REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

WELLFORM TRADING CORPORATION,
Petitioner,

-versus-

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 9086

Members:

Castañeda, Jr., *Chairperson,*
Casanova, *and*
Manahan, *JJ.*

Promulgated:

NOV 27 2017
4:10 p.m.

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DECISION

CASTAÑEDA, JR., *J.*:

THE CASE

This resolves the Petition for Review filed on July 10, 2015 by Wellform Trading Corporation, praying for this Court to declare as null and void, for lack of factual and legal bases, the assessment notice that assessed petitioner for alleged deficiency value-added tax (VAT) in the amount of ₱96,527,897.39, inclusive of interest, for the period covering January 1 to June 30, 2012.

THE FACTS

Petitioner Wellform Trading Corporation is registered with the Securities and Exchange Commission (SEC) on August 2, 1991, with SEC Company Registration No. AS091-194034 and with the Bureau of Internal Revenue (BIR) on May 21, 1996, with Tax Identification Number 000-080-369-000. Petitioner holds office at 355 Cavite corner Gapan Streets, Barangay 148, Zone 13, Tondo, Manila. It is primarily engaged in the business of buying, selling, distributing, and marketing at wholesale and retail of fermented liquor, bottled water and other beverages.[1]

On the other hand, respondent is the duly appointed Commissioner of the Bureau of Internal Revenue (BIR) who has the power to decide disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto or other matters arising under the National Internal Revenue Code (NIRC) or other laws or portions thereof administered by the BIR. He holds office at the BIR National Office Building, Agham Road, Diliman, Quezon City.

On March 18, 2013, petitioner received Letter of Authority (LOA) No. LOA-V08-2013-00000120/SN: eLA201100016722 dated March 14, 2013 authorizing the representatives of BIR Revenue District No. V08-Assessment Division to conduct an examination for VAT for the period covering January 1, 2012 to June 30, 2012 pursuant to Revenue Memorandum Order No. 20-2012.[2]

On April 3, 2013, petitioner received from respondent its First Request for Presentation of Records dated April 1, 2013.[3]

This was followed by the Second and Final Notice for Presentation of Records dated April 16, 2013, received by petitioner on April 18, 2013.[4]

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[1] Par. 1, Admitted Facts, Joint Stipulation of Facts and Issues (JSFI), Docket, Vol. II, pp. 789-790.
[2] Par. 3, Admitted Facts, JSFI, Docket, Vol. II, p. 790.
[3] Par. 4, Admitted Facts, JSFI, Docket, Vol. II, p. 790.
[4] Par. 5, Admitted Facts, JSFI, Docket, Vol. II, p. 790.

On April 26, 2013[5], May 8, 2013[6] and May 22, 2013[7], petitioner submitted supporting documents in response to the above requests.

On May 22, 2013, petitioner received from respondent a Reminder Letter for the submission of its Books of Accounts, Official Receipts, Summary List of Sales and Purchases and Expense Receipts.[8]

Petitioner again submitted supporting documents on June 11, 2013[9] and July 5, 2013[10].

Subsequently, petitioner received a Subpoena *Duces Tecum* on July 26, 2013.[11]

Thus, another set of documents were submitted by petitioner on August 14, 2013 in compliance with respondent's subpoena.[12]

However, respondent issued a Preliminary Assessment Notice (PAN) together with the Details of Discrepancies dated October 2, 2014, which was received by petitioner on October 3, 2014.[13]

On November 13, 2014, petitioner received from respondent Formal Assessment Notice (FAN) dated November 11, 2014, Details of Discrepancies, Assessment Notice No. VT-ELA16722-12-14-1046, Analysis of Sales per TPI from AITEID, and Schedule of Supported Input Taxes; wherein the latter assessed the former for deficiency VAT in the amount of ₱96,527,897.39 inclusive of interest for taxable period January 1 to June 30, 2012.[14]

As a response to respondent's FAN, petitioner filed on December 12, 2014 an Administrative Protest by way of a Request for Reconsideration of the assessment contained in the respondent's

[5] Exhibit "P-18", Docket, Vol. II, p. 1193.
[6] Exhibit "P-19", Docket, Vol. II, p. 1194.
[7] Exhibit "P-21", Docket, Vol. II, p. 1195.
[8] Par. 6, Admitted Facts, JSFI, Docket, Vol. II, p. 790.
[9] Exhibit "P-23", Docket, Vol. II, p. 1196.
[10] Exhibit "P-25", Docket, Vol. II, pp. 1197-1199.
[11] Par. 7, Admitted Facts, JSFI, Docket, Vol. II, p. 790.
[12] Exhibit "P-27", Docket, Vol. II, p. 1200.
[13] Par. 8, Admitted Facts, JSFI, Docket, Vol. II, p. 790.
[14] Par. 10, Admitted Facts, JSFI, Docket, Vol. II, p. 791.

FAN with the Office of the Regional Director Jonas DP Amora of Revenue Region No. 8 – Makati.[15]

Petitioner alleges that despite the filing of the administrative protest, respondent did not issue any decision thereon. Thus, feeling aggrieved by the VAT assessment, and mindful of the reglementary period relative to respondent's inaction on the protest, petitioner filed the instant Petition for Review on July 10, 2015.

On September 10, 2015, respondent filed an Answer by registered mail,[16] interposing the following defenses:

> "4. Petitioner was assessed of deficiency value-added tax for taxable period January 1, 2012 to June 30, 2012 for the reason that during the administrative investigation of its tax case by the Bureau of Internal Revenue (BIR), petitioner failed to substantiate or submit supporting evidence against the BIR findings, more specifically shown under the Details of Discrepancies attached to the Preliminary Assessment Notice (PAN) dated October 2, 2014 and Formal Assessment Notice (FAN) dated November 11, 2014, which are briefly discussed hereunder, viz:
>
> xxx xxx xxx
>
> 5. Petitioner was assessed by the respondent for deficiency value-added tax for taxable period of January 1, 2012 to June 30, 2012 within the prescriptive period under Section 203 of the 1997 Tax Code;
>
> 6. The assessments issued against petitioner for deficiency value-added tax for were made in accordance with law and regulations.
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> 7. Assessment are *prima facie* presumed correct and made in good faith. The taxpayer has the duty of proving otherwise. In the absence of proof of any

[15] Par. 11, Admitted Facts, JSFI, Docket, Vol. II, p. 791.
[16] Docket, Vol. II, pp. 759-762.

irregularities in the performance of official duties, an assessment will not be disturbed (*Aban, Law of Basic Taxation in the Philippine, 1st Edition, p. 109).*"

The case was subsequently set for Pre-Trial Conference on November 12, 2015.[17] Respondent's Pre-Trial Brief[18] was later filed on November 6, 2015, while the Pre-Trial Brief for the petitioner was filed on November 9, 2015.[19]

On November 27, 2015, the parties filed their Joint Stipulation of Facts and Issues.[20] Thereafter, a Pre-Trial Order was issued by the Court on January 19, 2016.[21]

Trial ensued, giving both parties the opportunity to present their respective documentary and testimonial evidence.

After presentation, marking, identification and offer, the Court admitted, as part of petitioner's documentary evidence, Exhibits "P-1" to "P-33-A", except for Exhibits "P-9-a", "P-10-a", "P-12-a" and "P-13-a".[22]

On the other hand, the Court admitted, as part of respondent's evidence, Exhibits "R-1" to "R-9-a".[23]

Thereafter, the Memorandum for Respondent was filed by registered mail on October 21, 2016[24], while the Memorandum for the Petitioner[25] was filed on November 25, 2016. Accordingly, the instant case was considered submitted for decision on December 2, 2016.[26] *Jr*

[17] Docket, Vol. II, p. 764.
[18] Docket, Vol. II, pp. 766-772.
[19] Docket, Vol. II, pp. 777-785.
[20] Docket, Vol. II, pp. 789-797.
[21] Docket, Vol. II, pp. 801-806.
[22] Resolution dated July 26, 2016, Docket, Vol. III, pp. 1245-1246.
[23] Resolution dated September 20, 2016, Docket, Vol. III, pp. 1259-1260.
[24] Docket, Vol. III, pp. 1272-1275.
[25] Docket, Vol. III, p. 1277-1308.
[26] Docket, Vol. III, p. 1309.

THE ISSUES

The parties submitted the following issues[27] for this Court's disposition:

1. Whether respondent's allegation that petitioner has undeclared sales amounting to ₱99,660,220.47 based on benchmark rate has factual and legal bases;

2. Whether respondent's allegation that petitioner has undeclared sales amounting to ₱41,760,025.41 based on computerized matching has factual and legal bases;

3. Whether respondent disallowance of petitioner's input tax representing 97% of the total input tax credits claimed for taxable period January to June 2012 has factual and legal bases; and

4. Whether petitioner is liable for the alleged deficiency value-added tax and increments for taxable period January to June 2012 in the amount of ₱96,527,897.39.

THE COURT'S RULING

Respondent assessed petitioner of deficiency VAT amounting to ₱96,527,897.39, inclusive of interest, for the period covering January 1 to June 30, 2012, computed as follows:[28]

VATable sales per VAT returns			₱ 422,462,011.11
Add: Sales not subjected to VAT		₱ 99,660,220.47	
Undeclared sales		41,760,025.41	141,420,245.88
Gross receipts subject to VAT			₱ 563,882,256.99
Output tax due			₱ 67,665,870.84
Less: Input tax claimed per return		₱ 49,131,702.18	

[27] Issues, JSFI, Docket, Vol. II, p. 792.
[28] Exhibit "P-1", Docket, Vol. II, p. 1112.

Less: Unsupported input tax	₱ 47,727,546.63		
Excess input tax carried over to succeeding quarter	259,034.46	47,986,581.09	1,145,121.09
VAT payable			₱ 66,520,749.75
Less: Tax payments		₱ 1,563,739.16	
Add: Creditable VAT withheld per return	₱ 2,996.57		
Less: Unsupported creditable VAT withheld	2,996.57	-	1,563,739.16
Basic tax due			**₱ 64,957,010.59**
Add: Interest (07.26.12 to 12.29.14)			31,570,886.80
Total amount due			**₱ 96,527,897.39**

Sales not subjected to VAT amounting to ₱99,660,222.47

Respondent computed the alleged sales not subjected to VAT as follows:[29]

Computed VATable Sales based on Benchmark Rate	₱ 522,122,233.58
Less: Total VATable Sales per VAT Return	422,462,011.11
Sales Not Subjected to VAT	**₱ 99,660,222.47**

$$\text{Benchmark Sales/Receipts} = \frac{\text{Current Input Tax Credit Claimed}}{\text{VAT Rate-Benchmark Rate}}$$

Current Input Tax Claimed for the 1st and 2nd quarters ₱49,131,702.18
Benchmark Rate for Other Wholesaling 2.59%

$$\text{Benchmark Sales/Receipts} = \frac{₱49{,}131{,}702.18}{12\% - 2.59\%}$$

$$\text{Benchmark Sales/Receipts} = \frac{₱49{,}131{,}702.18}{9.4100\%}$$

Benchmark Sales/Receipts= ₱522,122,233.58

Petitioner opposes the computation and alleges that the industry benchmark cannot be used as the best evidence to support an assessment of a deficiency tax. According to petitioner, this was even admitted by respondent's own witness. Petitioner further alleges that there was no mention from the objectives of the benchmarking program on the imposition of taxes on the mere basis of a benchmark which could bring about a deficiency assessment against a taxpayer.

[29] Exhibit "P-2", Docket, Vol. II, p.1113.

