REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

DEUTSCHE KNOWLEDGE SERVICES PTE., LTD., *Petitioner,*	**CTA Case No. 11491**
	Members:
	MANAHAN, *Chairperson,* **REYES-FAJARDO,** and **ANGELES,** *JJ.*
- versus -	
COMMISSIONER OF INTERNAL REVENUE, *Respondent.*	Promulgated: AUG 07 2025 9:32 a.m.

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RESOLUTION

For the Court's resolution is petitioner Deutsche Knowledge Services PTE., LTD.'s *Motion for Reconsideration (Re: Resolution dated June 27, 2024)*[1] posted on July 23,2024, which seeks the reversal of the Court's Resolution promulgated on June 27, 2024,[2] dismissing this case for lack of jurisdiction due to petitioner's belated filing of its Petition for Review. The dispositive portion reads:[3]

> "**WHEREFORE,** CTA Case No. 11491 is **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED.**"

Petitioner submits that the Court erred in dismissing this case and essentially argues that the applicable law at the time of the filing of its administrative and judicial claim for refund is Section 112(c) of the Tax Code, as amended by the Tax Reform for Acceleration and

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1 Motion for Reconsideration, Docket, pp. 190 - 214.
2 Resolution, Docket, pp. 157 - 161.
3 *Id.* at p. 161.

Inclusion (TRAIN) Law, which took effect on January 1, 2018. Section 112(c) of the Tax Code, as amended by the TRAIN Law reads:[4]

> SEC. 112. Refunds or Tax Credits of Input Tax. —
>
> . . .
>
> (C) Period within which Refund of Input Taxes shall be Made. — In proper cases, the Commissioner shall grant a refund for creditable input taxes within ninety (90) days from the date of submission of the official receipts or invoices and other documents in support of the application filed in accordance with Subsections (A) and (B) hereof: Provided, that should the Commissioner find that the grant of refund is not proper, the Commissioner must state in writing the legal and factual basis for the denial.
>
> **In case of full or partial denial of the claim for tax refund, the taxpayer affected may, within thirty (30) days from the receipt of the decision denying the claim, appeal the decision with the Court of Tax Appeals**: Provided, however, That failure on the part of any official, agent, or employee of the BIR to act on the application within the ninety (90)-day period shall be punishable under Section 269 of this Code.
>
> . . .[5]

For petitioner, under the aforecited provision, the taxpayer's right to appeal the Commissioner of Internal Revenue (CIR)'s inaction was no longer available. Hence, petitioner argues that it should file its judicial claim for refund from the time of receipt of the CIR's decision. Petitioner further submits that it was only upon the enactment of the Ease of Paying Taxes Act[6] on January 22, 2024 where the statutory right of the taxpayer to appeal the CIR's inaction was restored.

The Court is not swayed.

Foremost, as jurisdiction is a matter of substantive law, reference to the Constitution or statute is necessary.[7]

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4 Tax Reform for Acceleration and Inclusion (TRAIN), Republic Act No. 10963, December 19, 2017.

5 Emphasis Supplied.

6 Ease of Paying Taxes Act, Republic Act No. 11976, January 5, 2024.

7 *An Waray Party-List v. Commission on Elections*, G.R. No. 268546, August 6, 2024.

Here, Republic Act (RA) No. 1125,[8] as amended by RA No. 9282,[9] ("CTA Charter") is the general law governing the appellate jurisdiction of the Court of Tax Appeals (CTA).[10]

Section 7(a)(1) and (2) of RA No. 1125,[11] as amended, reads:

> SEC. 7. Jurisdiction. — The CTA shall exercise:
>
> (a) Exclusive appellate jurisdiction to review by appeal, as herein provided:
>
> (1) Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue;
>
> (2) **Inaction by the Commissioner of Internal Revenue in cases involving** disputed assessments, **refunds of internal revenue taxes**, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue, where the National Internal Revenue Code provides a specific period for action, in which case the **inaction shall be deemed a denial**; . . . [12]

Relevantly, *Commissioner of Internal Revenue v. San Roque Power Corporation ("San Roque")* explained that it is the CTA Charter that expressly vests the CTA with jurisdiction to review on appeal the **decisions** and **inactions *"deemed a denial"*** of the CIR involving, among others, refunds of internal revenue taxes.[13]

San Roque likewise clarified that if the CIR fails to decide a tax refund claim within a specific period required by law, such inaction shall be deemed a denial of said tax refund claim. To wit:[14]

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8 An Act Creating the Court of Tax Appeals, June 16, 1954.

9 Expanding the Jurisdiction of the Court of Tax Appeals, Republic Act No. 9282, March 30, 2004.

10 *Department of Energy v. Commissioner of Internal Revenue*, G.R. No. 260912, August 30 2023.

11 An Act Creating the Court of Tax Appeals, June 16, 1954.

12 Emphasis Supplied.

13 G.R. Nos. 187485, 196113 & 197156, February 12, 2013.

14 *Commissioner of Internal Revenue v. San Roque Power Corp.*, G.R. Nos. 187485, 196113 & 197156, February 12, 2013.

> **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 . . . 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 . . . deemed a denial" of the Commissioner, the CTA has no jurisdiction over a petition for review.

Considering that the CTA's jurisdiction to review on appeal either the CIR's decision or his inaction "*deemed a denial*" on a tax refund claim is conferred upon it by the CTA Charter, not by the Tax Code, the CTA's jurisdiction therefore remains invariable despite amendments to the Tax Code.

To determine whether this Court acquired jurisdiction over the present case, we now apply the mandatory and jurisdictional prescriptive periods for a valid tax refund claim under Section 112(c) of the Tax Code, as amended by the TRAIN Law — i.e. (i) the 90-day period for the CIR to act on the administrative claim for refund or credit; and (ii) the 30-day period within which the taxpayer may file its judicial claim with the CTA.

Here, counting ninety (90) days from the date of petitioner's filing of its administrative claim for tax refund on December 28, 2023, the BIR VAT Credit Audit Division (BIR-VCAD) had until March 27, 2024 to decide on said administrative claim for tax refund. There being no adverse decision received by petitioner from the BIR-VCAD as of March 27, 2024, the law considers its administrative claim as denied. Counting another thirty (30) days therefrom, petitioner had until April 26, 2024 to seek judicial redress. Therefore, the belated filing of the Petition on May 6, 2024 robbed the Court of authority to entertain CTA Case No. 11491; hence, dismissal thereof is in order.

WHEREFORE, premises considered, petitioner's *Motion for Reconsideration (Re: Resolution dated June 27, 2024)* is **DENIED** for lack of merit. The Resolution promulgated on June 27, 2024 is **AFFIRMED.**

SO ORDERED.

CATHERINE T. MANAHAN
Associate Justice

MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice