REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

JUSTICE MARIA LOURDES P.A. SERENO,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA Case No. 10793

Members:
MANAHAN, *Chairperson,*
REYES-FAJARDO, and
ANGELES, *JJ.*

Promulgated:
DEC 26 2025
11:12 a.m.

x- -x

DECISION

REYES-FAJARDO, *J.*:

This Petition for Review[1] filed on February 28, 2022, by petitioner Justice Maria Lourdes P.A. Sereno, seeks to cancel, reverse and set aside the Final Decision on Disputed Assessment (FDDA) VT-TFS-05-22-001 and the Formal Letter [of] Demand (FLD) dated November 5, 2018, issued by respondent Commissioner of Internal Revenue (CIR) against her, covering the alleged deficiency value-added tax (VAT) for taxable year (TY) 2005 in the amount of ₱2,501,430.67.[2]

PARTIES

Petitioner Justice Maria Lourdes P.A. Sereno is a former Associate Justice of the Supreme Court of the Philippines. She is Filipino and of legal age.[3]

---

1 Docket, pp.6-52.
2 Summary of the Case, Pre-Trial Order dated January 25, 2023, Docket, p. 318.
3 Q&A No. 4, Exhibit "P-17," Docket, p. 189.

9N

Respondent CIR is the chief of the Bureau of Internal Revenue (BIR), a government agency tasked to, among other duties, to assess and collect all national internal revenue taxes and charges, and to enforce all forfeitures, penalties and fines connected therewith.[4]

FACTS

On January 25, 2006, petitioner filed her Quarterly VAT Return for the 4th quarter of TY 2005.[5]

On February 9, 2018, petitioner received a Letter of Authority (LOA) No. LOA-T00-2018-00000001 / SN: eLA201500062378, issued on the same date by OIC-Deputy Commissioner Operations Group Arnel SD. Guballa (Guballa).[6] The LOA authorized Revenue Officers (ROs) Maxima Mones, Nina Diana Federizo, and Ricardo Suba, Jr., under Group Supervisor Grace Marohomsalic of the Task Force, pursuant to Revenue Special Order (RSO) No. 99-2018 dated February 7, 2018, to examine petitioner's books of accounts and other accounting records for all internal revenue taxes including documentary stamp tax (DST), and other taxes (miscellaneous tax) (OTH), for the period from January 1, 2004 to December 31, 2008.

On March 13, 2018, petitioner received the Second and Final Notice for Presentation of Books of Accounts and Other Accounting Records dated March 5, 2018.[7]

On May 24, 2018, petitioner received the Notice for Informal Conference dated May 21, 2018.[8]

On September 27, 2018, petitioner received the BIR's Preliminary Assessment Notice (PAN) dated August 8, 2018,[9] with attached Details of Discrepancy.[10]

---

4 Par. 1, Stipulations of Fact, Joint Stipulation of Facts and Issues; Listing of Parties' Respective Testimonial and Documentary Evidence; and Agreement on Hearing Dates (JSFI), Docket, p. 301.

5 Exhibit "P-3-A," Docket, p. 352.

6 Pars. 2 and 3(a), Stipulations of Fact, JSFI, Docket, p. 302; Exhibit "P-6," Docket, p. 381; Exhibit "R-1," BIR Records (Exhibit "R-13"), p. 2.

7 Exhibit "R-3," BIR Records (Exhibit "R-13"), p. 4.

8 Exhibit "R-7," BIR Records (Exhibit "R-13"), p. 576.

9 Par. 3(b), Stipulations of Fact, JSFI, Docket, p. 302; Exhibits "P-9" and "R-9," BIR Records (Exhibit "R-13"), pp. 621 to 623.

October 12, 2018, petitioner filed a Reply to Preliminary Assessment Notice pursuant to LOA-T00-2018-00000001 dated 9 February 2018.[11]

On November 5, 2018, Deputy Commissioner Operations Group Guballa issued the FLD[12] together with Details of Discrepancies[13] and Assessment Notices,[14] finding petitioner liable for deficiency income tax in the amount of ₱1,330,287.70, inclusive of 50% surcharge and interest and deficiency VAT in the amount of ₱2,994,434.57, inclusive of 50% surcharge and interests, for taxable years 2004 to 2008.

On December 20, 2018, petitioner filed with the BIR her Request for Reconsideration.[15]

Respondent thereafter issued an undated FDDA,[16] with attached Audit Result/Assessment Notice No. VT-TFS-05-22-001 dated May 14, 2021[17] and Computation of Deficiency VAT - FDDA,[18] requiring petitioner to immediately pay her alleged VAT liability in the amount of ₱2,501,430.67.

On February 28, 2022, petitioner filed a Petition for Review before the Court, docketed as 10793,[19] to which respondent filed his Answer on September 5, 2022.[20]

On November 10, 2022, respondent transmitted the BIR Records of the case, consisting of 765 pages in one (1) folder.[21]

---

10 Par. 3(c), Stipulations of Fact, JSFI, Docket, p. 302; Exhibit "R-9-1," BIR Records (Exhibit "R-13"), pp. 615 to 618.

11 Exhibit "P-10," BIR Records (Exhibit "R-13"), pp. 624 to 660.

12 Par. 3(d), Stipulations of Fact, JSFI, Docket, p. 302; Exhibits "P-11" and "R-11," BIR Records (Exhibit "R-13"), pp. 737 to 738.

13 Par. 3(e), Stipulations of Fact, JSFI, Docket, p. 302; Exhibit "R-11-1," BIR Records (Exhibit "R-13"), p. 736.

14 Exhibit "R-11-2," BIR Records (Exhibit "R-13"), pp. 733 to 735.

15 Exhibit "P-12," BIR Records (Exhibit "R-13"), pp. 739 to 758.

16 Par. 3(f), Stipulations of Fact, JSFI, Docket, p. 302; Exhibit "P-1," Docket, pp. 54 to 56; Exhibit "R-12," BIR Records (Exhibit "R-13"), pp. 763 to 765.

17 Par. 3(g), Stipulations of Fact, JSFI, Docket, p. 302; Exhibit "P-1-A," Docket, p. 57; Exhibit "R-12-1," BIR Records (Exhibit "R-13"), p. 762.

18 Exhibit "R-12-2," BIR Records (Exhibit "R-13"), p. 759.

19 Docket, pp. 6 to 52.

20 Docket, pp. 211 to 238.

During the Pre-Trial Conference held on November 17, 2022,[22] petitioner's counsel manifested that petitioner was not amenable to Mediation.

On December 19, 2022, the parties filed their Joint Stipulations of Facts and Issues; Listing of Parties' Respective Testimonial and Documentary Evidence; and Agreement on Hearing Dates,[23] which were admitted and approved in the Resolution dated January 5, 2023.[24] On the basis thereof, the Court issued a Pre-Trial Order on January 25, 2023.[25]

Trial ensued, with petitioner offering her testimony in support of her case.[26]

On September 4, 2023, petitioner filed her Formal Offer of Evidence with Motion to Transfer Marking of Exhibits[27] to which respondent filed his Comment/Opposition (on Petitioner's Formal Offer of Evidence) on September 13, 2023.[28] On September 19, 2023, petitioner filed a Motion to Admit Reply with Reply (To Comment/Opposition dated 12 September 2023).[29] By Resolution dated February 2, 2024,[30] the Court granted petitioner's Motion to Transfer Marking of Exhibits. In its Resolution dated May 23, 2024,[31] the Court admitted petitioner's offered exhibits, except Exhibit "P-7," for failure to present the original and for failure to identify.

Respondent presented Revenue Officer Ricardo Suba, Jr., as his witness[32]

---

21 Compliance dated September 2, 2022, Docket, pp. 265 to 267.

22 Notice of Pre-Trial Conference dated September 14, 2022, Docket, pp. 255 to 256; Minutes of the hearing held on, and Order dated, November 17, 2022, Docket, pp. 298 to 300.