On the other hand, respondent claims that the assessment was based on best evidence obtainable because of petitioner's failure and refusal to make certain records available despite issuance of *Subpoena Duces Tecum* dated July 23, 2013.

Respondent avers that since there is no means by which the correctness and accuracy of petitioner's receipts can be ascertained, assessment based on estimate was used pursuant to Section 2.4(a) of Revenue Memorandum Circular (RMC) No. 23-2000.

An examination of the assessment shows that respondent arrived at the sales allegedly not subjected to VAT amounting to ₱99,660,222.47 by comparing petitioner's gross sales based on industry benchmark rate pursuant to Revenue Memorandum Order (RMO) No. 05-2012 with the sales reported per VAT Returns.

Specifically, RMO No. 05-2012 defined benchmarking of taxpayers as the process of setting a standard to determine the performance level of taxpayers in a given line of industry or sector.

According to respondent, the computed VATable sales based on benchmark rate less total VATable sales per VAT return is the best evidence obtainable so as to determine the amount of petitioner's deficiency VAT liability.

It is significant to note that the objectives of profiling and benchmarking activities under RMO No. 05-2012 are limited to the following:

> "I. *Objectives:*
>
> This Order aims to prescribe the revised/updated policies, guidelines and/or procedures in the conduct of taxpayer profiling and benchmarking activities to all Regional and Revenue District Offices (RDOs). It also provides an effective tool in addressing collection problems, plugging tax leakages and implementing a risk-to-revenue based audit and enforcement activities. ge

Specifically, this Order is issued to:

1. Address the downward trend in revenue collections by providing an environment that levels the playing field among all taxpayers belonging to the same industry;

2. Empower revenue officials and employees concerned to deal with the numerous incidence of registered taxpayers who are neither filing their tax returns nor paying the correct taxes; and

3. Adopt a set of principles and methods that provide the basic formula in computing the benchmark and guide the district offices concerned towards a more systematic or well-balanced implementation of the Benchmarking Program."

Also, the same RMO No. 5-2012 provides for the guidelines in the conduct of benchmarking, including the benchmarking cycles:

"III. *General Policies*

xxx xxx xxx

5. Guided by the procedures herein provided, LTS Audit Division Chiefs; [sic] to the extent applicable to it, and Revenue District Officers shall ensure that the benchmarking cycle is completed within the required timeframe. The following shall likewise be observed:

a. In cases where Letters of Authority have been issued to taxpayers, the LT Audit Division Chiefs, and RDOs concerned shall take into consideration the established benchmark in the industry where the subject taxpayer belongs before considering the case closed and terminated;

b. Any downtrend deviation from the benchmark shall be fully explained and such data shall form part of the inputs in the revision of final benchmark rates;

c. All issues and concerns raised by taxpayers in the implementation of this program that call for immediate action shall be the responsibility of the implementing office. Reports of action taken thereon must be furnished the Benchmarking Committee.

6. **Taxpayers whose tax compliance is below the duly established and approved benchmark shall be classified as follows**:

Classifications	Risk to Revenue/Gap to Benchmark
High Risk Taxpayers	Over 30% below benchmark
Middle Risk Taxpayers	16% to 30% below benchmark
Low Risk Taxpayers	15% or less below benchmark

7. **Taxpayers classified as high risk shall be the top priority target for enforcement actions, such as Surveillance, CRM/POS Post Evaluation, Oplan Kandado, Inventory Stocktaking and Audit**;

8. The Benchmarking Committee shall be responsible for reporting and recommending the appropriate actions that may be taken and/or sanctions that may be imposed against taxpayers or any other person found to be supplying/submitting false or fabricated data purportedly to meet the benchmark requirements;

xxx xxx xxx

IV. *Guidelines and Procedures for the Conduct of Benchmarking*

Benchmarking Cycles:

1. Gather taxpayer data.

xxx xxx xxx

2. Prepare the taxpayers profile.

xxx xxx xxx

3. Evaluate the result and Establish Benchmark.

xxx xxx xxx

4. Notice to Taxpayer.

In view of the established standard rate of tax compliance or the benchmark, the RDOs may now proceed to **notify taxpayers who fall below the benchmark that they should rectify their tax returns and improve their tax compliance.** xxx

xxx xxx xxx

The RDOs shall ensure that all information are correct and the benchmark data were thoroughly reviewed and validated as against the return/information obtained per taxpayer before sending out the notification letters. The Notice to be sent to the taxpayers is not a notice of investigation that will bar the taxpayer from amending his return. **However, within fifteen (15) days from receipt of said Notice, the taxpayer must explain fully in writing its failure to measure up in compliance with set industry benchmark. Failure to satisfactorily establish its reasons, the taxpayer may be issued a Letter of Authority or be subject to other enforcement activities.**

5. Evaluate Taxpayers' Response/Reactions.

The RDO must evaluate the reasons put forward by the taxpayers in its response. Based on this evaluation, the RDO should make a recommendation whether taxpayer should be subjected to enforcement activities, issued an electronic Letter of Authority (eLA) or not.

6. Analyze and Prepare Reports and Recommendation. *ge*

Evaluation involves a risk to revenue analysis. Thus, a proper report by the Revenue District Officer to the Regional Director or by the xxx has to be made with conclusions, whether taxpayer fall under the high risk, middle- or low-risk category bracket. **Reports should likewise include recommendations for proper enforcement actions such as immediate issuance of Letter of Authority, if none has been issued yet, conduct of Post Evaluation on CRM/POS Machines, placing establishment under surveillance, or conduct of inventory stock taking.**

7. Enforcement Actions – **Assess and Collect Deficiency Taxes.**

The conduct of Oplan Kandado or Inventory Stock Taking, as the case maybe, will almost always trigger the issuance of Letters of Authority. Audit activities and processes embodied under Revenue Regulations No. 12-99 are to be complied with in coming up with assessment notices.

8. Evaluate, Compare & Adjust the Final Benchmark.

Under this stage, comparison of the initially benchmarked data under Cycle 3 must be compared for purposes of computing the revised benchmark under Cycle 9. The results of evaluation may either be a downtrend benchmark or an uptrend benchmark revision.

9. Revise Benchmark.

The Committee shall come up with the **'schedule benchmark'** by line of industry in every audit division (LTS), regional and district offices. Areas with low compliant taxpayers must be identified and monitored. The Audit Division Chiefs/Revenue District Officers and Regional Directors shall use the scheduled benchmark as a tool in classifying taxpayers as high risk, middle risk or low risk taxpayers. **These revised**

benchmarks should serve as a guide to improve voluntary compliance.

10. Monitor the activities and accomplishments on benchmarking. Prepare and submit the reports in soft copies (MsExcel format) as provided under paragraph V hereof.

11. Periodically review the statistical method utilized to arrive at the benchmarks. Recommend the revision of benchmark and/or method or strategies, if necessary.

12. Considering the unique characteristics of taxpayers covered by the Large Taxpayers Service, the following additional steps should be undertaken, when applicable, to wit:

    12.1. From the groupings by industry, classify taxpayers as 'old existing' and 'newly enlisted' taxpayers;

    12.2. For the old taxpayers, proceed with the process of tax profiling; for those under the newly enlisted taxpayers, compare their VAT & IT compliance with the initial benchmark;

    12.3. Newly enlisted taxpayers whose VAT & Income Tax (IT) compliance are below benchmark shall be issued with benchmark notices requiring them to upgrade/enhance their tax payments. Those who will not improve given enough time to do so shall be subjected to tax enforcement activities." (*Emphases supplied*)

A perusal of the foregoing shows that the purpose of the benchmarking program and of deriving the benchmarking rate is mainly to establish measurement or a set of standards to be used to measure and monitor the performance/compliance of taxpayers in a particular industry and improve voluntary tax compliance. There is nothing in the foregoing which would show that the benchmark rate should be used in computing the tax liability of the taxpayer.

At best, the benchmarking program may be used in recommending enforcement actions such as immediate issuance of Letter of Authority, if none has been issued yet, conduct of Post Evaluation on CRM/POS Machines, placing establishment under surveillance, or conduct of inventory stock taking. Moreover, it is important to stress that while the enforcement actions, such as the conduct of Oplan Kandado or Inventory Stock Taking, as the case may be, will almost always trigger the issuance of Letters of Authority, the same RMO requires that the audit activities and the processes embodied under Revenue Regulations No. 12-99 should still be complied with in coming up with assessment notice.

Clearly, in this case, respondent should have assessed petitioner based on its own investigation pursuant to the electronic Letter of Authority (eLA) issued and in compliance with Revenue Regulations No. 12-99, and not by merely using the benchmark rate in arriving at the alleged computed VATable sales of petitioner.

Thus, the use of the benchmark rate in computing petitioner's tax liability has no legal basis.

As to respondent's claim that the assessment was arrived at on the basis of the Best Evidence Obtainable, the Court finds relevant Section 6(B) of the NIRC of 1997, as amended, which requires that the assessment of the tax be determined based on the Best Evidence Obtainable in the absence of accounting records or other records. Section 6(B) of the Tax Code, reads:

> "SEC. 6. *Power of the Commissioner to Make Assessments and Prescribe Additional Requirements for Tax Administration and Enforcement.* —
>
> xxx xxx xxx
>
> (B) *Failure to Submit Required Returns, Statements, Reports and other Documents.* — When a report required by law as a basis for the assessment of any national internal revenue tax shall not be forthcoming within the

time fixed by laws or rules and regulations or when there is reason to believe that any such report is false, incomplete or erroneous, the Commissioner shall assess the proper tax on the **best evidence obtainable**.

In case a person fails to file a required return or other document at the time prescribed by law, or willfully or otherwise files a false or fraudulent return or other document, the Commissioner shall make or amend the return from his own knowledge and from such information as he can obtain through testimony or otherwise, which shall be *prima facie* correct and sufficient for all legal purposes." *(Emphasis supplied)*

Relevantly, Section 5 of the NIRC gives respondent vast powers which he could exercise in obtaining the best evidence, as follows:

"SEC. 5. *Power of the Commissioner to Obtain Information, and to Summon, Examine, and Take Testimony of Persons.* — In ascertaining the correctness of any return, or in making a return when none has been made, or in determining the liability of any person for any internal revenue tax, or in collecting any such liability, or in evaluating tax compliance, the Commissioner is authorized:

(A) To examine any book, paper, record, or other data which may be relevant or material to such inquiry;

(B) To obtain on a regular basis from any person other than the person whose internal revenue tax liability is subject to audit or investigation, or from any office or officer of the national and local governments, government agencies and instrumentalities, including the *Bangko Sentral ng Pilipinas* and government-owned or - controlled corporations, any information such as, but not limited to, costs and volume of production, receipts or sales and gross incomes of taxpayers, and the names, addresses, and financial statements of corporations, mutual fund companies, insurance companies, regional operating headquarters of multinational companies, joint accounts, associations, joint ventures or consortia and registered partnerships, and their members;

(C) To summon the person liable for tax or required to file a return, or any officer or employee of such person, or any person having possession, custody, or care of the books of accounts and other accounting records containing entries relating to the business of the person liable for tax, or any other person, to appear before the Commissioner or his duly authorized representative at a time and place specified in the summons and to produce such books, papers, records, or other data, and to give testimony;

(D) To take such testimony of the person concerned, under oath, as may be relevant of material to such inquiry; and

(E) To cause revenue officers and employees to make a canvass from time to time of any revenue district or region and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax, and all persons owning or having the care, management or possession of any object with respect to which a tax is imposed.

The provisions of the foregoing paragraphs notwithstanding, nothing in this Section shall be construed as granting the Commissioner the authority to inquire into bank deposits other than as provided for in Section 6(F) of this Code."

