.09
OLONGAPO GAS CORP		I-14-137	2635/1943	8,800.00	800.00
		I-14-139	1322	3,700.00	336.36
		I-14-141	1944	11,100.00	1,009.09
		I-14-548	0785	9,250.00	840.91
		I-14-550	0784	8,800.00	800.00
PASIG PETRON		I-14-554	3323	230.00	20.91
R C P I		I-14-319	398139	47.10	4.28
RAY EDUCATIONAL CENTER		I-14-321	32445	426.00	38.73
RUSTAN SUPERMARKET		I-14-325	9260	417.95	38.00
SHAKEY'S PIZZA PARLOR		I-14-562	8933	81.70	7.43
SKYLAND AUTO PARTS & SERV. CO.		I-14-330	16650	120.00	10.91
		I-14-564	17191	65.00	5.91
SM PETRON SERVICE STATION		I-14-165	172066	184.60	16.73
TAMBAL ATBP.		I-14-578	10223	146.50	13.32
THE MEDICAL CITY		I-14-338	140840	500.20	45.47
TCY MACHINERY WORKS	BOBOK/IRISAN	I-15-68	0426	380.00	34.55
		I-15-69	0488	550.00	50.00
		I-15-70	0445	495.00	45.00
		I-15-71	0455	8,400.00	763.64
		I-15-72	0475	4,600.00	418.18
		I-15-73	0481	630.00	57.27
		I-15-74	0485	14,510.00	1,319.09
TOP-ACE MOTOR WORK CORP		I-15-75	39242	1,760.00	160.00
		I-15-76	39349	552.00	50.18
		I-15-77	39348	742.00	67.45
		I-15-78	39303	280.00	25.45
		I-15-79	39322	3,004.00	273.09
VCP INTERMED PHARMA		I-15-80	145059	8,337.00	757.91
WI-AL CONSTRUCTION BUILDERS		I-15-81	10871	4,058.00	368.91
			SUBTOTAL	**P 210,191.10**	**P 19,088.45**

(6) INVOICES/OFFICIAL RECEIPTS NOT WITHIN THE PERIOD OF CLAIM

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
5 CENTS UP TEXTILE MART	0252	I-10-1	5719	P 887.50	P 80.68
AC INDUSTRIAL SALES		I-10-2	2456	2,000.00	181.82
ALLIED HOS. SUPPLY INT'L		I-10-3	28865	150.00	13.64
		I-10-4	28866	75.00	6.82
		I-10-5	28870	2,300.00	209.09
ALLOY IND'L SUPPLY CORP.		I-10-7	70750	9,160.00	832.73
		I-10-8	70801	3,600.00	327.27
		I-10-9	70901	13,800.00	1,254.55
ARCHILLES MFG. CORP.		I-10-10	1590	3,000.00	272.73
		I-10-11	1591	6,000.00	545.45
		I-10-12	1606	6,400.00	581.82
		I-10-13	1607	8,500.00	772.73
		I-10-14	1608	18,300.00	1,663.64
ARCMAN INDUSTRIAL ENT.		I-10-16	0643	4,475.25	406.84
		I-10-17	0648	240.00	21.82
		I-10-18	0649	659.05	59.91
ASEAN PHARMA (PHILS.)		I-10-21	11052	25,828.00	2,348.00
		I-10-26	11085	236.80	21.53
BAGUIO METRO DRUG		I-10-27	7891	30.00	2.73
BAGUIO RATIONAL AUTO SUPP.		I-10-221	64397	140.00	12.73
		I-10-28	64273	35.00	3.18
		I-10-29	64289	116.00	10.55