23 Docket, pp. 301 to 313.

24 Docket, p. 316.

25 Docket, pp. 318 to 323.

26 Exhibit "P-17," Docket, pp. 187 to 199; Minutes of the hearing held on July 5, 2023, Docket, pp. 332 to 334.

27 Docket, pp. 355 to 371.

28 Docket, pp. 394 to 399.

29 Docket, pp. 401 to 416.

30 Docket, pp. 431 to 433.

31 Docket, pp. 440 to 448.

32 Exhibit "R-14," Docket, pp. 244 to 254; Minutes of the hearing held on, and Order dated, September 10, 2024, Docket, pp. 464 to 466.

On September 23, 2024, respondent filed his Formal Offer of Evidence,[33] to which petitioner filed her Comment (On Respondent's Formal Offer of Evidence) on October 9, 2024.[34]

In the Resolution dated January 20, 2025,[35] the Court admitted respondent's offered exhibits.

Finally, in the Resolution dated April 7, 2024, the case was submitted for decision,[36] considering respondent's Memorandum filed on February 24, 2025,[37] and petitioner's Memorandum filed on March 28, 2025.[38]

ISSUES

A. Whether Petitioner is liable for the alleged deficiency VAT for the 4th Quarter of TY 2005 in the amount of ₱2,501,430.67; and

B Whether the assessment of respondent for the purported deficiency VAT for the 4th Quarter of TY 2005 is valid or has already prescribed.[39]

ARGUMENTS

Petitioner argues that the authority of the BIR to conduct an audit investigation and assess the alleged deficiency VAT for the 4th quarter of 2005 has long prescribed. Petitioner further contends that the deficiency VAT assessment is null and void for having been issued pursuant to an invalid Letter of Authority (LOA); that the conduct of the audit investigation and the the subsequent deficiency tax assessment violated her rights to due process and equal protection of the laws; and that respondent's deficiency VAT assessment has no basis, since both the FLD and FDDA are null and void for failing to state the facts, law and jurisprudence upon which they are based.

---

33 Docket, pp. 467 to 475.
34 Docket, pp. 482 to 485.
35 Docket, pp. 501 to 502.
36 Minute Resolution dated April 7, 2025, Docket, p. 586.
37 Docket, pp. 503 to 531.
38 Docket, pp. 537 to 582.
39 Stipulation of the Issues, JSFI, Docket, p. 302.

Finally, assuming without admitting that the BIR's right to assess petitioner for VAT due on professional fees received in the 4th quarter of 2005 has not yet prescribed, and/or that such assessment is not null and void, petitioner maintains that no deficiency VAT is due because she timely reported her gross receipts for the taxable period covering the 4th quarter of 2005 and remitted the corresponding VAT.

Respondent, on the other hand, contends that the assessment against petitioner is valid because the right to assess taxes has not yet prescribed, the LOA was duly issued, and the equal protection and due process clauses were observed. He further asserts that the FLD/Formal Assessment Notice (FAN), together with the FDDA, sufficiently informed petitioner of both the factual and legal bases of the assessment, with the FLD/FAN specifying a definite amount of tax due. Accordingly, respondent maintains that petitioner is liable for the deficiency VAT assessed for the 4th quarter of 2005.

RULING

The *Petition for Review* is meritorious.

The CTA has jurisdiction over the present Petition for Review.

Section 7(a)(1) of Republic Act (RA) No. 1125,[40] as amended by RA No. 9282,[41] in relation to Section 3(a)(1), Rule 4 of the Revised Rules of Court of Tax Appeals (RRCTA),[42] provides that the Court has exclusive appellate jurisdiction to review decisions of respondent involving disputed assessments:

---

[40] AN ACT CREATING THE COURT OF TAX APPEALS.

[41] AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

[42] SEC. 3. Cases within the jurisdiction of the Court in Divisions. -The Court in Divisions shall exercise: (a) Exclusive original or appellate jurisdiction to review by appeal the following: (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; xxx

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 or other laws administered by the Bureau of Internal Revenue;[43]

...

Section 228 of the 1997 National Internal Revenue Code (NIRC), as amended, requires the filing of a valid administrative protest to properly dispute an assessment. A taxpayer adversely affected by respondent's decision may file an appeal to the CTA in division within thirty (30) days from receipt of such decision:

...

