REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

CE CASECNAN WATER AND ENERGY COMPANY, INC.,
Petitioner,

CTA EB NO. 2494
(CTA AC NO. 221)

Present:

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

- versus -

THE MUNICIPALITY OF ALFONSO CASTAÑEDA, NUEVA VIZCAYA, and JERRY P. PASIGIAN, JR. and JENNIFER M. TIONGSON, in their respective capacities as MAYOR and TREASURER (OIC) of the Municipality of Alfonso Castañeda,
Respondents.

Promulgated:

JUL 0 3 2023 9:40am

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RESOLUTION

RINGPIS-LIBAN, *J.:*

For Resolution is petitioner's *Motion for Reconsideration* filed on October 14, 2022 with respondents' *Comment/Opposition* filed by registered mail on February 10, 2023.

Petitioner reiterates its argument in the petition that the Court of Tax Appeals (CTA) First Division erred in dismissing the case for lack of jurisdiction over the subject matter on the ground that the restrictive definition of the term "local tax cases" found in Republic Act No. (RA) 1125, as amended, as being limited only to disputes involving Local Business Tax (LBT) and Real Property

Tax (RPT) *has no basis.*[1] In support of this position, petitioner again cites the case of *National Power Corporation v. Municipal Government of Navotas* (NPC)[2] and states that the holding supports the submission that the terms "local taxes" and "local tax cases" should be construed in their general sense.[3] Petitioner further states that the foregoing is consistent with the evolution of the CTA's jurisdiction and traces the expansion of the Court's jurisdiction beginning with RA 1125 and the subsequent amendments made by Presidential Decree No. 464, RA 8800 and RA 9282 and the legislative intent behind the expansion which is to vest the CTA "with jurisdiction over the entire gamut of tax cases."[4] Finally, petitioner states that its material averments in its complaint and the character of the relief sought show that the case is a local tax case and was administratively treated and judicially litigated as a local tax case involving tax issues, within the CTA's appellate jurisdiction.[5]

On the other hand, respondents state in the *Comment/Opposition* that the Court *En Banc* was correct when it ruled that it had no jurisdiction over the subject matter of this case, which originated when respondent municipality issued the July 14, 2008 assessment demanding petitioner to remit the municipality's equitable National Wealth Share in the utilization and development of Casecnan and Taan bodies of water. Furthermore, respondents hold the view that the municipality's share in the National Wealth referred to in Sections 289 and 290 of the Local Government Code (LGC) is *not a local tax but a national tax*, citing the case of *Congressman Mandanas, et al. v. Executive Secretary Ochoa, et al.*[6] In addition, Section 290 of the LGC, which establishes the amount of share of the Local Government Units (LGUs) in the National Wealth, is included in Title III of Book II of the LGC captioned as "Shares of Local Government in the Proceeds of National Taxes", *not* in Title I of Book II of the LGC under "Local Government Taxation" or in Title II of Book II of the same under "Real Property Taxation" for the "simple reason that the share of the LGUs in the National Wealth is not treated as a local tax."[7] Contrary to the contention of the petitioner, the term "local tax cases" in Section 7(a)(3) of RA 9282 cannot be considered in its general and comprehensive sense to include a national tax.[8]

Petitioner's arguments in its motion are almost a verbatim rehash of those in the petition and, hence, *cannot be sustained.*

Regardless of whether this case was, as petitioner declared, *administratively treated* and *judicially litigated* as a local tax case involving tax issues, it cannot be overemphasized that jurisdiction over the subject matter is conferred only by law and it is "not within the courts, let alone the parties, to themselves determine or

[1] Petition for Review, *Rollo*, pp. 34-61; Motion for Reconsideration, *Rollo*, pp. 1131-1154.
[2] G.R. No. 192300, November 24, 2014.
[3] Petition for Review, *Rollo*, p. 38; Motion for Reconsideration, *Rollo*, p. 1135.
[4] Petition for Review, *Rollo*, pp. 41-47; Motion for Reconsideration, *Rollo*, pp. 1136-1142.
[5] Petition for Review, *Rollo*, pp. 47-61; Motion for Reconsideration, *Rollo*, pp. 1142-1154.
[6] G.R. No. 199802, July 3, 2018.
[7] *Comment/Opposition*, paragraphs 7-11, pp. 4-7.
[8] *Id.*, paragraphs 12-14, p. 7.

conveniently set aside."[9] Neither would the active participation of the parties nor *estoppel* operate to confer jurisdiction where the court or tribunal has none over a cause of action.[10]

Moreover, petitioner's reliance on *NPC* is misplaced. In essence, the issue in *NPC* was whether or not the CTA Second Division had jurisdiction to review the decision of the Regional Trial Court, which concerned a petition for declaratory relief *involving RPT*, which the Supreme Court ruled in the *affirmative*. In contrast, the subject matter of the instant case, precisely, does *not* involve either LBT or RPT but the National Wealth Share.

As noted in the assailed decision, the "July 14, 2008 letter/assessment by respondent Municipality on the alleged share in petitioner's 'utilization and development of the national wealth' particularly the utilization and development of Casecnan and Taan rivers which pass through the jurisdiction of respondent Municipality, cannot be classified as an assessment of a local tax that is within the coverage of Title I and Title II of Book II of the LGC. The share of LGUs in the national wealth is sourced from taxes levied by the National Government on persons engaged in the utilization and development of national wealth and resources."[11]

Clearly, based on the foregoing, petitioner's motion presents no fresh arguments or new matters to convince the Court that it has a meritorious case. The arguments were sufficiently addressed and passed upon by the Court in the assailed decision.

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

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

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[9] *Maslag v. Monzon*, G.R. No. 174908, June 17, 2013.
[10] *Velazquez v. Lisondra Land, Inc.*, August 27, 2020.
[11] Decision, *Rollo*, pp. 1117-1118.

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

LANEE S. CUI-DAVID
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice