L/B.

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SAN PABLO MANUFACTURING CORPORATION,
Petitioner,

- versus -

C.T.A. CASE NO. 5423

COMMISSIONER OF INTERNAL REVENUE,

Promulgated:

MAR 10 2000

x --- x

DECISION

In this Petition for Review, petitioner seeks to annul and set aside the assessment made by Respondent Commissioner of Internal Revenue ordering it to pay the total amount of P8,182,182.85 which represents the alleged 1987 deficiency Miller's tax and Manufacturer's sales tax.

It appears from the records of this case that Petitioner is a domestic corporation duly organized and existing under the Philippine laws. It is engaged in the business of milling, manufacturing and exporting of coconut oil and other allied products.

The report based on the investigation conducted by the Bureau of Internal Revenue of petitioner's tax status for calendar year ending December 31, 1987, revealed that the latter has a tax liability amounting to P8,479,561.02 representing petitioner's 1987 deficiency business taxes inclusive of surcharges, interest and compromise penalties.

Thus, on February 7, 1990, Petitioner received from the office of the Respondent nine (9) assessment notices all dated January 24, 1990, demanding him to pay accordingly the aforementioned amount, details of which are broken down as follows:

ASSESSMENT NO.	KIND OF TAX	TOTAL
1.) FAS-4-87-90-000-511	Miller's Tax	P4,596,093.58
2.) FAS-4-87-90-000-512	Sales Tax	3,586,089.27
3.) FAS-4-87-90-000-510	Miller's Tax	215,476.18
4.) FAS-4-87-90-000-513	Percentage Tax	42,221.92
5.) FAS-4-87-90-000-514	Percentage Tax	35,300.29
6.) FAS-4-87-90-000-515	Increments on Late Payment	2,298.78
7.) FAS-4-87-90-000-516	Fixed Tax	495.78
8.) FAS-4-87-90-000-517	Fixed Tax	498.08
9.) FAS-4-87-90-000-518	Fixed Tax	1,090,44
TOTAL AMOUNT DUE AND COLLECTIBLE		P8,479,561.02

(Exh. 6, BIR records p. 279)

These assessments were protested by Petitioner in its letter dated February 16, 1990. In the said letter, Petitioner reserved its right to file a supplemental protest memorandum after being given an access to the pertinent assessment dockets. After going over the said assessment docket, Petitioner then filed a supplemental protest memorandum dated April 25, 1995, reiterating its protest against the two (2) items of the said assessment namely:

(a) The imposition of the deficiency Miller's tax on the sale of crude coconut oil to United Coconut Chemical, Inc. (UNICHEM) under Assessment No. FAS-4-87-90-000-511 in the amount of P4,596.093.58;

(b) And the Assessment for deficiency sales tax on the combined sale of corn and edible oil as manufactured products under Assessment No.FAS-4-87-90-000-512 in the amount of P3,586,089.27.

Petitioner however acknowledged its liability for the remaining items of the deficiency assessment covered by Assessment Notice No. FAS-4-87-90-000-510, FAS-4-87-90-000-513 to 518 and signified its willingness to pay the said remaining amount.

In fact, the amount of tax covered by said assessment notices were duly paid by Petitioner on December 29, 1997 as evidenced by the Authority to Accept Payment (ATAP) with serial number 4008613. (see BIR Records p. 316).

The amount paid by Petitioner is based on the compromise settlement entered into between Petitioner and Respondent pursuant to RMO 61-97 which is P78,084.76 or 50% of the Total Basic Taxes of P156,169.53, clearly shown as follows:

Assessment No.	Basic Tax	50% of Basic Tax Assessment Paid
FAS–4-87-90-000-510	P115,420.87	P57,710.43
FAS-4-87-90-000-513	21,827.16	10,913.58
FAS-4-87-90-000-514	18,021.50	9,010.75
FAS-4-87-90-000-516	200.00	100.00
FAS-4-87-90-000-517	200.00	100.00
FAS-4-87-90-000-518	500.00	250.00
Total Amount	**P 156,169.53**	**P78,084.76**

(See BIR Records pp. 325-33)

On August 13, 1996, Petitioner through its external auditor, SGV and Co. received an undated letter from the Respondent stating the denial of Petitioner's protest letters with regard to the two (2) items of assessment being contested by the petitioner. (Exhibit 6, BIR records, pp. 273-279.)