Section 228. *Protesting of Assessment.* - ...

Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations. Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; otherwise, the assessment shall become final.

If the protest is denied in whole or in part, or is not acted upon within one hundred eighty (180) days from submission of documents, **the taxpayer adversely affected by the decision or inaction may appeal to the Court of Tax Appeals within thirty (30) days from receipt of the said decision,** or from the lapse of the one hundred eighty (180)-day period; otherwise, the decision shall become final, executory and demandable.[44]

Corollarily, Section 11 of Republic Act (RA) No. 1125,[45] as amended by RA No. 9282,[46] provides:

---

43 This provision is implemented by Section 3(a)(1), Rule 4 of the Revised Rules of the Court of Tax Appeals (RRCTA).

44 Boldfacing supplied.

45 AN ACT CREATING THE COURT OF TAX APPEALS.

46 AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL

> ...
> SEC. 11. *Who May Appeal; Mode of Appeal; Effect of Appeal.* - Any party adversely affected by a decision, ruling or inaction of the Commissioner of Internal Revenue...may file an appeal with the CTA within thirty (30) days after the receipt of such decision or ruling or after the expiration of the period fixed by law for action as referred to in Section 7(a)(2) herein. ...

On January 28, 2022, petitioner received the undated FDDA. Counting thirty (30) days therefrom, petitioner had until February 27, 2022 to file its appeal before the Court. Since February 27, 2022 fell on a Sunday, petitioner's filing of the Petition for Review on February 28, 2022 was timely. Accordingly, the Court validly acquired jurisdiction over CTA Case No. 10793.

In the absence of competent proof that petitioner intentionally filed a false or fraudulent return, the alleged deficiency VAT assessment for the 4th quarter of 2005 is governed by the ordinary (3)-year prescriptive period.

Section 203 of the NIRC, as amended mandates the government to assess internal revenue taxes within three years from the last day prescribed by law for the filing of the tax return or the actual date of filing of such return, whichever comes later. An assessment issued after the three-year prescriptive period is no longer valid and effective:[47]

> SEC. 203. *Period of Limitation Upon Assessment and Collection.* — **Except as provided in Section 222, internal revenue taxes shall be assessed within three (3) years after the last day prescribed by law for the filing of the return,** and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: *Provided,* That **in a case where a return is filed beyond the period prescribed by law, the**

JURISDICITON AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

[47] Commissioner of Internal Revenue vs. Kudos Metal Corporation, G.R. No. 178087, May 5, 2010.

> **three (3)-year period shall be counted from the day the return was filed.** For purposes of this Section, **a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.**[48]

To determine the reckoning point of the prescriptive period, Section 114(A) of the NIRC, as amended provides that VAT registered taxpayers must file quarterly VAT returns within twenty-five (25) days following the close of each taxable quarter:

> SEC. 114. ***Return and Payment of Value-Added Tax.*** -
>
> (A) *In General.* - Every person liable to pay the value-added tax imposed under this Title shall **file a quarterly return of the amount of his gross sales or receipts within twenty-five (25) days following the close of each taxable quarter prescribed for each taxpayer**: *Provided, however,* That VAT-registered persons shall pay the value-added tax on a monthly basis.
>
> ...[49]

Accordingly, petitioner was required to file its VAT return for the 4th quarter of TY 2005 on or before January 25, 2006, which she did. Following Section 203, the three-year prescriptive period expired on January 25, 2009, as shown below:

DATE FILED	END OF 3 YEAR PERIOD	RECEIPT OF FLD DATED NOVEMBER 5, 2018	PERIOD LAPSED
January 25, 2006[50]	January 25, 2009	November 20, 2018[51]	More than 3 years

Thus, the FLD dated November 5, 2018, received by petitioner on November 20, 2018, was issued beyond the three (3)-year prescriptive period under Section 203 of the NIRC, as amended.

---

48 Boldfacing supplied.

49 Boldfacing supplied.

50 Exhibit "P-3-A," Docket, p. 352; Exhibit "P-3-B," Docket, p. 376 to 377; Exhibit "P-4-C," Docket, p. 351.

51 Exhibits "P-11" and "R-11," BIR Records (Exhibit "R-13"), pp. 737 to 738.

The extraordinary ten (10)-year period does not apply.