The power of the Commissioner to assess on the best evidence obtainable was likewise elaborated in the case of *Commissioner of Internal Revenue vs. Hantex Trading Co. Inc.*[30], wherein the High Court ruled as follows:

"The law allows the BIR access to all relevant or material records and data in the person of the taxpayer. It places no limit or condition on the type or form of the medium by which the record subject to the order of the BIR is kept. The purpose of the law is to enable the BIR to get at the taxpayer's records in whatever form they

[30] G.R. No. 136975, March 31, 2005.

may be kept. Such records include computer tapes of the said records prepared by the taxpayer in the course of business. In this era of developing information-storage technology, there is no valid reason to immunize companies with computer-based, record-keeping capabilities from BIR scrutiny. The standard is not the form of the record but where it might shed light on the accuracy of the taxpayer's return.

In *Campbell, Jr. v. Guetersloh*, the United States (U.S.) Court of Appeals (5th Circuit) declared that it is the duty of the Commissioner of Internal Revenue to investigate any circumstance which led him to believe that the taxpayer had taxable income larger than reported. Necessarily, this inquiry would have to be outside of the books because they supported the return as filed. **He may take the sworn testimony of the taxpayer; he may take the testimony of third parties; he may examine and subpoena, if necessary, traders' and brokers' accounts and books and the taxpayer's book accounts.** The Commissioner is not bound to follow any set of patterns. The existence of unreported income may be shown by any practicable proof that is available in the circumstances of the particular situation. Citing its ruling in *Kenney v. Commissioner*, the U.S. appellate court declared that where the records of the taxpayer are manifestly inaccurate and incomplete, the Commissioner may look to other sources of information to establish income made by the taxpayer during the years in question.

xxx xxx xxx

The rule is that in the absence of the accounting records of a taxpayer, his tax liability may be determined by estimation. The petitioner (Commissioner of Internal Revenue) is not required to compute such tax liabilities with mathematical exactness. Approximation in the calculation of the taxes due is justified. To hold otherwise would be tantamount to holding that skillful concealment is an invincible barrier to proof. **However, the rule does not apply where the estimation is**

arrived at arbitrarily and capriciously." *(Emphasis supplied and citations omitted)*

In other words, while respondent has the power to assess petitioner on the best evidence obtainable and may resort to the exercise of its powers under Section 5 of the NIRC and to approximation in the calculation of the taxes due, **the same should not be arrived at arbitrarily and capriciously**.

In this case, respondent based the assessment against petitioner for sales allegedly not subject to VAT on the computed VATable sales based on benchmark rate less total VATable sales per VAT return. Noticeably, respondent made no determination of the actual VATable sales of petitioner, considering that the benchmark rate used by respondent pertains to the sales of other wholesaling companies as reflected in the computation. There was also no showing as to how the benchmark rate was derived by respondent, or that it can at least be used to approximate the actual VATable sales of petitioner. What can only be deduced from the computation is that respondent merely assumed that the amount of VATable sales of other wholesaling companies is the same with the VATable sales of petitioner.

At this juncture, it must be pointed out that in order to stand the test of judicial scrutiny, the assessment must be based on actual facts. The presumption of correctness of assessment being a mere presumption cannot be made to rest on another presumption. Hence, assessment should not be based on mere presumptions no matter how reasonable or logical said presumptions may be.[31]

Consequently, while there is a presumption of correctness of assessment issued by respondent, being a mere presumption, the same cannot be made to rest on another presumption, which is respondent's presumption that the amount of VATable sales of other wholesaling companies is the same with the VATable sales of petitioner.

The Court further observes that while the computation of petitioner's VATable sales was based on presumptions and

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[31] *Commissioner of Internal Revenue vs. Alberto D. Benipayo*, G.R. No. L-13656, January 31, 1962; *Commissioner of Internal Revenue vs. Island Garment Manufacturing Corporation and the Court of Tax Appeals*, G.R. No. L-46644, September 11, 1987.

estimations, respondent, however, was able to further assess petitioner for undeclared sales based on sales per particular customer. Although in the succeeding discussion, the Court shall still determine whether these data were verified, it does not change the fact that the computed benchmark sales/receipt is not the best evidence obtainable in computing petitioner's liability since respondent could derive and verify evidence and data from third parties.

Also, contrary to respondent's allegation, it appears from the records that petitioner was able to submit documents to address respondent's request for documents pursuant to the eLA.[32]

Clearly, the use of benchmark rate in determining petitioner's total VATable sales is not the best evidence that can be obtained by respondent and that the use of the same in making an assessment has no support in law. Thus, for being without factual or legal basis, the deficiency VAT arising from the alleged sales not subjected to VAT should be cancelled.

Undeclared Sales amounting to ₱41,760,025.41

As to the alleged undeclared sales, respondent assessed petitioner of deficiency VAT on the alleged undeclared sales in this wise:[33]

Undeclared Sales amounting to ₱41,760,025.41:

Comparison of sales per Third Party Information (TPI) and sales per Summary List of Sales (SLS) disclosed that there were undeclared sales from customers in the amount of ₱3,053,348.68, hence petitioner was assessed of VAT pursuant to Section 106 of the tax code.

Sales per particular Customers (TPI)	₱ 41,816,269.15
Sales declared per SLS	56,243.74
Undeclared Sales (Annex B)	**₱41,760,025.41**

[32] Exhibits "P-18" to "P-27", Docket, Vol. II, pp. 1193 to 1200.
[33] Exhibit "P-2", Docket, Vol. II, p. 1113.

Petitioner alleges that there was failure to verify the allegations stemming from third party information through externally sourced data as required by RMO No. 04-2003. Moreover, considering that the data gathered from third party sources came from BIR's RELIEF system, it is necessary that the guidelines and policies set under RMO Nos. 42-2003 and 46-2004 must be met, that includes the requirement for the BIR to secure sworn statements or certifications from TPI sources. Without verification or certification from the third-party sources as to the veracity of the information used by respondent, such information cannot be considered as a "third party information".

As mentioned in the Details of Discrepancies, respondent derived the alleged undeclared sales by comparing third party information and purchases from the alleged third-party sources and sales by the petitioner which were reflected in the summary list of sales. However, as testified by respondent's witness Mr. Renan A. Plata during cross-examination, he was not able to secure the required certifications from these third-party sources.[34] Also, there was no showing from the records that these pieces of information were verified.

These findings cast doubts as to the reliability and correctness of the assessment for deficiency VAT on the alleged sales not subjected to VAT and the alleged undeclared sales.

Moreover, it must be emphasized that while respondent has the power to assess petitioner on the best evidence obtainable and may resort to the exercise of its powers under Section 5 of the NIRC and to approximation in the calculation of the taxes due, the same should not be arrived at arbitrarily and capriciously.

In this case, instead of exerting his best effort in gathering information from other sources to verify the alleged undeclared sales and instead of taking into consideration the documents submitted by petitioner, respondent chose to resort to presumptions and heavily relied on the results of the unverified third party matching and on the benchmark rate in estimating petitioner's sales and tax liability.

[34] Transcript of Stenographic Notes taken during the hearing held on July 27, 2016, pp. 15-16.

Therefore, respondent's finding that petitioner has sales not subject to VAT and undeclared sales lacks factual and legal bases.

Nevertheless, as to the alleged unsupported input tax, the Court shall determine the propriety of the assessment based on the evidence presented by the parties considering that respondent computed the same based on his examination of petitioner's supporting documents.

Unsupported Input Tax amounting to ₱47,727,546.63

Respondent's verification disclosed that petitioner failed to submit the required VAT Invoices or Official Receipts (OR) to support the claimed input taxes, thus, respondent disallowed the same pursuant to the provision imposed under Section 110(A)(1) of the NIRC which provides that *any input tax claimed evidenced by a VAT Invoice or official receipt issued in accordance with Section 113 of the NIRC shall be creditable against output tax*, to wit:

Input tax claimed per VAT returns	₱ 49,131,702.18
Supported input tax	1,404,155.55
Unsupported input tax	**₱47,727,546.63**

Based on the documents submitted, the Court-commissioned ICPA, Mr. Ericson D. Tadeja, found that the total input VAT declared in the 1st and 2nd Quarterly VAT Returns of taxable year 2012 amounting to ₱49,131,702.87[35] was composed of the following major and minor purchases:[36]

Major Purchases	
Asia Brewery Incorporated (ABI)	₱ 18,722,361.32
Interbev Philippines, Inc. (IPI)	24,471,344.86
Sub-total	**₱ 43,193,706.18**
Minor Purchases	

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[35] Exhibits "P-11" and "P-14", Docket, Vol. II, pp. 1178 and 1189.

Quarter	Input VAT Claimed
1st	₱24,658,734.40
2nd	24,472,968.47
	₱49,131,702.87

[36] Exhibits "P-32-A", ICPA Report, p. 8.

Various suppliers	5,937,996.69
Total input tax claimed per return	**₱ 49,131,702.87**

Upon examination of the submitted documents, the findings of the ICPA may be summarized as follows:

Findings	Reference	Exhibit	VAT Amount
A. Purchases from ABI and IPI (major purchases)			
1. Purchases of Goods supported by original VAT-registered sales invoices (ABI and IPI)	IC 13A	13A.1 to 13A.2594	
ABI			₱ 19,016,947.20
IPI			21,849,285.42
sub-total			***₱ 40,866,232.62***
2. Purchases of Goods supported by Debit Memos (ABI and IPI)			
ABI			₱ 204,592.30
IPI			324,141.46
sub-total			***₱ 528,733.76***
3. Purchases of Goods supported by Credit Memos (ABI and IPI)			
ABI			₱ (1,006,584.06)
IPI			(822,639.04)
sub-total			***₱ (1,829,223.10)***
4. Purchases of Goods Supported by photocopied/scanned VAT-registered sales invoices (ABI and IPI)	IC-13B	13B.1 to 13B.215	
ABI			₱ 323,460.86
IPI			3,304,502.04
sub-total			***₱ 3,627,962.90***
Total Purchases from ABI and IPI (major purchases)			**₱ 43,193,706.18**
B. Purchases from suppliers other than ABI and IPI (minor purchases)			
1. Purchases of goods and capital goods supported by VAT-registered sales invoices	IC-14A	14A.1 to 14A.89	₱ 158,586.17
2. Purchases of services supported by VAT-registered official receipts	IC-14B	14B.1 to 14B.298	4,012,579.22
sub-total			***₱ 4,171,165.39***
3. Purchases of goods, capital goods and services supported by VAT-registered official receipts but are outside the taxable period	IC-14C	14C.1 to 14C.756	₱ 583,591.48
4. Purchases of goods, capital goods and services which are not properly supported by VAT-registered invoices or official receipts	IC-14D	14D.1 to 14D.209	583,749.82
5. Purchases of goods, capital goods and services which are substantiated by tape receipts but are unreadable	IC-14E	14E.1 to 14E.52	5,842.92
6. Purchases of goods, capital goods and services which are unaccounted due to lack of documents	IC-14F		593,647.08
sub-total			***₱ 1,766,831.30***
Total Purchases from suppliers other than ABI and IPI (minor purchases)			**5,937,996.69**
GRAND TOTAL			**₱ 49,131,702.87**

Based on the foregoing, the Court finds that the amount of ₱1,766,831.30 *(items B.3 to B.6)* must be disallowed for petitioner's failure to meet the substantiation requirements under Sections 110(A) and 113(A) and (B) of the NIRC of 1997, as amended by Republic Act No. 9337, and as implemented by Sections 4.110-2, 4.110-8 and 4.113-1 of Revenue Regulations No. 16-05.

