REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

SANKYU-ATS CONSORTIUM-B, *Petitioner,*	**CTA CASE NO. 10495**
	Members:
-versus-	**RINGPIS-LIBAN**, *Chairperson,* **MODESTO-SAN PEDRO**, *and* **FERRER-FLORES**, *JJ.*
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: OCT 03 2024 11:47 AM

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RESOLUTION

RINGPIS-LIBAN, *J.*:

For Resolution is petitioner's *Motion for Reconsideration (To the Decision promulgated on 06 August 2024)*, filed on August 20, 2024, with respondent's *Comment and Opposition (Re: Motion for Reconsideration dated 20 August 2024)* filed on September 12, 2024.

Petitioner seeks reconsideration of the Court's decision on the ground that respondent's non-acceptance of its administrative claim for Value-Added Tax (VAT) refund is equivalent to its denial; that the denial of its administrative claim for VAT refund due to incomplete documents warranted a judicial recourse; that the functions within the Bureau of Internal Revenue (BIR) offices are customarily delegated which should be taken into consideration in the present case; *and*, that the imperatives of justice, fairness, and equity necessitate the relaxation of technicalities and the present case should be decided based on its merits.

Respondent opposes the motion stating that the Court has no jurisdiction considering that petitioner failed to submit the complete documentary requirements for application for refund, hence, tantamount to non-filing. Furthermore, even if assuming that the Court can assume jurisdiction over the case, petitioner has no cause of action.

The motion is *denied.*

The facts are *not* in dispute. It will be recalled that, on June 29, 2020, petitioner filed an application for VAT refund with Revenue District Office (RDO) No. 98 – Cagayan de Oro City with the supporting documents. However, on February 26, 2021, petitioner received a letter from BIR Revenue District Officer Gledonio B. Teope, Jr., which stated that that the application was *not* accepted due to lack of documentary requirements. This letter / notice of non-acceptance was the subject of the petition, which was *dismissed* in the assailed decision due to lack of jurisdiction.

The Court, being a court of special jurisdiction, can take cognizance only of matters that are clearly within its jurisdiction.[1] Jurisdiction over the subject matter is the power to hear and determine the general class to which the proceedings in question belong; it is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. Thus, when a court has *no* jurisdiction over the subject matter, the only power it has is to *dismiss* the action.[2]

In *Commissioner of Internal Revenue v. San Roque Power Corporation, et seq.*,[3] the Supreme Court held that the Court's charter clearly provides, among others, that it has exclusive appellate jurisdiction to review respondent's *decisions.* Without any "decision" by the respondent or his duly authorized representative, this Court acquires no jurisdiction over a taxpayer-claimant's judicial claim for refund, to wit:

> "The charter of the CTA expressly provides that its jurisdiction is to review on appeal '**decisions** of the Commissioner of Internal Revenue in cases involving x x x refunds of internal revenue taxes.' When a taxpayer prematurely files a judicial claim for tax refund or credit with the CTA without waiting for the decision of the Commissioner, there is no 'decision' of the Commissioner to review and thus the CTA as a court of special jurisdiction has no jurisdiction over the appeal. The charter of the CTA also expressly provides that if the Commissioner fails to decide within '**a specific period**' required by law, such '**inaction shall be deemed a denial**' of the application for tax refund or credit. It is the Commissioner's decision, or inaction 'deemed a denial,' that the taxpayer can take to the CTA for review. Without a decision or an 'inaction x x x deemed a denial' of the

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[1] *Commissioner of Internal Revenue v. V.Y. Domingo Jewellers, Inc.,* G.R. No. 221780, March 25, 2019.

[2] *Mitsubishi Motors Philippines Corporation v. Bureau of Customs,* G.R. No. 209830, June 17, 2015.

[3] G.R. Nos. 187485, 196113, and 197156, February 12, 2013, Supreme Court *En Banc.*

> Commissioner, the CTA has no jurisdiction over a petition for review." *(Underscoring added and citations omitted)*

Revenue Memorandum Circular No. (RMC) 17-2018[4] provides that for regional cases, the power to decide applications or claims for refund of creditable input taxes is delegated to the Regional Director, and the participation of an RDO after the filing of the claim is limited only to *"verification/processing"*. Consistently, for applications or claims for refund of creditable input taxes filed with the concerned RDO, the appealable decision to this Court is *not* one issued by the corresponding RDO, but by the Regional Director.

Considering that the subject of the present appeal is the letter from Revenue District Officer Gledonio B. Teope, Jr.,[5] *not* from the Regional Director, the Court maintains its ruling that there is *no* decision of the CIR or his duly authorized representative to speak of that is appealable to and cognizable by this Court.

Lastly, it should be stressed that the right to appeal is neither a natural right nor is it a component of due process. It is a mere statutory privilege, and may be exercised only in the manner and in accordance with the provisions of law.[6] In sum, considering that the subject of the present appeal is not cognizable by this Court, the present petition must be *dismissed.*

In view of the foregoing, the Court finds no compelling reason to reverse or modify the assailed decision.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration (To the Decision promulgated on 06 August 2024)*, is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

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[4] "SUBJECT: Amending Revenue Memorandum Circular (RMC) No. 89-2017 and Certain Provisions of RMC No. 54-2014 Regarding the Processing of Claims for Issuance of Tax Refund/Tax Credit Certificate (TCC) in Relation to Amendments Made in the National Internal Revenue Code of 1997, as Amended by Republic Act No. 10963, Known as the Tax Reform for Acceleration and Inclusion (TRAIN)," February 27, 2018.

[5] Exhibit "P-21", Docket, Vol. II, pp. 735 to 738.

[6] *Boardwalk Business Ventures, Inc. v. Elvira A. Villareal, et al.*, G.R. No. 181182, April 10, 2013.

WE CONCUR:

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

(On Leave)
CORAZON G. FERRER-FLORES
Associate Justice