REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

COMMISSIONER OF INTERNAL REVENUE,
Petitioner,

- versus -

CASAS + ARCHITECTS, INC.,
Respondent.

CTA *EB* NO. 2602
(CTA Case No. 9705)

Present:

DEL ROSARIO, *P.J.,*
RINGPIS-LIBAN,
MANAHAN,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES, *and*
ANGELES, *JJ.*

Promulgated:
FEB 27 2024 4:05pm

x - x

RESOLUTION

CUI-DAVID, J.:

This resolves petitioner's *Motion for Reconsideration*[1] filed through registered mail on August 31, 2023, and received by the Court on September 11, 2023, with respondent's *Comment/Opposition*[2] thereto filed through registered mail on October 16, 2023, and received by the Court on October 23, 2023.

Petitioner seeks reconsideration of this Court's Decision[3] promulgated on August 15, 2023 (*assailed Decision*), the dispositive portion of which reads:

> **WHEREFORE**, premises considered, the *Petition for Review* filed by the Commissioner of Internal Revenue is **DENIED** for lack of merit. The *Decision* dated March 9, 2021,

[1] *En Banc (EB)* Docket, pp. 117-124.
[2] *EB* Docket, pp. 136-145.
[3] *EB* Docket, pp. 92-113.

and the *Resolution* dated March 14, 2022, of the Court's Third Division in CTA Case No. 9705 are **AFFIRMED**.

SO ORDERED.

In his bid for a reconsideration, petitioner reiterates that for a write-off of alleged bad debts to be valid and legitimate, the worthlessness and uncollectibility of the alleged bad debts should be established. In the instant case, petitioner maintains that respondent failed to demonstrate its compliance with the requirements provided under Revenue Regulations (RR) No. 05-99,[4] as amended by RR No. 25-2002,[5] for bad debts to be allowed as a deduction to gross income.

Petitioner likewise maintains that the Court erred in using the withholding tax rate of 15% as found by the Independent Certified Public Accountant (ICPA), which pertains to the maximum withholding tax on payments made to professionals. Allegedly, respondent's records disclosed that it declared in its Financial Statements that it paid salaries and wages, which include direct staff cost – the cost of services, salaries and wages – administrative expenses, and other allowances & benefits in the total amount of Php38,049,089.00 while only declaring a total amount of Php29,839,163.93 in the salaries and wages subject to withholding tax per *Alphalist* submitted by respondent. Thus, for petitioner, the withholding tax on salaries and wages of respondent's employees is subject to a graduated rate on withholding tax on compensation as provided under Section 2.78 of RR No. 2-98.

By way of Comment/Opposition, respondent submits that petitioner's *Motion for Reconsideration* should be denied for lack of merit. According to respondent, the Court in Division and the Court En Banc correctly ruled that it has complied with all the requisites to write off the uncollected accounts. Respondent further asserts that it was able to support the propriety of writing off the uncollected accounts. Hence, the reduction of the Accounts Receivable account amounting to Php24,767,415.00 should not be classified as underdeclared receipts subject to value-added tax (VAT).

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[4] SUBJECT: *Implementing Section 34(E) of the Tax Code of 1997 on the Requirements for Deductibility of Bad Debts from Gross Income.*

[5] SUBJECT: *Amending Revenue Regulations No. 5-99, Further Implementing Section 34(E) of the Tax Code of 1997 on the Requirements for Deductibility of Bad Debts from Gross Income.*

Respondent likewise asserts that the Court in Division, as well as the Court *En Banc* on appeal, correctly ruled that the 15% withholding tax rate for professional fees, talent fees, or any other form of remuneration for services rendered pursuant to Section 2.57.2 (A) of RR no. 2-98,[6] as amended, should be used.

Petitioner's *Motion for Reconsideration* deserves scant consideration.

Petitioner did not raise new matters or issues in the instant *Motion for Reconsideration* that will merit a reconsideration, let alone modification of the assailed Decision of August 15, 2023. Moreover, his contentions were mere reiterations and amplifications of his previous arguments, all of which have been considered and rejected, first by the Court in Division and subsequently on appeal, by the Court *En Banc.* To rule on the same issues and arguments again is a waste of time and dwindling resources of the Court.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration* posted on August 31, 2023, is **DENIED** for lack of merit.

SO ORDERED.

LANEE S. CUI-DAVID
Associate Justice

We Concur:

ROMAN G. DEL ROSARIO
Presiding Justice

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[6] SUBJECT: *Implementing Republic Act No. 8424, "An Act Amending the National Internal Revenue Code, as Amended" Relative to the Withholding on Income Subject to the Expanded Withholding Tax and Final Withholding Tax, Withholding of Income Tax on Compensation, Withholding of Creditable Value-Added Tax and Other Percentage Taxes.*

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MA. BELEN M. RINGPIS-LIBAN
Associate Justice

CATHERINE T. MANAHAN
Associate Justice

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

ON OFFICIAL BUSINESS
HENRY S. ANGELES
Associate Justice