In denying Petitioner's protest, Respondent ruled that Petitioner's sale of coconut oil to UNICHEM cannot be exempt from the 3% Miller's tax since the exempting clause in Sec. 168 of the Tax Code intends to delimit the person or subjects entitled to the exemptions and that it intends to confer such right only to those expressly mentioned therein and to no other. It adjudged Petitioner's interpretation of the law to be full of legal infirmity and declared the non-applicability of the "Procter and Gamble Case" as cited by Petitioner, to the issue in the case at bar.

With regard to the second issue, Respondent ruled that Petitioner is a manufacturer of blend oil subject to 20% sales tax. It stated that when refined edible oil is mixed with refined corn oil in order to produce blend oil, both material components lose their respective identities such that a new product is produced.

Not satisfied with the Respondent's final decision on the protest, Petitioner filed the instant Petition for Review on September 12, 1996, covering the alleged deficiency Millers and sales taxes FAS-4-87-90-000-511 and 512, in the total amount of P8,182,182.85.

In his answer, Respondent raised the following Special and Affirmative defenses to wit.:

> 3. The assessment of the miller's tax and sales tax, subject matter in the above-entitled case, was made in accordance with laws, rules and regulations and therefore valid;
>
> 4. The exemption clause under Section 168 (formerly 203) of the Tax Code exclusively pertains to "the proprietor or operator of the factory or miller himself" who removed for exportation certain products, which in this particular case the crude coconut oil (referred to by petitioner as CNO'), hence, does not apply to the sale by petitioner of the CNO to United Coconut Chemical, Inc. (Unichem) even if the latter exported the CNO as an ingredient of its exported products, since Unichem is not itself the proprietor or operator of the factory or miller (petitioner);
>
> 5. The intention of our lawmakers in Section 168, NIRC, is clearly to delimit the persons or subjects entitled to exemption from miller's tax and obviously, to stop, once and for all, the erroneous interpretation being made by several quarters, including the petitioner on the exemption clause under the former Section 203, NIRC;

6. From the legal standpoint, petitioner is considered a manufacturer when it produced "blend oil" by mixing refined corn oil with refined edible oil which mixture produces an entirely new product hence, its sale is subject to the 20% sales tax;

7. Petitioner's allegation that it has paid the 10% sales tax on the sale of corn oil and 3% miller's tax on the sale of edible oil is besides (sic) the point, for what is at issue in this particular case is the sale of the "blend oil", the mixed product of corn oil and edible oil;

8. All presumptions are in favor of the correctness of the tax assessment. (Interprovincial Autobus, Inc. vs. Collector of Internal Revenue, 98 Phil 290);

9. In the construction of tax statutes, exemptions are not favored and are construed strictissimi juris against the taxpayer (Republic Flour Mills, Inc. vs. Comm. & CTA, L-25602 Feb. 18, 1970), hence, it follows that what is not included in the law is deemed excluded;

10. He who claims exemption must be able to justify his claim or right thereto, by a grant expressed in terms "too plain to be mistaken and too categorical to be misinterpreted." (Comm. vs. Kiener Co. Ltd. L-24754, July 18, 1975; Reagan vs. Comm., L-26379, Dec. 27, 1969) and an exemption from the common burden cannot be permitted to exist upon implication or inference. (Asiatic Petroleum Co. vs. Ylanes, 49 Phil. 466; Manila Electric Co. vs. Vera L-29987, Oct. 22, 1975).

11. The petition was filed beyond the 30-day reglementary period;

12. The decision appealed from does not constitute a clear and unequivocal final decision of the respondent as contemplation under the law, hence, the petition is premature and the Honorable Court has not acquired jurisdiction over this case.

On June 18, 1997, Petitioner and Respondent filed a Joint Stipulation of Facts and Issues to this Court which reads as follows:

"JOINT STIPULATION OF FACTS AND ISSUES"

PETITIONER and RESPONDENT, thru their respective counsels and unto this Honorable Court, respectfully submit the following stipulation of facts and issues, to wit.:

I. Facts Admitted

1. The respondent's letter denying Petitioner's protest letters dated April 25, 1990 and May 2, 1990 which includes the alleged 1987 deficiency Miller's and sales tax assessments covered by Assessments Nos. FAS-4-87-90-000-511 TO 12 in the amount of P8,182,182.85 was received by the Petitioner thru its tax advisers on August 13, 1996.
2. The United Coconut Chemicals Inc., UNICHEM is a corporation duly organized and existing under the Philippine Laws, It is a Board of Investments (BOI) registered enterprise with preferred power status under Presidential Decree No. 1789.
3. The Petitioner was engaged in the milling of Copra which in turn produces Crude Coconut Oil.
4. The Crude coconut oil was sold to Unichem during the period in question.