192

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
		I-10-31	64291	165.00	15.00
		I-10-32	64293	64.00	5.82
		I-10-33	64294	2,200.00	200.00
		I-10-34	64295	300.00	27.27
		I-10-35	64297	3,459.00	314.45
		I-10-36	64353	950.00	86.36
		I-10-37	64354	820.00	74.55
		I-10-38	64355	950.00	86.36
		I-10-39	64356	2,016.00	183.27
		I-10-40	64357	450.00	40.91
		I-10-42	64365	625.00	56.82
C I G I		I-10-54	22034	18,600.00	1,690.91
CMC MACHINERIES		I-10-58	0638	2,000.00	181.82
COLI'S DIESEL SERVICE		I-10-240	7937	22,500.00	2,045.45
EUROPA PARTS & ACCESSORIES		I-10-59	61336	96.00	8.73
		I-10-60	61345	9.00	0.82
		I-10-61	61371	1,330.00	120.91
		I-10-62	61450	335.00	30.45
		I-10-63	61452	10,150.00	922.73
		I-10-64	61489	4,022.00	365.64
FERNANDEZ ENT., INC.		I-10-73	110319	12,332.96	1,121.18
		I-10-74	2512	4,960.00	450.91
GREENLAND SALES		I-10-78	27543	2,919.00	265.36
		I-10-79	27567	204.00	18.55
		I-10-81	27590	260.00	23.64
		I-10-82	27614	354.00	32.18
HARVEY INDUSTRIES CORP.		I-10-84	3134	32,320.00	2,938.18
		I-10-85	3135	26,150.00	2,377.27
J.C. COMMERCIAL CENTER		I-10-88	59740	1,416.00	128.73
		I-10-89	59848	724.00	65.82
		I-10-90	59897	401.40	36.49
		I-10-91	59898	49.25	4.48
		I-10-92	59899	195.00	17.73
		I-10-93	59959	410.80	37.35
LASER MARKETING		I-10-100	19768	4,250.00	386.36
		I-10-100	19832	762.00	69.27
		I-10-96	19561	2,050.00	186.36
		I-10-96	19562	990.00	90.00
		I-10-97	19563	2,010.00	182.73
		I-10-97	19605	6,385.00	580.45
		I-10-98	19634	504.00	45.82
		I-10-98	19668	3,075.00	279.55
		I-10-99	19699	9,630.00	875.45
		I-10-99	19700	1,107.00	100.64
MAC MACHINE SHOP		I-10-104	14024	27,448.00	2,495.27
MEGASCO		I-10-108	37359	5,000.00	454.55
		I-10-109	37360	1,500.00	136.36
		I-10-110	37372	1,000.00	90.91
MJ GACAD INC.		I-10-113	10041	1,223.00	111.18
MR ROBLES ENG'G & CONST.		I-10-114	4089	127.50	11.59
NORTHLANDER GEN. MERCANTILE		I-10-123	76702	1,512.50	137.50
		I-10-123	76703	2,051.00	186.45
		I-10-124	76719	750.00	68.18
		I-10-124	76782	103.00	9.36
		I-10-125	76783	610.00	55.45
		I-10-125	76920	2,222.00	202.00
		I-10-126	76987	658.00	59.82
		I-10-126	76994	60.00	5.45
		I-10-127	77032	1,275.00	115.91
		I-10-127	77085	1,233.00	112.09
		I-10-128	77087	720.00	65.45
		I-10-128	77088	1,140.00	103.64
		I-10-129	77089	355.00	32.27
		I-10-129	77191	792.00	72.00
		I-10-131	77316	6,460.00	587.27
ONG KING AUTO SUPPLY		I-10-136	43854	960.00	87.27
		I-10-137	44624	150.00	13.64
		I-10-138	44625	170.00	15.45
		I-10-139	44761	280.00	25.45
		I-10-141	44763	1,550.00	140.91

193

ANNEX A

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON
CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
		I-10-142	44823	375.00	34.09
		I-10-143	44824	1,360.00	123.64
		I-10-144	44825	2,300.00	209.09
		I-10-145	44880	2,700.00	245.45
		I-10-146	44882	3,240.00	294.55
		I-10-283	45057	95.00	8.64
ORION DRUG		I-10-151	10488	30.00	2.73
		I-10-152	10490	150.00	13.64
		I-10-153	10496	113.00	10.27
PINES ROYAL ENTERPRISES		I-10-157	11019	700.00	63.64
PITTSBURGH TRADE CENTER		I-10-158	6096	15,750.00	1,431.82
PYRAMID HARDWARE & CONST.		I-10-159	11999	1,743.00	158.45
		I-10-160	12280	84.00	7.64
		I-10-161	12307	803.00	73.00
		I-10-162	12308	2,532.00	230.18
		I-10-163	12309	380.00	34.55
		I-10-164	12346	2,125.00	193.18
		I-10-165	12347	212.00	19.27
		I-10-166	12348	630.00	57.27
		I-10-168	12350	36.00	3.27
		I-10-169	12351	12,000.00	1,090.91
		I-10-170	12391	35.10	3.19
		I-10-171	12429	480.00	43.64
		I-10-172	12430	7,775.00	706.82
		I-10-173	12431	360.00	32.73
		I-10-179	12648	1,643.00	149.36
		I-10-293	12496	120.00	10.91
RIVERO'S CHEMICAL PRODUCT		I-10-185	2151	68,006.62	6,182.42
T & J CUSTOMBUILT SHOES		I-10-187	33266	1,160.00	105.45
		I-10-187	33267	4,060.00	369.09
TOP ACE MOTOR WORKS CORP.		I-10-188	3321	132.00	12.00
		I-10-189	3347	420.00	38.18
		I-10-190	3350	200.00	18.18
UNION CONSTRUCTION SUPPLY		I-10-192	51240	880.00	80.00
		I-10-193	51387	4,600.00	418.18
		I-10-194	51388	220.00	20.00
		I-10-195	51475	1,496.00	136.00
		I-10-196	51801	590.00	53.64
		I-10-198	51864	280.00	25.45
VCP INTERMED PHARMA.		I-10-204	140698	12,832.00	1,166.55
ASIATRANS INT'L FORWARD.	0261	J-9-142	14238	1,540.00	140.00
EMERALD FORWARDING		J-9-144	6266	1,155.00	105.00
INTERCONTINENTAL FREIGHT		J-9-109	8824	550.00	50.00
		J-9-109	9056	500.00	45.45
PACIFIC ACTIVATED CARBON CO.	0262	I-12-78	1925	101,440.00	9,221.82
		I-12-79	1969	88,760.00	8,069.09
B D C C I	0452	I-3-172	82968	393.30	35.75
		I-3-173	82977	4,402.50	400.23
		I-3-174	84610	1,798.00	163.45
		I-3-174	84611	1,600.00	145.45
		I-3-176	88544	413.20	37.56
		I-3-176	88545	318.90	28.99
BRAIN COMPUTER CENTER		I-3-415	3502	24,370.00	2,215.45
		I-3-416	3503	900.00	81.82
CHOA'S FOR EVERYTHING		I-3-426	141282	7,914.00	719.45
		I-3-427	141284	250.00	22.73
		I-3-428	142168	598.00	54.36
		I-3-429	142237	2,236.40	203.31
COLORITE		I-3-431	4899	1,495.00	135.91
EEI CORPORATION		I-5-319	87951	278,480.47	25,316.41
EVELYN'S GENERAL MDSE.		I-4-8	251778	600.00	54.55
FRANCIS DRY GOODS		I-4-267	29861	1,100.00	100.00
FRIGID ZONE AIRCON		I-4-269	1602	5,220.00	474.55
GARBES DIZON SERVITEK		I-5-43	0576	7,020.00	638.18
GARDEN MARKETING		I-5-45	13181	23,040.00	2,094.55
		I-5-46	13182	7,440.00	676.36
		I-5-47	13183	39,120.00	3,556.36
KING IVAN AUTO PARTS		I-5-56	5148	750.00	68.18
LC HARDWARE & LUMBER		I-5-59	14059	4,402.50	400.23
		I-5-61	14488	405.50	36.86

194

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON
CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
		I-5-65	80423	78.00	7.09
LYRICA TRADING		I-5-68	7124	7,831.45	711.95
M SYSTEMS CORPORATION		I-5-134	2605	39,725.60	3,611.42
MIKE WINE CENTIX & GEN. MDSE.		I-5-143	9071	2,580.00	234.55
		I-5-144	9215	3,800.00	345.45
MONARK EQUIPMENT CORP.		I-6-241	152720	44,242.21	4,022.02
		I-6-242	152726	427,103.60	38,827.60
		I-6-243	152727	15,531.49	1,411.95
MOTHER & CHILD PHARMACY		I-5-78	0961	27,061.30	2,460.12
		I-5-82	0962	27,006.95	2,455.18
		I-5-86	0968	13,283.00	1,207.55
		I-5-90	0969	20,721.30	1,883.75
		I-5-94	0970	9,728.50	884.41
NEW CITY TRADING		I-5-147	1014	4,517.00	410.64
		I-5-148	1132	3,518.00	319.82
		I-5-151	14111	178.00	16.18
		I-5-152	14965	380.00	34.55
		I-5-153	15048	200.00	18.18
		I-5-154	15155	1,350.00	122.73
NISSAN GALLERY		I-5-157	33621	985.00	89.55
		I-5-158	34572	563.00	51.18
OCAMPO'S OLONGAPO		I-5-411	1702	920.00	83.64
		I-5-413	198800	3,584.00	325.82
		I-5-416	234846	525.00	47.73
		I-5-417	240093	15,763.00	1,433.00
PIXO GRAFIX		I-5-435	4220	400.00	36.36
S. R. D. TRADING & PRINTING		I-6-3	0576	140,697.37	12,790.67
SHAW MERCHANDISING		I-6-22	171318	2,300.00	209.09
SM APPLIANCE CENTER		I-6-20	159163	1,608.75	146.25
SM ORTIGAS		I-6-23	103847	1,940.00	176.36
		I-6-23	103848	440.00	40.00
		I-6-24	115044	2,119.50	192.68
SM SUPERMARKET, MAKATI		I-6-26	11416	6,000.00	545.45
SOLID CORPORATION		I-6-25	24150	665.00	60.45
STANDARD BLUE AUTO SUPP		I-6-21	03600	1,000.00	90.91
TRANSDUCER PHILS.		I-6-146	1006	30,095.00	2,735.91
ALVINEX INDUSTRIAL CORP.	0642	I-2-6	1744	97,130.00	8,830.00
NORTHLANDER GEN. MERCANTILE	0645	I-13-639	77096	552.50	50.23
		I-13-648	77008	20.50	1.86
			SUBTOTAL	**P 2,066,788.52**	**P 187,889.87**

(7) WITHOUT INVOICES/OFFICIAL RECEIPTS BUT SUPPORTED BY INVALID DOCUMENTS SUCH AS STATEMENTS OF ACCOUNTS, PROVISIONAL RECEIPTS, LETTER-BILLING, ETC.

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
ARROW FREIGHT CORP.	0261	J-9-24;J-9-25	15037	P 23,100.00	P 2,100.00
		J-9-24;J-9-26	15055	14,584.00	1,325.82
		J-9-24;J-9-27	15056	25,595.00	2,326.82
		J-9-24;J-9-28	15057	77,480.00	7,043.64
		J-9-24;J-9-29	15066	997.70	90.70
		J-9-24;J-9-30	15067	997.70	90.70
		J-9-24;J-9-31	15068	21,938.40	1,994.40
		J-9-24;J-9-32	15088	45.36	4.12
		J-9-24;J-9-33	15090	17,076.82	1,552.44
		J-9-24;J-9-34	15096	9,802.47	891.13
		J-9-24;J-9-35	15097	9,680.02	880.00
		J-9-24;J-9-36	15099	46,238.00	4,203.45
		J-9-24;J-9-37	15107	58,110.00	5,282.73
		J-9-24;J-9-38	15108	114.63	10.42
		J-9-24;J-9-39	15133	21,938.40	1,994.40
		J-9-24;J-9-40	15134	997.70	90.70
		J-9-24;J-9-41	15135	997.70	90.70
		J-9-24;J-9-42	15153	37,690.00	3,426.36
		J-9-24;J-9-43	15154	31,634.00	2,875.82
		J-9-24;J-9-44	15157	21,184.00	1,925.82