In addition to said exceptions, the examination of the documents submitted by petitioner leads to the findings as discussed below.

A. *Input VAT from Domestic Purchases of Goods from Asia Brewery Incorporated (ABI) and Interbev Philippines Incorporated (IPI)*

Records reveal that petitioner's input VAT on domestic purchases from ABI and IPI from January to June 2012 amounted to ₱18,722,361.33 and ₱24,471,344.86, respectively, net of monthly debit and credit memos, to wit:

Month	Asia Brewery				Interbev	
	Beer		Bottled Water		Soda & Energy Drink	
	Invoice Amount[37]	Less: CM/ Add: DM[38]	Invoice Amount[39]	Less: CM/ Add: DM[40]	Invoice Amount[41]	Less: CM/ Add: DM[42]
January	₱ 1,671,165.11	₱ (96,298.83)	₱1,637,274.86	₱(81,863.74)	₱4,386,312.86	₱ (219,315.64)
February	1,163,556.32	(64,381.93)	1,618,670.15	(80,933.50)	3,622,298.57	(181,114.93)
March	1,311,536.24	(58,884.13)	2,225,966.36	(111,298.31)	5,200,393.40	(260,019.67)
April	1,589,426.45	(48,097.05)	1,962,393.00	(78,495.72)	4,032,608.08	(146,232.19)
May	1,582,929.42	(43,495.06)	2,496,589.93	(52,581.03)	4,315,254.16	81,092.74
June	867,544.78	22,297.29	1,213,355.46	75,985.26	3,596,920.39	43,147.09
Total	*8,186,158.32*	*(288,859.71)*	*11,154,249.76*	*(329,187.04)*	*25,153,787.46*	*(682,442.60)*
Net input claimed		**7,897,298.61**		**10,825,062.72**		
Total input VAT claimed				**₱18,722,361.33**		**₱24,471,344.86**

Upon further verification, the Court finds that the total input VAT of ₱10,602,806.07 must be disallowed due to the following grounds: *fr*

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[37] Annex IC-8A, ICPA Report p. 583, Exhibit "P-32-C".
[38] Annex IC-9, ICPA Report p. 652, "Exhibit P-32-C"; Exhibits "P-13A.2565" to "P-13A.2568", and "P-13A.2584" to "P-13A.2594".
[39] Annex IC-8A, ICPA Report p. 599, Exhibit "P-32-C".
[40] Annex IC-9, ICPA Report p. 653, Exhibit "P-32-C"; Exhibits "P-13A.2563" to "P-13A.2564" and "P-13A.2578" to "P-13A.2583".
[41] Annex IC-8B, ICPA Report p. 623, Exhibit "P-32-C".
[42] Annex IC-9, ICPA Report p. 654, Exhibit "P-32-C"; Exhibits "P-13A.2569" to "P-13A.2577".

Findings	Exhibit No.	Invoice/OR No.	Invoice/OR Date	Input VAT Amount
(Asia Brewery Inc. - Bottled Water)				
1. Petitioner's address and TIN were not indicated in the supporting VAT sales invoices				
Asia Brewery Inc.	13A.1	138836	1/2/2012	₱ 11,770.71
Asia Brewery Inc.	13A.2	138835	1/2/2012	13,624.50
Asia Brewery Inc.	13A.3	138834	1/2/2012	20,815.29
Asia Brewery Inc.	13A.4	138828	1/2/2012	11,305.71
Asia Brewery Inc.	13A.5	138827	1/2/2012	23,050.93
Asia Brewery Inc.	13A.6	138862	1/2/2012	6,177.86
Asia Brewery Inc.	13A.7	138861	1/2/2012	6,571.50
Asia Brewery Inc.	13A.8	138856	1/2/2012	2,460.00
Asia Brewery Inc.	13A.9	138855	1/2/2012	22,500.86
Asia Brewery Inc.	13A.10	138847	1/2/2012	2,070.00
Asia Brewery Inc.	13A.11	138846	1/2/2012	6,382.07
Asia Brewery Inc.	13A.12	138845	1/2/2012	5,963.57
Asia Brewery Inc.	13A.13	138863	1/2/2012	2,460.00
Asia Brewery Inc.	13A.14	138877	1/3/2012	16,778.57
Asia Brewery Inc.	13A.15	138876	1/3/2012	15,414.00
Asia Brewery Inc.	13A.16	138897	1/3/2012	7,642.50
Asia Brewery Inc.	13A.17	138896	1/3/2012	7,167.64
Asia Brewery Inc.	13A.18	138898	1/3/2012	4,827.86
Asia Brewery Inc.	13A.21	138952	1/4/2012	7,042.50
Asia Brewery Inc.	13A.22	138951	1/4/2012	17,292.00
Asia Brewery Inc.	13A.23	138950	1/4/2012	16,688.14
Asia Brewery Inc.	13A.24	139482	1/14/2012	6,150.00
Asia Brewery Inc.	13A.31	139008	1/5/2012	8,310.00
Asia Brewery Inc.	13A.32	139007	1/5/2012	30,280.50
Asia Brewery Inc.	13A.33	138878	1/5/2012	9,747.86
Asia Brewery Inc.	13A.34	138994	1/5/2012	12,427.50
Asia Brewery Inc.	13A.35	138993	1/5/2012	9,410.79
Asia Brewery Inc.	13A.36	138992	1/5/2012	8,247.86
Asia Brewery Inc.	13A.37	138991	1/5/2012	585.00
Asia Brewery Inc.	13A.38	138990	1/5/2012	10,251.00
Asia Brewery Inc.	13A.39	138989	1/5/2012	6,410.36
Asia Brewery Inc.	13A.40	138988	1/5/2012	2,460.00
Asia Brewery Inc.	13A.41	138987	1/5/2012	10,642.50
Asia Brewery Inc.	13A.42	139006	1/5/2012	7,421.79
Asia Brewery Inc.	13A.43	139005	1/5/2012	15,549.00
Asia Brewery Inc.	13A.44	139012	1/5/2012	3,690.00
Asia Brewery Inc.	13A.45	139011	1/5/2012	4,077.00
Asia Brewery Inc.	13A.46	139010	1/5/2012	10,124.14
Asia Brewery Inc.	13A.56	139023	1/6/2012	8,087.14
Asia Brewery Inc.	13A.57	139022	1/6/2012	16,140.00
Asia Brewery Inc.	13A.58	139021	1/6/2012	14,502.00
Asia Brewery Inc.	13A.59	139092	1/6/2012	1,890.00
Asia Brewery Inc.	13A.60	139091	1/6/2012	9,000.00
Asia Brewery Inc.	13A.61	139090	1/6/2012	4,920.00
Asia Brewery Inc.	13A.62	139089	1/6/2012	19,096.50
Asia Brewery Inc.	13A.63	139072	1/6/2012	3,420.00
Asia Brewery Inc.	13A.64	139071	1/6/2012	6,607.50
Asia Brewery Inc.	13A.65	139070	1/6/2012	10,691.14
Asia Brewery Inc.	13A.68	139130	1/7/2012	8,505.00
Asia Brewery Inc.	13A.69	139129	1/7/2012	32,866.50
Asia Brewery Inc.	13A.70	139099	1/7/2012	22,371.43
Asia Brewery Inc.	13A.78	139708	1/18/2012	6,150.00

Asia Brewery Inc.	13A.79	139709	1/18/2012	3,060.00
Asia Brewery Inc.	13A.80	139143	1/9/2012	4,991.79
Asia Brewery Inc.	13A.81	139142	1/9/2012	12,045.00
Asia Brewery Inc.	13A.88	139221	1/10/2012	11,185.71
Asia Brewery Inc.	13A.89	139220	1/10/2012	32,170.50
Asia Brewery Inc.	13A.90	139191	1/10/2012	19,575.00
Asia Brewery Inc.	13A.96	139287	1/11/2012	3,664.29
Asia Brewery Inc.	13A.97	139286	1/11/2012	2,367.86
Asia Brewery Inc.	13A.101	139330	1/12/2012	2,728.29
Asia Brewery Inc.	13A.102	139329	1/12/2012	9,426.43
Asia Brewery Inc.	13A.103	139331	1/12/2012	3,780.00
Asia Brewery Inc.	13A.107	139356	1/13/2012	3,461.79
Asia Brewery Inc.	13A.108	139355	1/13/2012	22,660.50
Asia Brewery Inc.	13A.109	139354	1/13/2012	10,160.14
Asia Brewery Inc.	13A.114	139477	1/14/2012	14,496.43
Asia Brewery Inc.	13A.115	139476	1/14/2012	7,852.50
Asia Brewery Inc.	13A.116	139475	1/14/2012	22,237.50
Asia Brewery Inc.	13A.117	139420	1/14/2012	11,185.71
Asia Brewery Inc.	13A.118	139419	1/14/2012	19,207.50
Asia Brewery Inc.	13A.119	139481	1/14/2012	18,304.50
Asia Brewery Inc.	13A.126	139503	1/16/2012	11,195.36
Asia Brewery Inc.	13A.127	139502	1/16/2012	25,778.57
Asia Brewery Inc.	13A.128	139530	1/16/2012	930.00
Asia Brewery Inc.	13A.129	139529	1/16/2012	17,056.50
Asia Brewery Inc.	13A.130	139519	1/16/2012	6,962.79
Asia Brewery Inc.	13A.131	139520	1/16/2012	1,339.29
Asia Brewery Inc.	13A.132	139546	1/16/2012	960.00
Asia Brewery Inc.	13A.133	139545	1/16/2012	11,797.50
Asia Brewery Inc.	13A.141	139591	1/17/2012	5,940.00
Asia Brewery Inc.	13A.142	139590	1/17/2012	28,795.50
Asia Brewery Inc.	13A.143	139592	1/17/2012	5,029.29
Asia Brewery Inc.	13A.144	139577	1/17/2012	3,690.00
Asia Brewery Inc.	13A.145	139576	1/17/2012	3,976.50
Asia Brewery Inc.	13A.146	139575	1/17/2012	13,671.64
Asia Brewery Inc.	13A.149	139694	1/18/2012	13,012.50
Asia Brewery Inc.	13A.150	139695	1/18/2012	16,778.57
Asia Brewery Inc.	13A.151	139691	1/18/2012	21,829.93
Asia Brewery Inc.	13A.152	139692	1/18/2012	18,064.50
Asia Brewery Inc.	13A.155	139725	1/19/2012	9,225.00
Asia Brewery Inc.	13A.156	139724	1/19/2012	7,818.00
Asia Brewery Inc.	13A.157	139726	1/19/2012	3,150.00
Asia Brewery Inc.	13A.158	139774	1/19/2012	2,325.00
Asia Brewery Inc.	13A.159	139773	1/19/2012	20,055.00
Asia Brewery Inc.	13A.162	139834	1/20/2012	5,139.00
Asia Brewery Inc.	13A.167	139835	1/20/2012	27,964.29
Asia Brewery Inc.	13A.168	139874	1/21/2012	47,729.79
Asia Brewery Inc.	13A.169	139897	1/21/2012	5,340.00
Asia Brewery Inc.	13A.170	139896	1/21/2012	16,228.50
Asia Brewery Inc.	13A.171	139895	1/21/2012	1,920.00
Asia Brewery Inc.	13A.172	139894	1/21/2012	5,349.00
Asia Brewery Inc.	13A.173	139893	1/21/2012	13,021.29
Asia Brewery Inc.	13A.179	139929	1/23/2012	3,690.00
Asia Brewery Inc.	13A.180	139928	1/23/2012	3,976.50
Asia Brewery Inc.	13A.181	139927	1/23/2012	12,573.64
Asia Brewery Inc.	13A.182	139926	1/23/2012	13,803.21
Asia Brewery Inc.	13A.183	139925	1/23/2012	15,549.00