ISSUES OF FACTS AND LAW

1. Whether or not the respondent erred in holding that the petitioner's sale of crude coconut oil to Unichem was not exempt from the 3% Miller's tax;
2. Whether or not the respondent erred in finding that the petitioner was liable for deficiency sales tax in the alleged manufacture of "blend oil."

Petitioner, in order to prove that he is indeed not liable to the deficiency business taxes as assessed offered as evidence the following documents:

Exhibits	Description
A and A-1	Company profile of United Coconut Chemicals Inc. (COCOCHEM)

A-2	Process Flow Chart of crude coconut oil
B	Sales volume by UNICHEM to prove that the products produced by the Company is exported abroad
C	Diagram showing the preparation of blend oil
E	Petitioner's Sales Contract

Respondent, for its part, submitted the following documents to prove its case:

1 and 1-a	letter of Authority for the investigation of petitioner's business tax liabilities
2	Report for the Commissioner of the result of the investigation
3	Assessment Notice No. FAS-4-87-90-000-511
4	Assessment Notice No. FAS-4-87-90-000-512
5 and 5-a	Memorandum rebutting the contention and Issues raised by petitioner
6 and 6-a	Undated letter denying the protest to SGV and Co signed by the Commissioner

Having admitted all the aforequoted exhibits of both parties, the Court ordered the submission of the parties' respective memorandum, thus, on September 1, 1999, petitioner submitted its memorandum reiterating the cancellation of the assessments for deficiency business taxes. Respondent waived its right to submit its memorandum.

The issues to be resolved in the case at bar are the simplified issues jointly stipulated by both parties, to wit:

1. Whether or not Petitioner is exempt to pay the 3% Miller's tax for the sale of crude coconut oil to UNICHEM and;

2. Whether or not petitioner is liable to pay the deficiency sales tax for the alleged manufacture of "blend oil."

The first issue calls for the correct interpretation of Section 203 of the 1985 Tax Code as amended and later on renumbered as Sec. 168 under the 1987 Tax Code by virtue of PD Nos. 1991 and 1994. Although the two provisions contain exactly the same wording, the point of conflict which prompted the confusion in this case is the phrase which has been inserted in Section 168 that is "by the proprietor or operators of the factory or miller himself."

For easy reference, the provision of Section 168 of 1987 Tax Code is hereunder quoted as follows *to wit.:*

> ***Sec. 168. Percentage tax upon proprietors or operators of rope factories, sugar centrals and mills, coconut oil mills, palm oil mills, cassava mills, and desiccated coconut factories.-*** Proprietors or operators of rope factories, sugar centrals and mills, coconut oil mills, palm oil mills, cassava mills, and desiccated coconut factories, shall pay a tax equivalent to three (3%) percent of the gross value of money of all the rope sugar, coconut oil, palm oil, cassava flour or starch, desiccated coconut, manufactured, processed or milled by them, including the by-product of the raw materials, from which said articles are produced, proceed of manufactured, such tax be based on the actual selling price or market value of these articles at the time they leave the factory or mill warehouse: Provided, however, That this tax shall not apply to rope, coconut oil, palm oil, and the by-product of copra from which it is produced or manufactured and desiccated coconuts, if such rope, coconut oil, palm oil, copra by products and desiccated coconuts, shall be removed for exportation by the proprietor or operator of the factory or miller himself, and are actually exported without returning to the Philippines, whether in their original state or as an ingredient or part of any manufactured article or products.

It is the contention of the petitioner that its sale of crude coconut oil to UNICHEM falls within the scope of the exempting proviso found in Section 168 of the 1987 Tax Code. Petitioner, in interpreting said section applies the statutory principle of "*Reddendo*

Singula Singulis". Under the said principle, where a sentence contains several antecedents and several consequents, they are to be read distributively. That is, the words are to be applied to the subjects to which they appear by context most properly to relate and to which they are most applicable. (citing Sutherland's statutory construction, section 4918 p. 423 Vol 2).

