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REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
MANILA

April 16, 1963

THE INSULAR LIFE ASSURANCE CO., LTD.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

C.T.A. CASE No. 1045

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D E C I S I O N

This is a claim for the refund of ₱34,667.22 as overpaid income tax made by petitioner for the calendar year 1958.

Petitioner, a domestic life insurance company, filed its income tax return for 1958 on March 31, 1959. In its return, it reported in full (100%) the dividends it received from corporations liable to income tax under Chapter III, Title II of the Tax Code and corporations engaged in new and necessary industries. It paid an income tax amounting to ₱148,650.00 based on the reported net income.

On the theory that only 25% of the dividends was returnable for purposes of the income tax imposed on domestic corporations, petitioner, on July 21, 1960, filed an amended income tax return and a written claim for refund of ₱34,667.22 as overpaid income tax.

Believing that a decision on its claim for refund is not forthcoming before the expiration of the period within which to initiate a judicial action pursuant to Section 306 of the Tax Code, petitioner interposed the instant appeal.

Respondent denies petitioner's allegation that an error has been committed in the original tax return in reporting its income and contends that 100% of the dividends received by it in 1958 from various corporations was returnable for tax purposes. He argues that the proviso in Section 24(A) of the Tax Code regarding the returnable 25% dividends applies only to corporations other than life insurance companies.

The only issue to be determined in this case is:

> Whether or not the dividends received by petitioner in the year 1958 from domestic corporations liable to income tax under Chapter III, Title II of the Tax Code or from corporations engaged in new and necessary industries are returnable only to the extent of 25% for income tax purposes?

In a case* analogous to the one at bar, this Court recently held that:

> "The law applicable to registered general co-partnerships (compañías colectivas) and life insurance companies is Section 24(B). It is to be noted that, unlike in the preceding subsection (A), no proviso authorizing the return of only 25% of dividends is appended to this subsection (B). Hence, under the law, petitioner corporation, being a domestic life insurance company, is required to return in full (100%) the dividends it received

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*Filipinas Life Assurance Company v. Commissioner of Internal Revenue, C.T.A. Case No. 1046, February 15, 1963.

in 1958 from corporations liable to tax under Chapter III, Title II of the Tax Code or from domestic corporations engaged in new and necessary industries for purposes of income tax." (Underscoring supplied.)

We find no legal basis and justification to deviate from the above ruling.

WHEREFORE, the petition for review, filed by the petitioner Insular Life Assurance Co., Ltd. on May 2, 1961, is hereby dismissed, with costs against the petitioner.

SO ORDERED.

Manila, April 16, 1963.

MARIANO NABLE
Presiding Judge

I concur:

AUGUSTO M. LUCIANO
Associate Judge

I reserve my vote -

R M Umali
ROMAN M. UMALI
Associate Judge