Asia Brewery Inc.	13A.184	139912	1/24/2012	16,905.00
Asia Brewery Inc.	13A.185	139911	1/24/2012	15,484.29
Asia Brewery Inc.	13A.186	139913	1/24/2012	5,610.00
Asia Brewery Inc.	13A.187	139986	1/24/2012	7,822.50
Asia Brewery Inc.	13A.188	139985	1/24/2012	4,907.14
Asia Brewery Inc.	13A.189	139884	1/24/2012	11,372.14
Asia Brewery Inc.	13A.190	139979	1/24/2012	18,097.50
Asia Brewery Inc.	13A.191	139978	1/24/2012	21,025.29
Asia Brewery Inc.	13A.192	139987	1/24/2012	19,575.00
Sub-total (January 2012)				***₱ 1,325,064.68***
2. Supported by photocopied/scanned copies of VAT invoices marked as "Certified True Copy" but the authority of the person certifying the same cannot be ascertained				
Asia Brewery Inc.	13B1.1	149987	5/26/2012	₱ 10,692.00
Asia Brewery Inc.	13B1.2	149988	5/26/2012	18,705.00
Asia Brewery Inc.	13B1.3	199989	5/26/2012	5,610.00
Asia Brewery Inc.	13B1.4	150028	5/28/2012	9,547.29
Asia Brewery Inc.	13B1.5	150030	5/28/2012	1,920.00
Asia Brewery Inc.	13B1.6	150029	5/28/2012	11,185.71
Asia Brewery Inc.	13B1.7	150053	5/28/2012	1,920.00
Asia Brewery Inc.	13B1.8	150052	5/28/2012	14,065.50
Asia Brewery Inc.	13B1.9	150054	5/28/2012	9,021.00
Asia Brewery Inc.	13B1.10	150055	5/28/2012	5,820.00
Asia Brewery Inc.	13B1.11	150056	5/28/2012	4,448.57
Asia Brewery Inc.	13B1.12	150057	5/28/2012	14,007.86
Asia Brewery Inc.	13B1.13	150058	5/28/2012	2,391.43
Asia Brewery Inc.	13B1.14	150063	5/28/2012	23,322.00
Asia Brewery Inc.	13B1.15	150064	5/28/2012	33,100.71
Asia Brewery Inc.	13B1.16	150066	5/28/2012	17,657.14
Asia Brewery Inc.	13B1.17	150107	5/29/2012	1,230.00
Asia Brewery Inc.	13B1.18	150108	5/29/2012	1,134.00
Asia Brewery Inc.	13B1.19	150109	5/29/2012	4,897.50
Asia Brewery Inc.	13B1.20	150122	5/29/2012	4,582.50
Asia Brewery Inc.	13B1.21	150123	5/29/2012	8,676.64
Asia Brewery Inc.	13B1.22	150124	5/29/2012	14,567.14
Asia Brewery Inc.	13B1.23	150199	5/30/2012	1,134.00
Asia Brewery Inc.	13B1.24	150200	5/30/2012	6,270.00
Asia Brewery Inc.	13B1.25	150206	5/30/2012	37,825.50
Asia Brewery Inc.	13B1.26	150258	5/31/2012	10,947.00
Asia Brewery Inc.	13B1.27	150259	5/31/2012	7,852.50
Asia Brewery Inc.	13B1.28	150260	5/31/2012	2,190.00
Asia Brewery Inc.	13B1.29	150301	5/31/2012	14,588.14
Asia Brewery Inc.	13B1.30	150302	5/31/2012	20,601.00
Asia Brewery Inc.	13B1.31	150303	5/31/2012	825.00
Asia Brewery Inc.	13B1.32	150304	5/31/2012	2,725.71
Sub-total (May 2012)				***₱ 323,460.84***
(Asia Brewery - Beer)				
3. Overclaimed input VAT				
Asia Brewery Inc. (₱25,875.00 - ₱15,975.00)	13A.233	319123	1/24/2012	₱ 9,900.00
Sub-total (January 2012)				***₱ 9,900.00***
TOTAL DISALLOWANCES - ASIA BREWERY				***₱ 1,658,425.52***
(Interbev Philippines Inc.)				
1. Supported by photocopied/scanned copies of VAT invoices marked as "Certified True Copy" but the authority of the person certifying the same cannot be ascertained				
Interbev Philippines Incorporated	13B.33 to 13B.81	00010	1/31/2012	₱ 866,520.00
Sub-total (January 2012)				***₱ 866,520.00***
Interbev Philippines Incorporated	13B.82 to 13B.200	00013	2/29/2012	₱ 2,126,280.00

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Sub-total (February 2012)				***₱ 2,126,280.00***
Interbev Philippines Incorporated	13B.201	75803	3/23/2012	₱ 47,614.29
Interbev Philippines Incorporated	13B.202	75523	3/19/2012	20,880.00
Interbev Philippines Incorporated	13B.203	75326	3/15/2012	303.75
Sub-total (March 2012)				***₱ 68,798.04***
Interbev Philippines Incorporated	13A.2220	01411	5/5/2012	₱ 17,400.00
Interbev Philippines Incorporated	13A.2316	01458	5/18/2012	24,360.00
Interbev Philippines Incorporated	13B.204	00032	5/2/2012	17,400.00
Interbev Philippines Incorporated	13B.205	00036	5/2/2012	24,360.00
Interbev Philippines Incorporated	13B.206	00037	5/2/2012	24,360.00
Interbev Philippines Incorporated	13B.207	00039	5/1/2012	17,400.00
Interbev Philippines Incorporated	13B.208	00048	5/2/2012	17,400.00
Sub-total (May 2012)				***₱ 142,680.00***
Interbev Philippines Incorporated	13B.210	00804	6/4/2012	₱ 17,400.00
Interbev Philippines Incorporated	13B.211	00805	6/4/2012	24,360.00
Interbev Philippines Incorporated	13B.212	00807	6/4/2012	17,400.00
Interbev Philippines Incorporated	13B.213	00813	6/5/2012	24,360.00
Interbev Philippines Incorporated	13B.214	00815	6/5/2012	17,400.00
Sub-total (June 2012)				***₱ 100,920.00***
2. Supported by VAT invoices with incorrect TIN of petitioner.				
Interbev Philippines Incorporated	13A.1518	71276	1/2/2012	₱ 20,880.00
Interbev Philippines Incorporated	13A.1519	71373	1/3/2012	24,360.00
Interbev Philippines Incorporated	13A.1520	71366	1/3/2012	24,300.00
Interbev Philippines Incorporated	13A.1521	71358	1/3/2012	47,614.29
Interbev Philippines Incorporated	13A.1522	71292	1/3/2012	24,360.00
Interbev Philippines Incorporated	13A.1523	71304	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1524	71302	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1525	71378	1/3/2012	24,360.00
Interbev Philippines Incorporated	13A.1526	71314	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1527	71289	1/3/2012	24,360.00
Interbev Philippines Incorporated	13A.1528	71353	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1529	71327	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1530	71345	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1531	71296	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1532	71331	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1533	71473	1/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1534	71425	1/4/2012	24,360.00
Interbev Philippines Incorporated	13A.1535	71426	1/4/2012	45,900.00
Interbev Philippines Incorporated	13A.1536	71407	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1537	71394	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1538	71438	1/4/2012	26,550.00
Interbev Philippines Incorporated	13A.1539	71399	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1540	71444	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1541	71442	1/4/2012	26,550.00
Interbev Philippines Incorporated	13A.1542	71435	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1543	71397	1/4/2012	29,065.71
Interbev Philippines Incorporated	13A.1544	71449	1/4/2012	20,880.00
Interbev Philippines Incorporated	13A.1545	71455	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1546	71429	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1547	71432	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1548	71445	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1549	71476	1/4/2012	17,400.00
Interbev Philippines Incorporated	13A.1550	71478	1/5/2012	24,360.00
Interbev Philippines Incorporated	13A.1551	71500	1/5/2012	22,620.00
Interbev Philippines Incorporated	13A.1552	71514	1/5/2012	20,880.00
Interbev Philippines Incorporated	13A.1553	71501	1/5/2012	24,360.00

Interbev Philippines Incorporated	13A.1554	71479	1/5/2012	24,360.00
Interbev Philippines Incorporated	13A.1555	71502	1/5/2012	24,360.00
Interbev Philippines Incorporated	13A.1556	71491	1/5/2012	24,360.00
Interbev Philippines Incorporated	13A.1557	71470	1/5/2012	17,400.00
Interbev Philippines Incorporated	13A.1558	71472	1/5/2012	17,400.00
Interbev Philippines Incorporated	13A.1559	71486	1/5/2012	17,400.00
Interbev Philippines Incorporated	13A.1560	71504	1/5/2012	17,400.00
Interbev Philippines Incorporated	13A.1561	71564	1/6/2012	20,880.00
Interbev Philippines Incorporated	13A.1562	71561	1/6/2012	24,360.00
Interbev Philippines Incorporated	13A.1563	71542	1/6/2012	17,400.00
Interbev Philippines Incorporated	13A.1564	71541	1/6/2012	17,400.00
Interbev Philippines Incorporated	13A.1565	71544	1/6/2012	17,400.00
Interbev Philippines Incorporated	13A.1566	71533	1/6/2012	17,400.00
Interbev Philippines Incorporated	13A.1567	71523	1/7/2012	24,360.00
Interbev Philippines Incorporated	13A.1568	71599	1/7/2012	17,400.00
Interbev Philippines Incorporated	13A.1569	71600	1/7/2012	17,400.00
Interbev Philippines Incorporated	13A.1570	71590	1/7/2012	17,400.00
Interbev Philippines Incorporated	13A.1571	71659	1/9/2012	22,620.00
Interbev Philippines Incorporated	13A.1572	71686	1/9/2012	22,620.00
Interbev Philippines Incorporated	13A.1573	71655	1/9/2012	17,400.00
Interbev Philippines Incorporated	13A.1574	71647	1/9/2012	17,400.00
Interbev Philippines Incorporated	13A.1575	71667	1/9/2012	17,400.00
Interbev Philippines Incorporated	13A.1576	71644	1/9/2012	17,400.00
Interbev Philippines Incorporated	13A.1577	71650	1/9/2012	17,400.00
Interbev Philippines Incorporated	13A.1578	71643	1/9/2012	35,700.00
Interbev Philippines Incorporated	13A.1579	71673	1/9/2012	22,620.00
Interbev Philippines Incorporated	13A.1580	71678	1/9/2012	6,960.00
Interbev Philippines Incorporated	13A.1581	71679	1/9/2012	25,328.57
Interbev Philippines Incorporated	13A.1582	71782	1/12/2010	22,620.00
Interbev Philippines Incorporated	13A.1583	71785	1/12/2010	24,360.00
Interbev Philippines Incorporated	13A.1584	71784	1/12/2010	22,620.00
Interbev Philippines Incorporated	13A.1585	71721	1/12/2010	17,400.00
Interbev Philippines Incorporated	13A.1586	71764	1/12/2010	32,040.00
Interbev Philippines Incorporated	13A.1587	71730	1/12/2010	26,550.00
Interbev Philippines Incorporated	13A.1588	71714	1/12/2010	17,400.00
Interbev Philippines Incorporated	13A.1589	71715	1/12/2010	35,700.00
Interbev Philippines Incorporated	13A.1590	71739	1/12/2010	17,400.00
Interbev Philippines Incorporated	13A.1591	71712	1/12/2010	21,302.14
Interbev Philippines Incorporated	13A.1592	71713	1/12/2010	490.18
Interbev Philippines Incorporated	13A.1593	71865	1/12/2011	20,880.00
Interbev Philippines Incorporated	13A.1594	71814	1/12/2011	17,400.00
Interbev Philippines Incorporated	13A.1595	71813	1/12/2011	17,400.00
Interbev Philippines Incorporated	13A.1596	71841	1/12/2011	12,180.00
Interbev Philippines Incorporated	13A.1597	71842	1/12/2011	5,220.00
Interbev Philippines Incorporated	13A.1598	71859	1/12/2011	47,271.43
Interbev Philippines Incorporated	13A.1599	71811	1/12/2011	47,957.14
Interbev Philippines Incorporated	13A.1600	71843	1/12/2011	3,480.00
Interbev Philippines Incorporated	13A.1601	71844	1/12/2011	27,780.00
Interbev Philippines Incorporated	13A.1602	71812	1/12/2011	17,400.00
Interbev Philippines Incorporated	13A.1603	71820	1/12/2011	17,400.00
Interbev Philippines Incorporated	13A.1604	71914	1/12/2012	10,440.00
Interbev Philippines Incorporated	13A.1605	71915	1/12/2012	6,960.00
Interbev Philippines Incorporated	13A.1606	71913	1/12/2012	17,400.00
Interbev Philippines Incorporated	13A.1607	71916	1/12/2012	17,400.00
Interbev Philippines Incorporated	13A.1608	71970	1/12/2012	19,882.50
Interbev Philippines Incorporated	13A.1609	71919	1/12/2012	45,900.00

