Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

EN BANC

THE CITY OF MAKATI, Petitioner,	**CTA EB CASE NO. 1179** (CTA AC No. 100)
-versus-	Present: DEL ROSARIO, P.J., CASTAÑEDA, JR. BAUTISTA UY CASANOVA FABON-VICTORINO MINDARO-GRULLA COTANGCO-MANALASTAS RINGPIS-LIBAN, JJ.
THE MUNICIPALITY OF BAKUN AND LUZON HYDRO CORPORATION, Respondents.	Promulgated: JUN 08 2016 ; 2:45 p.m.

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RESOLUTION

MINDARO-GRULLA, J.:

This resolves petitioner's "Motion for Reconsideration" of the Decision dated January 14, 2016 of this Court En Banc, the dispositive portion of which states:

> *"**WHEREFORE,** premises considered, the petition is **DENIED** for lack of merit. The Decision of the Special First Division of this Court in CTA AC No. 100, promulgated on November 8, 2013 and its Resolution, promulgated on April 30, 2014, are hereby **AFFIRMED**. No Pronouncement as to cost.*
>
> ***SO ORDERED**."*

Respondents Luzon Hydro Corporation (LHC) and Municipality of Bakun filed their Comments on the Motion for Reconsideration, respectively, on April 1 and 18, 2016.

In assailing this Court's Decision, petitioner recycled and rehashed its arguments previously raised before the Division of this Court and the Court En Banc. In main, petitioner insists on the findings of the Regional Trial Court Branch 134 of Makati City over the findings of the Division of this Court and the Court En Banc that the office of LHC in Makati City is not a "Project Office" but an administrative office.

We resolve to deny the motion. To reiterate, the office of LHC in Makati City is not a "Project Office" but an administrative office to wit:

> *"xxx, [T]he city or municipality specifically mentioned in the articles of incorporation as the official address of said principal office shall be considered as the situs of tax in the absence of branch or sales office. Otherwise, the branch or sales outlet shall record the sale in the branch or sales outlet making the sale or transaction, and the tax thereon shall accrue and shall be paid to the municipality where such branch or sales outlet is located.*
>
> *In cases where there is a factory, project office, plant or plantation in pursuit of business, thirty percent (30%) of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located and seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project office, plant or plantation is located.*
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> *In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) or more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation shall be prorated among the localities where the factories, project offices, plants, and plantations are located in proportion to their respective volumes of production during the period for which the tax is due.*
>
> *In the case at bar, it is undisputed that the thirty percent (30%) of the local business tax was paid to Alilem as the principal office mentioned in the Articles of Incorporation and the remaining 70% is being contested by the Municipality of Bakun, Municipality of Alilem and*

Makati City. Furthermore, it is undisputed that the Luzon Hydro Corporation's electric power plant facility spans across the provinces of Benguet and Ilocus Sur. The power station and switch chart are located in Alilem Ilocos Sur while the conveyance panel and water intake are located in Bacun, Benguet. Luzon Hydro Corporation has an office in Makati City. Thus, the question whether Makati City should share in the local business Tax.

The Regional Trial Court of Makati City Branch 134, considered the office in Makati City as a branch which conducts operation of the business as an extension of its principal office because it is where the plaintiff consummates its business transactions by its admission that it is where executive and general administrative functions are done.

However, to be considered as a branch or sales office for purposes of collection of the taxes, it is not enough that the branch or sales office conducts operations of the business as an extension of the principal office, the branch or sales office shall likewise record the sale or transaction and the tax thereon shall accrue and shall be paid to the municipality where such branch or sales outlet is located pursuant to Article 243 (b) of Administrative Order No. 270 in relation to Section 150 (a) (b)(d) of the LGC. In this case, Makati City failed to present any evidence which will show sales made in Makati City. Likewise, Makati City failed to controvert that invoices or records of all sales to NPC are not handled by the Makati City Office nor does it operate any aspect of the business or primary purposes of the Company as provided in Plaintiff's Articles of Incorporation. Thus, we find the Special First Division of this Court was correct xxx" [1]

In sum, after a careful examination of petitioner's "Motion for Reconsideration", the Court finds that the issues and arguments raised in said motion had already been sufficiently passed upon and fully discussed not only by the Special First Division's Decision dated November 8, 2013 and Resolution dated April 30, 2014 but also by this Court En Banc's Decision dated January 14, 2016. No substantial argument was raised to merit reconsideration of our Decision promulgated on January 14, 2016.

[1] En banc Docket, p. 262-264.

WHEREFORE, premises considered, petitioner's "Motion for Reconsideration" is hereby **DENIED** for lack of merit.

SO ORDERED.

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

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

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

LOVELL R. BAUTISTA
Associate Justice

(On Leave)
ERLINDA P. UY
Associate Justice

CAESAR A. CASANOVA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

(On Leave)
AMELIA R. COTANGCO-MANALASTAS
Associate Justice

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