Petitioner avers that the proviso in Section 168 are to be read distributively such that in effect, if the owner or proprietor of the mills and factories export the milled products in their original state, it should be exempt from miller's tax. And in the same manner, if the sale of the milled product by the owner or proprietor of the factory to a buyer/manufacturer who actually exported the same as an ingredient or part of the manufactured article, it should likewise be exempt from said tax.

Petitioner further stated that both under Section 203 of the 1985 Tax Code and Section 168 of the 1987 Tax Code, what is essential for purpose of the exemption from Miller's tax was that the milled products were eventually exported by the Miller himself if it is still in its original state, and if it is already converted to a manufactured state, said product should be exported by the buyer/manufacturer other than the miller.

On the basis of such interpretation, petitioner reiterates its stand that they should be exempt from miller's tax since UNICHEM bought from them the crude coconut oil which was eventually exported abroad as an ingredient as part of fatty acid or glycerine products (see TSN, October 9, 1997 pp. 15-17).

Petitioner, to bolster its contention, even cited an unnumbered ruling dated January 6, 1978 in which the BIR had the occasion to rule that coconut oil removed from the factory or mill warehouse and loaded on an ocean-going vessel for export shipment to the

US was exempt from miller's tax. In the said ruling, the coconut oil, as the milled product, was sold by Procter and Gamble to Philippine Refining Company and exported in their original state.

We find Petitioner's contention devoid of merit.

Petitioner's interpretation of Section 168 of the 1986 Tax Code is misplaced. To read the words of the law distributively applying the principle of "*Reddendo Singula Singulis*" would amount to confusion especially if the phrases thereof is laid down in a manner too simple to interpret and too clear to comprehend. The transposition of words and clauses, as this maxim signifies, may be resorted to where the sentence or clause is without meaning as it stands. (Murray vs. State 57 Am Rep. 623)..

When the language of the law is clear and unequivocal, the law must be taken to mean exactly what it says.

Constructions and Interpretations come only after it has been demonstrated that application is impossible or inadequate without them (People vs. Mapa, G.R. No. L-22301, August 30, 1967)

Evidently, in the initial wordings of Section 168 it specifically enumerated the persons liable to the 3% Miller's tax, namely, the proprietor or operator of the factory, sugar central or mills which involve products such as rope, coconut oil, sugar, palm oils, cassava and desiccated coconut; then said provision proceeds to lay down the conditions for the applicability of the exemption clause therein provided, thus:

> "Sec. 168 x x x Provided however, that this tax shall not apply to rope, coconut oil, palm oil and the by-product of copra from which it is produced or manufactured, and desiccated coconuts, if such rope, coconut oil, palm

> oil, copra by-products shall be removed for exportation by the proprietor or operator, and are actually exported without returning to the Philippines, whether in their original state or as an ingredient or part of any manufactured article or products.

Nowhere in the aforestated provision does it mention the manufacturer//buyer/exporter other than the Miller, proprietor or owner himself. Where the law enumerates the subjects and/or conditions on which it is to operate, it is to be construed as excluding from its effects all those not expressly mentioned. If the first portion of the said provision, subjected the owner/proprietor to the 3% Miller's tax, it would be absurd as it is illogical to include entirely another entity/ person who is not taxable under said section in the exempting proviso even by vague implications. Therefore, it is impossible to read distributively the wordings of the law as claimed by the petitioner in a manner where exemption could exist if the milled product is exported in the original state by the owner/ proprietor or if exported as an ingredient or part of a manufactured article by the buyer/manufacturer.

Petitioner in effect is extending the coverage of the exempting clause to persons other than those expressly stated therein. Thus, the Supreme Court ruled:

> "He who claims an exemption from his share of the common burden in taxation must justify his claim by showing that the legislature intended to exempt him by words too plain to be mistaken"(Surigao Consolidated Mining Co., Inc. vs. Collector L-14878, December 20, 1963).

Verily, if it was really the intention of the law to exempt proprietors or owners of mills who indirectly export its products as an ingredient of a manufactured article even through an intervenor (the buyer/manufacturer in this case), then the law should have clearly and expressly provided for it.

Thus, the sale by petitioner of the crude coconut oil to UNICHEM who exported the said product as an ingredient or part of a manufactured article does not fall under the purview of the exempting clause.

Furthermore, in case of doubt, in the construction of tax statutes, since tax exemptions are not favored in the law, it should be construed in *strictissimi juris* against the taxpayer (Republic Flour Milling vs. Commissioner of Internal Revenue 31 SCRA 520, February 18, 1970)

Petitioner's reliance on the unnumbered BIR Ruling dated January 6, 1978 is likewise unfounded. In the said BIR Ruling, Respondent exempted P & G-PMC from Miller's tax on the crude coconut oil milled by it and which is purchased and subsequently exported by the Phil. Refining Company to the United States.

This Court adopts the findings of Respondent with regard to the non-applicability of said Ruling to the issues in the case at bar. The circumstances surrounding the Procter and Gamble case is not similar with that of the instant petition to quote Respondent's findings:

> "Based on said ruling thus cited by counsel, it can be concluded that the CNO sale to UNICHEM is not an exempt transaction. The transaction described in the above case was one uninterupted, continuous whole, as there was no break in point of time from the removal of the crude coconut oil from P and G-PMC factory or mill warehouse, to the loading thereof on the vessel. (That Philippine Refining Company never had actual or physical possession of the crude oil from the time of purchase and removal thereof from PG-PMC factory up to the loading of said CNO in the vessel for export to the US) This is not so in the present case for the CNO was delivered to Unichem, stayed there for sometime preparatory to its manufacture or conversion into fatty acids or glycerine before it is actually exported. (see BIR Records p. 224)

Thus, what is essential to the grant of exemption is the fact of exportation being made by the owner-proprietor of the miller/factory himself. In the instant case, since the exporter is the purchaser-buyer and not the owner-proprietor, as the law so provides, then it follows that the exemption clause provided in section 168 of the 1987 Tax Code does not apply.

We now proceed to resolve the second issue. Is the Petitioner considered a manufacturer of Blend oil therefore liable for the 10% manufacturer's sales tax?

It is important to note at this point the legal definition of the term "Manufacturer" as applied in the provisions of the Tax Code. Section 157 (x) of the 1986 Tax Code conveniently provides;

> "Section 157(x). Manufacturer includes every person who by physical or chemical process alters the exterior texture or form or inner substance of any raw materials or manufactured or partially manufactured products in such manner as to prepare it for, a special use or uses to which it could not have been part in its original condition, or who by any such process alters the quality of any such raw material as manufactured or partially manufactured products so as to reduce it to marketable shape or prepare it for any of the uses of industry or who by any such process combine any such raw material or manufactured or partially manufactured products with other materials or products of the same or of different kinds and in such manner that the finished product of such process or manufacture can be put to a special use or uses to which such raw material or manufactured or partially manufactured products in their original condition could not have been put, and who in addition alters such raw material or manufactured or partially manufactured products, or combines the same to produce such finished products for the purpose of sale or distribution to others and not for his own use or consumption.

In the instant case, petitioner sought to establish the fact that it should not be considered a manufacturer of blended oil. It claimed that in the preparation of blended oil there is no manufacturing process involved because the same was done by simply mixing the coconut oil and the corn oil and that this is being done only upon the request of

Petitioner's customers. To prove its point, petitioner offered as its evidence the testimony of Ms Lorna G. Arrogania, a Chemical Engineer with the position of Assistant Vice-President for operation of the petitioner. Quoted below are portions of her testimony which we find relevant to the issue at hand, to wit.:

x x x x x x x x x

> Q. Madam witness, how about the blend oil which is the subject of the assessment of the respondent?
>
> A. Actually, we only make blend oil at the percentage of 90% coconut oil and 10% corn oil. We just mixed it, there is a certain tank for the corn oil which we ordered from our supplier, and another tank for the edible oil. There is a blending tank. The blending tank is equipped with varied gauge in ordered for us to determine how much oil will he mixed in the blending tank. After that, there is a mixer. It is mixed for quite sometime for 2 to 3 hours and then it is ready for delivery to our customers. No further process.

x x x x x x x x x

> Q. Madam Witness, was there a physical or chemical process that was being employed in the raw materials used in the preparation of this blend oil that alters their substance or form?
>
> A. Actually in our plant, since it is only prepared in one tank, there is no process involved (See TSN, January 20, 1998, pp. 15-16)

We agree with the petitioner that it cannot be categorized as a "manufacturer" of blend oil within the definition of the Tax Code. Petitioner simply poured the corn oil and edible oil in one container and by the natural and spontaneous reaction between the two, it resulted in what was known as "blend oil." In the first place, the combination of 90% coconut/edible oil and 10% corn oil is done by the mechanical stirring of the two ingredients together.