Section 222 (a) of the NIRC, as amended allows assessment beyond the three (3)-year period only in cases of (1) false or fraudulent returns with intent to evade tax, or (2) failure to file a return:

> SEC. 222. *Exceptions as to Period of Limitation of Assessment and Collection of Taxes.* —
>
> (a) **In the case of a false or fraudulent return with intent to evade tax or of failure to file a return**, the tax may be assessed or a proceeding in court for the collection of such tax may be filed without assessment, **at any time within ten (10) years after the discovery of the falsity, fraud or omission**: *Provided*, That in a fraud assessment which has become final and executory, the fact of fraud shall be judicially taken cognizance of in the civil or criminal action for the collection thereof.
>
> ...

Respondent contends that petitioner's alleged under-declaration of sales by more than thirty percent (30%), as discovered during the audit, constitutes the filing of a false return. As such, it is subject to the ten (10)-year prescriptive period, invoking the presumption under Section 248(B)[52] of the NIRC, as amended.

The contention is flawed.

In *McDonald's Philippines Realty Corporation v. Commissioner of Internal Revenue* (*McDonald's*),[53] the Supreme Court ruled that the

---

52 Section 248. Civil Penalties. -

...

(B) In case of willful neglect to file the return within the period prescribed by this Code or by rules and regulations, or in case a false or fraudulent return is willfully made, the penalty to be imposed shall be fifty percent (50%) of the tax or of the deficiency tax, in case any payment has been made on the basis of such return before the discovery of the falsity or fraud: Provided, That a substantial under declaration of taxable sales, receipts or income, or a substantial overstatement of deductions, as determined by the Commissioner pursuant to the rules and regulations to be promulgated by the Secretary of Finance, shall constitute prima facie evidence of a false or fraudulent return: Provided, further, That failure to report sales, receipts or income in an amount exceeding thirty percent (30%) of that declared per return, and a claim of deductions in an amount exceeding (30%) of actual deductions, shall render the taxpayer liable for substantial under declaration of sales, receipts or income or for overstatement of deductions, as mentioned herein.

53 G.R. No. 247737, August 8, 2023.

extraordinary ten (10)-year period applies only upon compliance with the requisites of Section 222(a) of the NIRC, as amended and strict adherence to due process requirements. Specifically, tax authorities must: (a) clearly state in the assessment notice that the extraordinary prescriptive period is being applied, and (b) set forth the factual and legal bases for the allegation of falsity or fraud by disclosing the computation showing that the 30% threshold under Section 248(B) of the NIRC, as amended has been met:

ii. ***Due Process Requirements***

(1) **First Due Process Requirement**. The ***assessment notice* issued to the taxpayer must clearly state the following**:

(a) that **extraordinary prescriptive period (not the basic three-year period) is being applied**, and

(b) the **bases of allegations of falsity or fraud**, *e.g.*, if the CIR seeks to rely on the *presumption of falsity or fraud* particularly, the formal notice to the taxpayer *must set out the computation by which it ascertained that the misdeclaration in the return surpassed the 30% threshold.*

(2) **Second Due Process Requirement**. The tax authorities have not acted in a manner that is inconsistent with the invocation of the extraordinary prescriptive period or have otherwise misled the taxpayer that the basic period will be applied.

In this case, the FLD dated November 5, 2018,[54] together with Details of Discrepancies[55] and Assessment Notices,[56] **failed to expressly state** that the ten (10)-year period under Section 222(a) of the NIRC, as amended, was being invoked. The mere statement in the FLD that fifty percent (50%) surcharge was imposed pursuant to Section 248(B) of the NIRC, as amended[57] does not constitute a clear invocation of the extraordinary ten (10)-year prescriptive period.