Interbev Philippines Incorporated	13A.1610	73010	1/12/2012	28,380.00
Interbev Philippines Incorporated	13A.1611	71999	1/12/2013	13,050.00
Interbev Philippines Incorporated	13A.1612	71998	1/12/2013	11,310.00
Interbev Philippines Incorporated	13A.1613	72014	1/12/2013	17,400.00
Interbev Philippines Incorporated	13A.1614	71996	1/12/2013	17,400.00
Interbev Philippines Incorporated	13A.1615	72020	1/12/2013	17,400.00
Interbev Philippines Incorporated	13A.1616	72005	1/12/2013	17,400.00
Interbev Philippines Incorporated	13A.1617	72055	1/12/2014	26,357.14
Interbev Philippines Incorporated	13A.1618	72074	1/12/2014	17,400.00
Interbev Philippines Incorporated	13A.1619	72075	1/12/2014	17,400.00
Interbev Philippines Incorporated	13A.1620	72086	1/12/2014	6,960.00
Interbev Philippines Incorporated	13A.1621	72087	1/12/2014	10,440.00
Interbev Philippines Incorporated	13A.1622	72090	1/12/2014	17,400.00
Interbev Philippines Incorporated	13A.1623	72199	1/12/2017	17,400.00
Interbev Philippines Incorporated	13A.1624	72224	1/12/2017	24,360.00
Interbev Philippines Incorporated	13A.1625	72215	1/12/2017	22,620.00
Interbev Philippines Incorporated	13A.1626	72178	1/12/2017	26,550.00
Interbev Philippines Incorporated	13A.1627	72195	1/12/2017	15,660.00
Interbev Philippines Incorporated	13A.1628	72196	1/12/2017	6,085.71
Interbev Philippines Incorporated	13A.1629	72201	1/12/2017	15,660.00
Interbev Philippines Incorporated	13A.1630	72213	1/12/2017	17,400.00
Interbev Philippines Incorporated	13A.1631	72251	1/12/2017	20,880.00
Interbev Philippines Incorporated	13A.1632	72216	1/12/2017	17,400.00
Interbev Philippines Incorporated	13A.1633	72202	1/12/2017	24,360.00
Interbev Philippines Incorporated	13A.1634	72241	1/12/2017	21,060.00
Interbev Philippines Incorporated	13A.1635	72238	1/12/2017	5,220.00
Interbev Philippines Incorporated	13A.1636	72239	1/12/2017	29,700.00
Interbev Philippines Incorporated	13A.1637	72324	1/12/2018	20,880.00
Interbev Philippines Incorporated	13A.1638	72274	1/12/2018	17,400.00
Interbev Philippines Incorporated	13A.1639	72272	1/12/2018	8,700.00
Interbev Philippines Incorporated	13A.1640	72273	1/12/2018	8,700.00
Interbev Philippines Incorporated	13A.1641	72286	1/12/2018	17,400.00
Interbev Philippines Incorporated	13A.1642	72285	1/12/2018	26,550.00
Interbev Philippines Incorporated	13A.1643	72275	1/12/2018	33,068.57
Interbev Philippines Incorporated	13A.1644	72269	1/12/2018	22,620.00
Interbev Philippines Incorporated	13A.1645	72270	1/12/2018	24,360.00
Interbev Philippines Incorporated	13A.1646	72288	1/12/2018	17,400.00
Interbev Philippines Incorporated	13A.1647	72334	1/12/2018	47,271.43
Interbev Philippines Incorporated	13A.1648	72423	1/12/2019	20,880.00
Interbev Philippines Incorporated	13A.1649	72411	1/12/2019	20,880.00
Interbev Philippines Incorporated	13A.1650	72374	1/12/2019	13,920.00
Interbev Philippines Incorporated	13A.1651	72375	1/12/2019	10,440.00
Interbev Philippines Incorporated	13A.1652	72369	1/12/2019	12,180.00
Interbev Philippines Incorporated	13A.1653	72370	1/12/2019	18,034.82
Interbev Philippines Incorporated	13A.1654	72490	1/12/2020	15,214.29
Interbev Philippines Incorporated	13A.1655	72497	1/12/2021	17,400.00
Interbev Philippines Incorporated	13A.1656	72500	1/12/2021	8,700.00
Interbev Philippines Incorporated	13A.1657	72501	1/12/2021	8,700.00
Interbev Philippines Incorporated	13A.1658	72512	1/12/2021	24,360.00
Interbev Philippines Incorporated	13A.1659	72505	1/12/2021	4,350.00
Interbev Philippines Incorporated	13A.1660	72506	1/12/2021	30,570.00
Interbev Philippines Incorporated	13A.1661	72508	1/12/2021	25,328.57
Interbev Philippines Incorporated	13A.1662	72503	1/12/2021	10,440.00
Interbev Philippines Incorporated	13A.1663	72504	1/12/2021	22,628.57
Interbev Philippines Incorporated	13A.1664	72573	1/12/2021	35,700.00
Interbev Philippines Incorporated	13A.1665	72564	1/12/2021	17,400.00

Interbev Philippines Incorporated	13A.1666	72559	1/12/2021	26,550.00
Interbev Philippines Incorporated	13A.1667	72609	1/12/2023	24,300.00
Interbev Philippines Incorporated	13A.1668	72649	1/12/2024	17,400.00
Interbev Philippines Incorporated	13A.1669	72679	1/12/2025	22,620.00
Interbev Philippines Incorporated	13A.1670	72677	1/12/2025	18,701.79
Interbev Philippines Incorporated	13A.1671	72678	1/12/2025	28,380.00
Interbev Philippines Incorporated	13A.1672	72717	1/12/2025	48,642.86
Interbev Philippines Incorporated	13A.1673	72695	1/12/2025	24,720.00
Interbev Philippines Incorporated	13A.1674	72718	1/12/2025	31,260.00
Interbev Philippines Incorporated	13A.1675	72787	1/12/2026	17,400.00
Interbev Philippines Incorporated	13A.1676	72786	1/12/2026	49,671.43
Interbev Philippines Incorporated	13A.1677	72769	1/12/2026	17,400.00
Interbev Philippines Incorporated	13A.1678	72805	1/12/2026	38,580.00
Interbev Philippines Incorporated	13A.1679	72831	1/12/2027	21,745.71
Interbev Philippines Incorporated	13A.1680	72952	1/12/2030	36,133.93
Interbev Philippines Incorporated	13A.1681	72953	1/12/2030	980.36
Interbev Philippines Incorporated	13A.1682	72944	1/12/2030	24,360.00
Interbev Philippines Incorporated	13A.1683	73020	1/12/2031	17,400.00
Interbev Philippines Incorporated	13A.1684	73023	1/12/2031	24,360.00
Interbev Philippines Incorporated	13A.1685	73015	1/12/2031	26,550.00
Interbev Philippines Incorporated	13A.1686	73019	1/12/2031	24,985.71
Sub-total (January 2012)				***₱ 3,519,792.85***
Interbev Philippines Incorporated	13A.1687	73105	2/1/2012	16,980.00
Interbev Philippines Incorporated	13A.1688	74433	2/1/2012	17,400.00
Interbev Philippines Incorporated	13A.1689	74483	2/1/2012	19,572.86
Interbev Philippines Incorporated	13A.1690	74443	2/1/2012	20,880.00
Interbev Philippines Incorporated	13A.1691	73075	2/1/2012	22,620.00
Interbev Philippines Incorporated	13A.1692	73077	2/1/2012	24,360.00
Interbev Philippines Incorporated	13A.1693	74459	2/1/2012	26,550.00
Interbev Philippines Incorporated	13A.1694	74452	2/1/2012	46,585.71
Interbev Philippines Incorporated	13A.1695	74453	2/1/2012	56,700.00
Interbev Philippines Incorporated	13A.1696	73157	2/2/2012	36,608.57
Interbev Philippines Incorporated	13A.1697	73183	2/3/2012	17,400.00
Interbev Philippines Incorporated	13A.1698	73291	2/6/2012	9,128.57
Interbev Philippines Incorporated	13A.1699	73323	2/6/2012	26,983.93
Interbev Philippines Incorporated	13A.1700	73329	2/6/2012	47,614.29
Interbev Philippines Incorporated	13A.1701	73395	2/7/2012	17,400.00
Interbev Philippines Incorporated	13A.1702	73337	2/7/2012	20,880.00
Interbev Philippines Incorporated	13A.1703	73394	2/7/2012	23,232.86
Interbev Philippines Incorporated	13A.1704	73373	2/7/2012	26,014.29
Interbev Philippines Incorporated	13A.1705	73342	2/7/2012	35,700.00
Interbev Philippines Incorporated	13A.1706	73398	2/7/2012	38,580.00
Interbev Philippines Incorporated	13A.1707	73333	2/7/2012	47,614.29
Interbev Philippines Incorporated	13A.1708	73412	2/8/2012	26,550.00
Interbev Philippines Incorporated	13A.1709	73593	2/12/2011	6,960.00
Interbev Philippines Incorporated	13A.1710	73599	2/12/2011	26,550.00
Interbev Philippines Incorporated	13A.1711	73505	2/12/2011	45,900.00
Interbev Philippines Incorporated	13A.1712	73582	2/12/2011	56,700.00
Interbev Philippines Incorporated	13A.1713	73648	2/12/2013	26,550.00
Interbev Philippines Incorporated	13A.1714	73643	2/12/2013	35,700.00
Interbev Philippines Incorporated	13A.1715	73659	2/12/2013	3,480.00
Interbev Philippines Incorporated	13A.1716	73660	2/12/2013	36,128.57
Interbev Philippines Incorporated	13A.1717	73691	2/12/2014	35,400.00
Interbev Philippines Incorporated	13A.1718	73730	2/12/2014	21,600.00
Interbev Philippines Incorporated	13A.1719	73747	2/12/2015	1,301.79
Interbev Philippines Incorporated	13A.1720	73739	2/12/2015	21,745.71