We give credence to the testimonies of petitioner's witnesses, namely: Ms. Lorna Arragania and Mr. Ramon Macasinag (see TSN, April 24, 1998) that the petitioner does the mixing of the coconut oil and the corn oil only upon the request of their regular customers. These circumstances would reveal that said blend oil is not widely available to the public for general consumption. Thus, the term "blend oil" is just a distinctive name given by some traders or merchants to distinguish it from its component parts for whatever trade benefit it could provide them. The mixing of the edible oil and the corn oil which resulted to what is known as "blend oil" does not constitute a manufacturing activity, in its strict sense. What is lacking in the mixing is the so-called physical or chemical process which can alter the exterior texture or form or inner substance of any raw material, as specified in the legal definition of the term "manufacturer." While it is true that when the two ingredients are mixed and combined together, you cannot anymore distinguish one from the other, still their exterior texture is still in the form of oil. No substantial conversion ever took place with the mixing process. It does not produce a different product because-the mixture remains a cooking oil although not pure corn oil or pure edible oil.

To argue that blend oil is entirely a different product from the mixture of coconut oil and the corn oil is absurd as it is just a matter of playing with technical lingo. While the by-product bears a name entirely different from the ingredients used (edible oil + corn oil = blend oil), still at the very least all the component parts which make up to what is known as the blend oil is identical with one another.

The Supreme Court said in the case of Kuenzle and Streiff vs. Collector of Customs 32 Phil. 510 involving the "bonanza mixture" of coffee, chicory and cereal in which it ruled that the mixture of the three ingredients does not constitute a manufacturing activity:

xxx xxx xxx

> The name which importers have been given it, in no way indicates its component parts. It is not a destructive name, resulting from the mixture. The mixture of the articles has not produced a separate and distinctive article. Another importer or merchant might mix the same articles, in the same proportions, for trade purposes alone, giving the mixture another and distinctive name for instance Rizal or any other name which might suit the purpose or object of the particular merchant or importer. Generally, a manufactured article, by reason of the fact that it is a manufactured article and not by reason of any particular fancy of the owner or to meet some particular trade purpose, is known as an article entirely distinctive from its component parts. It is generally admitted that the grinding of wheat is a manufacture because it produces a product known as flour, but the flour is not the only result of the grinding. It goes through other process after the grinding, before it is known distinctively as flour. The grinding of coffee produces no different product, the ground coffee is coffee still. The grinding of chicory produces no new product, it is chicory even though ground. The same is true with cereals that are ground for the purpose of being used as a substitute for coffee. And moreover, they do not have to be ground to be used as coffee; they can be used as coffee without being ground. The grinding and mixing is simply for the purpose of making it more convenient for use.

On the basis of the foregoing, we are inclined to conclude that the mixture of 90% edible oil and 10% corn oil does not constitute a manufacturing activity.

Thus, with all of the above findings, we have found petitioner liable for the 3% deficiency miller's tax assessed against it by respondent under assessment No. FAS-4-87-90-000-511. However, we find petitioner not liable for deficiency manufacturer's sales tax on the combined sale of edible oil and corn oil under assessment number FAS 4-87-90-000-512 .

WHEREFORE, in view of the foregoing, finding the petition partially meritorious, the Court hereby **ORDERS**:

a) the Respondent to CANCEL and WITHDRAW Assessment Notice No. FAS 4-87-90-000-512 covering the 10% manufacturer's sales tax in the amount of P3,586,089.27;

b) the Petitioner to PAY respondent Commissioner of Internal Revenue the total amount of P4,571,093.58 representing the Deficiency Miller's tax on the sale of CNO to UNICHEM, which is broken down as follows:

Basic Tax	P2,607,567.66
25% Surcharge	651,891.92
20% Interest per annum (3rd &4th Qtr 1987); (10-21-87 to 12-31-89) (see BIR Rec. p. 75)	1,311,634.00
TOTAL AMOUNT DUE	4,571,093.58 (see CTA docket p. 27)

plus 20% delinquency interest per annum computed from January 1, 1990 until the full payment thereof pursuant to the provisions of Section 249 (c)(3) of the 1986 Tax Code.

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 this 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