195

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON
CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
		J-9-24;J-9-45	15165	25,595.00	2,326.82
		J-9-24;J-9-46	15166	116,220.00	10,565.45
		J-9-24;J-9-47	15178	21,914.07	1,992.19
ARROW FREIGHT CORP.	0450	J-3-105;J-3-106	15098	2,552.13	232.01
		J-3-105;J-3-107	15100	36,394.00	3,308.55
		J-3-105;J-3-108	15109	43,425.00	3,947.73
		J-3-105;J-3-109	15110	19,524.10	1,774.92
		J-3-105;J-3-110	15132	60,803.00	5,527.55
		J-3-105;J-3-111	15136	3,099.80	281.80
		J-3-105;J-3-112	15138	997.70	90.70
		J-3-105;J-3-113	15151	27,318.00	2,483.45
		J-3-105;J-3-114	15152	34,746.00	3,158.73
		J-3-105;J-3-115	15161	2,262.64	205.69
		J-3-105;J-3-116	15162	49,221.00	4,474.64
		J-3-105;J-3-117	15163	33,203.90	3,018.54
		J-3-119;J-3-120	15181	997.70	90.70
		J-3-119;J-3-121	15182	997.70	90.70
		J-3-119;J-3-122	15183	4,875.20	443.20
		J-3-119;J-3-123	15198	7,765.00	705.91
		J-3-119;J-3-124	15203	13,649.00	1,240.82
		J-3-119;J-3-125	15204	11,582.00	1,052.91
		J-3-119;J-3-126	15205	3,845.74	349.61
		J-3-119;J-3-127	15206	13,169.30	1,197.21
		J-3-86;J-3-87	15036	1,511.50	137.41
		J-3-86;J-3-88	15052	39,507.90	3,591.63
		J-3-86;J-3-89	15053	43,425.00	3,947.73
		J-3-86;J-3-90	15054	9,116.00	828.73
		J-3-92;J-3-100	15089	28,950.00	2,631.82
		J-3-92;J-3-101	15092	1,305.90	118.72
		J-3-92;J-3-102	15101	4,563.00	414.82
		J-3-92;J-3-103	15102	14,475.00	1,315.91
		J-3-92;J-3-93	15061	2,437.60	221.60
		J-3-92;J-3-94	15062	997.70	90.70
		J-3-92;J-3-95	15063	997.70	90.70
		J-3-92;J-3-96	15064	997.70	90.70
		J-3-92;J-3-97	15069	4,875.20	443.20
		J-3-92;J-3-98	15070	1,004.40	91.31
		J-3-92;J-3-99	15087	18,202.00	1,654.73
ELECTRA CAR RENTAL	0615	J-2-388	1487	2,772.00	252.00
SM-KEPPEL STRAITS LA		J-2-363	SOA 0249	816,731.85	74,248.35
		J-2-364	SOA 0273	234,028.30	21,275.30
		J-2-365	SOA 0282	12,412.13	1,128.38
ARROW FREIGHT CORP.	1701	J-7-15;J-7-16	15137	932.80	84.80
		J-7-15;J-7-17	15111	7,500.00	681.82
		J-7-15;J-7-18	15114	49,137.44	4,467.04
		J-7-15;J-7-19	15168	25,961.76	2,360.16
		J-7-15;J-7-20	15167	22,470.00	2,042.73
		J-7-15;J-7-21	15148	14,980.00	1,361.82
		J-7-15;J-7-22	15130	7,490.00	680.91
		J-7-15;J-7-23	15195	7,490.00	680.91
		J-7-15;J-7-24	15194	56,666.14	5,151.47
		J-7-26;J-7-27	15050	14,980.00	1,361.82
		J-7-26;J-7-28	15051	24,434.08	2,221.28
		J-7-26;J-7-29	15060	932.80	84.80
		J-7-26;J-7-30	15071	49,693.60	4,517.60
		J-7-26;J-7-31	15072	14,980.00	1,361.82
		J-7-26;J-7-32	15073	1,925.34	175.03
		J-7-26;J-7-33	15028	26,482.72	2,407.52
		J-7-26;J-7-34	14945	49,804.48	4,527.68
		J-7-26;J-7-35	14946	7,490.00	680.91
		J-7-26;J-7-36	14984	18,794.09	1,708.55
		J-7-26;J-7-37	14986	26,172.96	2,379.36
			SUBTOTAL	**P 2,620,988.97**	**P 238,271.72**

196

BENGUET CORPORATION VS. CIR
CTA CASE NO. 5576
SCHEDULE OF COURT'S DISALLOWANCES ON CLAIMED EXCESS INPUT TAXES
FOR THE FIRST QUARTER OF 1996

(8) INVOICES/OFFICIAL RECEIPTS WITHOUT BIR PERMIT TO PRINT

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
PAIRCARGO	0450	J-3-192	8104	P 471.13	P 42.83
LOUFEL INDUSTRIAL MACHINERY	0452	I-6-219	2526	695,750.00	63,250.00
MINE VENDORS TRADING	0644		STMT	13,371.00	1,215.55
			SUBTOTAL	**P 709,592.13**	**P 64,508.38**

(9) OVERSTATEMENT OF REPORTED INVOICE AMOUNT

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
INTERNATIONAL CONTAINER	0450		1184735		
			Reported amount	P 2,998.60	P 272.60
			Actual amount	1,058.86	96.26
			Overstatement	P 1,939.74	P 176.34
			SUBTOTAL	**P 1,939.74**	**P 176.34**

(10) INVOICE AMOUNT REPORTED TWICE

SUPPLIER	ACCOUNT NUMBER	EXHIBIT	REFERENCE	INVOICE AMOUNT	INPUT TAX CLAIMED
IMO INDUSTRIES	0648		58528215	P 763,785.00	P 69,435.00
			SUBTOTAL	**P 763,785.00**	**P 69,435.00**
			GRAND TOTAL	**P 53,507,040.62**	**P 4,864,512.88**

197