Interbev Philippines Incorporated	13A.1721	73790	2/12/2015	25,671.43
Interbev Philippines Incorporated	13A.1722	73746	2/12/2015	26,014.29
Interbev Philippines Incorporated	13A.1723	73820	2/12/2016	433.93
Interbev Philippines Incorporated	13A.1724	73819	2/12/2016	6,739.29
Interbev Philippines Incorporated	13A.1725	73873	2/12/2017	24,300.00
Interbev Philippines Incorporated	13A.1726	73864	2/12/2017	26,091.43
Interbev Philippines Incorporated	13A.1727	73879	2/12/2017	39,608.57
Interbev Philippines Incorporated	13A.1728	74046	2/12/2021	25,328.57
Interbev Philippines Incorporated	13A.1729	74112	2/12/2022	2,603.57
Interbev Philippines Incorporated	13A.1730	74083	2/12/2022	35,605.71
Interbev Philippines Incorporated	13A.1731	74074	2/12/2022	35,700.00
Interbev Philippines Incorporated	13A.1732	74082	2/12/2022	46,585.71
Interbev Philippines Incorporated	13A.1733	74175	2/12/2023	25,328.57
Interbev Philippines Incorporated	13A.1734	74255	2/12/2024	36,634.29
Interbev Philippines Incorporated	13A.1735	74306	2/12/2027	6,960.00
Interbev Philippines Incorporated	13A.1736	74307	2/12/2027	26,700.00
Interbev Philippines Incorporated	13A.1737	74350	2/12/2028	16,530.00
Interbev Philippines Incorporated	13A.1738	74338	2/12/2028	17,400.00
Interbev Philippines Incorporated	13A.1739	74394	2/12/2028	18,701.79
Interbev Philippines Incorporated	13A.1740	74357	2/12/2028	19,572.86
Interbev Philippines Incorporated	13A.1741	74381	2/12/2028	24,360.00
Interbev Philippines Incorporated	13A.1742	74363	2/12/2028	24,360.00
Interbev Philippines Incorporated	13A.1743	74358	2/12/2028	41,417.14
Sub-total (February 2012)				***₱ 1,496,018.59***
Interbev Philippines Incorporated	13A.1744	74550	3/1/2012	20,880.00
Interbev Philippines Incorporated	13A.1745	74508	3/1/2012	20,880.00
Interbev Philippines Incorporated	13A.1746	74528	3/1/2012	19,569.64
Interbev Philippines Incorporated	13A.1747	74516	3/1/2012	24,360.00
Interbev Philippines Incorporated	13A.1748	74525	3/1/2012	17,400.00
Interbev Philippines Incorporated	13A.1756	74593	3/2/2012	6,960.00
Interbev Philippines Incorporated	13A.1757	74584	3/2/2012	17,400.00
Interbev Philippines Incorporated	13A.1758	74585	3/2/2012	17,400.00
Interbev Philippines Incorporated	13A.1759	74579	3/2/2012	17,400.00
Interbev Philippines Incorporated	13A.1760	74598	3/2/2012	17,400.00
Interbev Philippines Incorporated	13A.1764	74676	3/3/2012	25,328.57
Interbev Philippines Incorporated	13A.1774	74790	3/6/2012	24,720.00
Interbev Philippines Incorporated	13A.1775	74737	3/6/2012	35,700.00
Interbev Philippines Incorporated	13A.1776	74749	3/6/2012	48,300.00
Interbev Philippines Incorporated	13A.1777	74727	3/6/2012	46,585.71
Interbev Philippines Incorporated	13A.1795	74854	3/7/2012	6,960.00
Interbev Philippines Incorporated	13A.1796	74844	3/7/2012	26,550.00
Interbev Philippines Incorporated	13A.1797	74851	3/7/2012	26,014.29
Interbev Philippines Incorporated	13A.1806	74910	3/8/2012	46,928.57
Interbev Philippines Incorporated	13A.1807	74882	3/8/2012	24,720.00
Interbev Philippines Incorporated	13A.1813	74943	3/9/2012	19,294.29
Interbev Philippines Incorporated	13A.1814	74944	3/9/2012	33,068.57
Interbev Philippines Incorporated	13A.1815	74976	3/9/2012	24,360.00
Interbev Philippines Incorporated	13A.1816	74932	3/9/2012	43,020.00
Interbev Philippines Incorporated	13A.1817	74965	3/9/2012	12,171.43
Sub-total (March 2012)				***₱ 623,371.07***
TOTAL DISALLOWANCES - INTERBEV PHILIPPINES INC.				***₱ 8,944,380.55***
TOTAL DISALLOWANCES - ABI & IPI				**₱ 10,602,806.07**

Jc

It was noted that the above amounts were based on the original invoice amounts, without adjustments for the debit/credit memos (DM/CM) issued by ABI and IPI, thus, the Court deemed it necessary to further adjust the above input VAT amounts applying the pertinent DM/CM issued by ABI and IPI.

However, since the DM/CM were issued on a monthly basis without specifying the invoices unto which those specifically pertain to, the Court finds it reasonable to pro-rate the net DM/CM per month among the allowed and disallowed input VAT claims. Consequently, the Court finds that the input VAT amounts of ₱1,584,789.36 and ₱8,513,233.37 must be disallowed from the input VAT claimed on domestic purchases of goods from ABI and IPI, respectively, or in the aggregate amount of ₱10,098,022.73 from January to June 2012, to wit:

	Amount Disallowed (A)	***Total Input VAT Claim (B)***	***Ratio [C=(A/B)]***	***DM/CM (D)***	***Pro-rated DM/CM Attributable to Disallowed Input VAT [E=(CxD)]***	***Total Disallowances F=(A-E)***
Asia Brewery (Beer) - January	₱ 9,900.00	₱ 1,671,165.11	0.59%	(96,298.83)	₱ (570.48)	₱ 9,329.52
Asia Brewery (Bottled Water) - January	1,325,064.68	1,637,274.86	80.93%	(81,863.74)	(66,253.23)	1,258,811.45
Asia Brewery (Bottled Water) - May	323,460.84	2,496,589.93	12.96%	(52,581.03)	(6,812.45)	316,648.39
Sub-total - ABI	***₱ 1,658,425.52***				***₱ (73,636.16)***	***₱ 1,584,789.36***
Interbev - January	₱ 4,386,312.85[43]	₱ 4,386,312.86	100.00%	(219,315.64)	₱ (219,315.64)	₱ 4,166,997.21
Interbev – February	3,622,298.59[44]	3,622,298.57	100.00%	(181,114.93)	(181,114.93)	3,441,183.66
Interbev - March	692,169.11[45]	5,200,393.40	13.31%	(260,019.67)	(34,608.46)	657,560.65
Interbev - May	142,680.00	4,315,254.16	3.31%	81,092.74	2,681.26	145,361.26
Interbev - June	100,920.00	3,596,920.39	2.81%	43,147.09	1,210.59	102,130.59
Sub-total - IPI	***₱ 8,944,380.55***				***₱(431,147.18)***	***₱ 8,513,233.37***
TOTAL	**₱ 10,602,806.07**				**₱(504,783.34)**	**₱10,098,022.73**

B. Input VAT from Other Domestic Purchases of Goods and Services

After examination of the documents submitted to support the input VAT claimed on domestic purchases of goods and services other than ABI and IPI, the Court finds that the amount of

[43] ₱ 866,520.00 + ₱ 3,519,792.85 = ₱ 4,386,312.85
[44] ₱ 2,126,280.00 + ₱ 1,496,018.59 = ₱ 3,622,298.59
[45] ₱ 68,798.04 + ₱ 623,371.07 = ₱ 692,169.11

₱4,163,498.10 must likewise be disallowed due to the following grounds:

Exhibit No.	Supplier	Invoice/OR No.	Date	Disallowed Input Tax
1. Input VAT amount were not separately indicated in the supporting invoices/ORs and without petitioner's address and/or TIN				
14A.3	D.U. Machine Shop	19223	1/4/2012	₱ 105.00
14A.4	New Filipino Trading	68435	2/1/2012	3.21
14A.5	Valete's Brake, Clutch Parts and Gen. Merchandise	20554	1/4/2012	56.78
14A.6	Lian Auto Supply	various	various	150.00
14A.11	WDM Truckparts Center	2349	1/9/2012	40.71
14A.12	Joint Trading	11366	1/18/2012	21.43
14A.13	Lian Auto Supply	125283	1/18/2012	16.07
14A.15	Lian Auto Supply	125690	1/29/2012	46.61
14A. 21	D.U. Machine Shop	19381	1/23/2012	5.36
14A. 22	Jojin Trading	11390	1/23/2012	4.29
14A.24	Lian Auto Supply	various	various	68.04
14A.31	Valete's Brake, Clutch Parts and Gen. Merchandise	various	1/23/2012	46.61
14A.38	Lian Auto Supply	various	various	209.46
14A.45	Toni's Petron Service Station	10973	2/4/2012	34.29
14A.49	EMC Hardware	39377	2/16/2012	314.89
14A.58	WDM Truckparts Center	2425	2/21/2012	26.25
14A.59	Ageo Auto Parts	9918	2/28/2012	32.14
14A.61	WDM Truckparts Center	25287	2/27/2012	40.71
14A.63	New JOM Auto Parts & Gen. Mdse.	7248	2/10/2012	211.07
14A.65	Toni's Petron Service Station	204176	2/10/2012	62.68
14A.69	Lian Auto Supply	various	various	109.60
14A.71	Valete's Brake, Clutch Parts and Gen. Merchandise	various	various	30.54
14A.76	Lian Auto Supply	various	3/11/2012	120.53
14A.80	JBCC Auto Supply and General Merchandise	32519	3/20/2012	10.71
14A.82	Lian Auto Supply	various	various	396.43
14A.83	ME Shopping Center	446	3/21/2012	18.21
14A.88	Valete's Brake, Clutch Parts and Gen. Merchandise	22407	3/19/2012	85.71
14B.1	North-West Enterprises	0103	2/4/2012	12,174.11
14B.4	CMT Hauling Services	0619	1/16/2012	2,272.71
14B.5	E.M. Mendoza Trucking	292	1/20/2012	19,587.24
14B.7	J.P. Opeña Trucking, Inc.	4956	1/21/2012	6,154.71
14B.8	J.P. Opeña Trucking, Inc.	4955	1/21/2012	4,245.57
14B.10	E.C. Creencia Trading	1468	1/18/2012	2,031.32
14B.12	Renz Trucking	516	1/24/2012	54,097.22
14B.14	G. Malijan trucking	2179	1/24/2012	5,665.71
14B.15	J.P. Opeña Trucking, Inc.	4957	1/21/2012	5,752.50
14B.16	Hizon Transport Services and Trading Inc.	4644	2/6/2012	83,038.88
14B.17	3 Kids Enterprises	289	1/31/2012	21,739.50
14B.21	C. Gubatan Enterprises	782	2/2/2012	11,292.39
14B.22	C. Gubatan Enterprises	778	1/24/2012	2,973.32
14B.23	D' Bar Logistics	157	2/6/2012	2,166.11
14B.24	E. P. Bautista Trucking Services	172	2/6/2012	7,244.07
14B.25	E. P. Bautista Trucking Services	170	1/30/2012	15,345.43
14B.27	G. Malijan trucking	2185	2/6/2012	2,166.11
14B.28	J.P. Opeña Trucking, Inc.	4971	2/18/2012	2,166.11
14B.29	Hizon Transport Services and Trading Inc.	4645	2/6/2012	70,988.04
14B.30	Good Deal Hauling Services	1932	2/6/2012	2,430.43
14B.31	AGN Trucking & Trading	3682	3/1/2012	3,813.43
14B.32	Robien Trucking	99	2/11/2012	9,425.14
14B.33	MRTC Trucking Services Corp.	650	2/6/2012	2,973.32
14B.34	Jelly's Trucking Services	440	2/6/2012	2,272.71
14B.35	New Jamaica Security Agency	various	7/15/2011	5,041.07
14B.36	Robien Trucking	120	2/23/2012	13,513.49
14B.37	D' Bar Logistics	164	2/20/2012	2,548.39