Moreover, while the Details of Discrepancies[58] referred to an alleged under-declaration of sales exceeding thirty percent (30%), respondent **failed to disclose the computation** demonstrating how

---

54 Exhibits "P-11" and "R-11," BIR Records (Exhibit "R-13"), pp. 737 to 738.
55 Exhibit "R-11-1," BIR Records (Exhibit "R-13"), p. 736.
56 Exhibit "R-11-2," BIR Records (Exhibit "R-13"), pp. 733 to 735.
57 Exhibits "P-11" and "R-11," BIR Records (Exhibit "R-13"), pp. 737 to 738.
58 Exhibit "R-11-1," BIR Records (Exhibit "R-13"), p. 736.

such threshold was met, in violation of due process standards laid down in *McDonald's*.

More importantly, McDonald's clarified that a "false return" within the contemplation of Section 222(a) must involve a deliberate or willful misstatement. To prove deliberateness or willfullness of the error or misstatement, clear and convincing evidence must be presented. Absent such proof as it is here, the ten (10)-year prescriptive period cannot be invoked. As admitted by respondent's own witness, RO Ricardo Suba, Jr., there was no evidence of willful or deliberate falsity on the part of petitioner in filing her VAT return:[59]

Atty. Mendoza:	But then as stated in the Decision, it was noted there that there was an alleged failure to supply correct and accurate information in petitioner's tax returns.
Witness:	Yes, Your Honor.
Atty. Mendoza:	Okay, so in other words, it was the position of the Bureau of Internal Revenue, at least with respect to the VAT Return for the fourth quarter of 2005 that there were certain inaccuracies in that return?
Witness:	Yes, Your Honor.
Atty. Mendoza:	In other words, it was a false return?
Witness:	Yes, Your Honor.
Atty. Mendoza:	But you would confirm that as a person involved in the audit of the books of account of the petitioner at that time, that **you did not find any evidence that she had willfully made false entries or alleged false entries in her return?**
Witness:	**Willfully, not. The intent of willfully was no, Your Honor, we were not able.**
Atty. Mendoza:	So, **no evidence of willfulness or deliberateness** in the alleged inaccuracies in her VAT Return, correct?

59 Transcript of Stenographic Notes taken during the hearing held on September 10, 2024, pp. 9 to 10.

Witness: Yes, Your Honor.[60]

Therefore, the application of the extraordinary ten (10)-year prescriptive period under Section 222(a) of the NIRC, as amended finds no application.

In fine, the Court finds that respondent's authority to assess petitioner for deficiency VAT for the 4th quarter of TY 2005 expired on January 25, 2009. Since the FLD dated November 5, 2018,[61] and undated FDDA[62] were issued way beyond January 25, 2009, said FLD and FDDA are void. To emphasize, a void assessment bears no valid fruit.[63]

As respondent's right to assess petitioner has already prescribed, the Court finds no need not address the remaining issues raised by the parties.

WHEREFORE, the Petition for Review filed by Justice Maria Lourdes PA. Sereno is **GRANTED**.

Accordingly, the undated FDDA with attached Audit Result/Assessment Notice No. VT-TFS-05-22-001 dated May 14, 2021, and the FLD dated November 5, 2018 issued against petitioner for deficiency VAT assessment in the aggregate amount of ₱2,501,430.67, inclusive of surcharge and interest, for taxable year 2005, are **CANCELLED, REVERSED** and **SET ASIDE**.

SO ORDERED.

Marian Ivy F. Reyes-Fajardo
MARIAN IVY F. REYES-FAJARDO
Associate Justice

---

60 Boldfacing supplied.

61 Par. 3(d), Stipulation of Fact, JSFI, Docket, p. 302; Exhibits "P-11" and "R-11," BIR Records (Exhibit "R-13"), pp. 737 to 738.

62 Par. 3(f), Stipulation of Facts, JSFI, Docket, p. 302; Exhibit "P-1," Docket, pp. 54 to 56; Exhibit "R-12," BIR Records (Exhibit "R-13"), pp. 763 to 765.

63 Samar-I Electric Cooperative vs. Commissioner of Internal Revenue, G.R. No. 193100, December 10, 2014.

WE CONCUR:

CATHERINE T. MANAHAN
Associate Justice

Inhibited.
HENRY S. ANGELES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

CATHERINE T. MANAHAN
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MA. BELEN M. RINGPIS- LIBAN
Presiding Justice