14B.38	E. M. Mendoza Trucking	307	2/20/2012	28,927.61
14B.39	3 Kids Enterprises	296	2/20/2017	22,362.86
14B.40	JZ Valencia Enterprises	607	3/3/2012	13,474.18
14B.41	Leavil Trucking Services	135	2/20/2012	6,962.46
14B.42	E. P. Bautista Trucking Services	177	2/13/2012	2,079.46
14B.44	Good Deal Hauling Services	1942	2/20/2012	12,449.18
14B.45	Good Deal Hauling Services	1860	3/19/2012	7,312.86
14B.46	Renz Trucking	546	3/5/2012	36,523.29
14B.47	Jelly's Trucking Services	447	2/17/2012	2,166.11
14B.48	Jelly's Trucking Services	445	2/17/2012	2,166.11
14B.49	North-West Enterprises	112	3/3/2012	13,230.75
14B.50	Lee & Sons Printing Corp.	8551	3/5/2012	921.03
14B.51	Verson Trucking Services	944	2/27/2012	3,356.25
14B.52	J.P. Opeña Trucking, Inc.	4979	3/12/2012	9,183.38
14B.53	Joanne & Janine Enterprises	2861	3/13/2012	19,240.37
14B.54	C. Gubatan Enterprises	787	2/23/2012	12,042.46
14B.55	Our Beverly Village Trucking Corp.	1664	2/20/2012	5,191.18
14B.56	Degits Trucking Services	66	2/25/2016	7,459.29
14B.57	Robien Trucking	119	2/28/2012	3,356.25
14B.58	ContGeo Cargo Solutions	393	2/27/2012	3,356.25
14B.59	MRTC Trucking Services Corp.	663	2/27/2012	7,004.10
14B.60	D' Bar Logistics	168	3/3/2012	2,548.39
14B.61	D' Bar Logistics	172		10,807.50
14B.62	Good Deal Hauling Services	1855	3/5/2012	2,272.71
14B.63	Hizon Transport Services and Trading Inc.	5062	3/6/2012	63,943.82
14B.64	Verson Trucking Services	942	2/27/2012	2,548.39
14B.65	Hizon Transport Services and Trading Inc.	5064	3/12/2012	65,021.36
14B.66	J.P. Opeña Trucking, Inc.	4985	3/12/2012	6,406.82
14B.67	E. P. Bautista Trucking Services	185	3/5/2012	9,110.68
14B.68	JZ Valencia Enterprises	608	3/3/2012	14,508.16
14B.69	North-West Enterprises	107	3/3/2012	7,133.57
14B.70	JZ Valencia Enterprises	613	3/16/2012	11,389.61
14B.71	Rapid Movers & Forwarders Co., Inc.	5752	3/3/2012	11,552.79
14B.72	Rapid Movers & Forwarders Co., Inc.	5758	3/3/2012	5,551.29
14B.73	Rapid Movers & Forwarders Co., Inc.	5765	3/3/2012	11,754.00
14B.74	Rapid Movers & Forwarders Co., Inc.	5754	3/3/2012	19,673.23
14B.75	Rapid Movers & Forwarders Co., Inc.	5756	3/3/2012	20,360.27
14B.76	Rapid Movers & Forwarders Co., Inc.	5757	3/3/2012	11,423.29
14B.77	Rapid Movers & Forwarders Co., Inc.	5755	3/3/2012	9,853.63
14B.78	Rapid Movers & Forwarders Co., Inc.	5753	3/3/2012	18,073.14
14B.80	LFH Venture Merchandising Corp.	66	2/3/2012	43,428.75
14B.81	C. Gubatan Enterprises	795	5/3/2012	7,176.25
14B.82	Our Beverly Village Trucking Corp.	1667	2/27/2012	3,356.25
14B.83	Joanne & Janine Enterprises	2862	3/13/2012	13,166.89
14B.84	Renz Trucking	552	12/3/2012	39,398.84
14B.85	E. M. Mendoza Trucking	314	5/3/2012	24,679.71
14B.86	3 Kids Enterprises	301	5/3/2012	23,316.43
14B.87	E. C. Creencia Trading	1487	5/3/2012	2,272.71
14B.88	CMT Hauling Services	628	2/27/2012	2,272.71
14B.90	San Joseph Sea Oil Gasoline Station	490	3/2/2012	3,099.11
14B.91	Golden Eye Trucking	579	3/26/2012	2,973.32
14B.92	MRTC Trucking Services Corp.	673	3/12/2012	15,031.88
14B.93	MRTC Trucking Services Corp.	672	3/12/2012	4,307.89
14B.94	ContGeo Cargo Solutions	459	3/12/2019	2,272.71
14B.95	3 Kids Enterprises	311	3/12/2019	7,569.86
14B.96	E. M. Mendoza Trucking	319	3/14/2012	5,351.51
14B.97	Mary Rose Cargo Movers, Inc.	364	3/12/2012	9,897.82
14B.98	Wide Area Network Transport Services	924	3/19/2012	4,821.11
14B.99	E. P. Bautista Trucking Services	192	3/19/2012	2,430.43
14B.101	E. C. Creencia Trading	1493	3/14/20112	5,293.82
14B.103	Rapid Movers & Forwarders Co., Inc.	5812	3/30/2012	11,961.99
14B.104	Rapid Movers & Forwarders Co., Inc.	5808	3/30/2012	6,920.57
14B.105	Rapid Movers & Forwarders Co., Inc.	5811	3/30/2012	18,821.68

14B.106	J.P. Opeña Trucking, Inc.	4991	3/30/2012	2,111.95
14B.107	Verson Trucking Services	1769	3/19/2012	3,356.25
14B.108	Hizon Transport Services and Trading Inc.	5066	3/19/2012	70,543.03
14B.109	G. Malijan trucking	2193	3/12/2012	16,541.20
14B.110	G. Malijan trucking	2194	3/12/2012	5,644.80
14B.111	Joanne & Janine Enterprises	2860	3/13/2012	14,106.00
14B.113	Our Beverly Village Trucking Corp.	1677	3/19/2012	2,272.71
14B.114	Rapid Movers & Forwarders Co., Inc.	5810	3/30/2012	6,441.96
14B.115	Rapid Movers & Forwarders Co., Inc.	5814	3/30/2012	6,202.71
14B.116	Lee & Sons Printing Corp.	8567	3/21/2012	6,160.71
14B.117	Renz Trucking	565	4/2/2012	93,082.82
14B.118	G. Malijan trucking	2201	3/19/2012	2,737.61
14B.120	Hizon Transport Services and Trading Inc.	5089	4/16/2012	44,395.85
14B.121	Jelly's Trucking Services	461	3/28/2012	2,079.46
14B.122	AGN Trucking & Trading	3699	3/27/2012	2,928.11
14B.123	Robien Trucking	131	3/31/2012	2,398.18
14B.124	Wide Area Network Transport Services	937	3/28/2012	2,548.39
14B.125	D' Bar Logistics	259	3/26/2012	2,272.71
14B.126	AGN Trucking & Trading	3698	3/27/2012	2,548.39
14B.127	Rapid Movers & Forwarders Co., Inc.	5809	3/30/2012	8,662.48
14B.128	Rapid Movers & Forwarders Co., Inc.	5813	3/30/2012	18,723.13
14B.129	Mary Rose Cargo Movers, Inc.	371	3/26/2012	19,046.04
14B.130	Joanne & Janine Enterprises	914	3/30/2012	10,193.57
14B.131	C. Gubatan Enterprises	611	3/23/2012	2,548.39
14B.132	E. C. Creencia Trading	1505	4/2/2012	7,281.99
14B.134	E. M. Mendoza Trucking	329	3/29/2012	9,373.46
14B.135	MRTC Trucking Services Corp.	682	3/26/2012	2,398.18
14B.136	JZ Valencia Enterprises	622	4/2/2012	50,155.71
14B.137	3 Kids Enterprises	320	4/3/2012	4,978.82
14B.138	Renz Trucking	566	4/2/2012	59,980.78
14B.141	San Joseph Sea Oil Gasoline Station	495	4/3/2012	2,577.43
14B.142	North-West Enterprises	117	4/21/2012	2,272.71
14B.143	JZ Valencia Enterprises	618	4/2/2012	41,178.02
14B.144	C. Gubatan Enterprises	623	4/10/2012	9,606.92
14B.145	Riddle Trucking Service	282	4/11/2012	4,891.86
14B.147	Joanne & Janine Enterprises	920	4/24/2012	11,586.40
14B.148	Verson Trucking Services	582	4/23/2012	5,526.11
14B.149	Rapid Movers & Forwarders Co., Inc.	5851	4/20/2012	11,093.45
14B.150	Rapid Movers & Forwarders Co., Inc.	5845	4/20/2012	10,915.40
14B.151	D' Bar Logistics	266	5/12/2015	3,567.75
14B.152	AGN Trucking & Trading	107	4/23/2012	2,548.39
14B.153	ContGeo Cargo Solutions	470	4/17/2012	2,548.39
14B.154	MRTC Trucking Services Corp.	695		9,120.47
14B.155	Mary Rose Cargo Movers, Inc.	155	4/21/2012	9,436.25
14B.156	E. M. Mendoza Trucking	335	4/23/2012	18,547.26
14B.157	3 Kids Enterprises	328	4/23/2012	5,628.96
14B.158	Robien Trucking	140	4/25/2012	6,558.95
14B.159	E. C. Creencia Trading	1507	4/24/2012	5,387.57
14B.160	Hizon Transport Services and Trading Inc.	5106	4/30/2012	64,554.17
14B.161	E. P. Bautista Trucking Services	203	4/21/2012	5,139.43
14B.162	Renz Trucking	596	4/30/2012	53,704.60
14B.164	Golden Eye Trucking	595	4/23/2012	5,139.43
14B.165	AGN Trucking & Trading	104	4/23/2012	7,645.18
14B.166	Robien Trucking	145	5/19/2012	4,618.51
14B.167	VJ TEC Trucking Services	385	5/2/2012	1,906.09
14B.168	J.P. Opeña Trucking, Inc.	99	4/23/2012	4,879.41
14B.169	Verson Trucking Services	586	4/23/2012	5,904.64
14B.170	Hizon Transport Services and Trading Inc.	5103	4/30/2012	69,231.34
14B.171	North-West Enterprises	124	5/19/2012	4,434.08
14B.172	JZ Valencia Enterprises	630	5/5/2012	67,481.94
14B.173	Jelly's Trucking Services	474	4/26/2012	4,332.21
14B.175	Riddle Trucking Service	293	5/2/2012	5,786.68
14B.176	C. Gubatan Enterprises	632	4/26/2012	7,645.18

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14B.177	Joanne & Janine Enterprises	931	4/30/2012	1,612.18
14B.178	Mary Rose Cargo Movers, Inc.	383	4/28/2012	21,680.57
14B.179	E. M. Mendoza Trucking	343	4/30/2012	2,170.41
14B.180	3 Kids Enterprises	6335	5/2/2012	16,909.00
14B.181	E. C. Creencia Trading	1512	5/3/2012	4,504.33
14B.182	Renz Trucking	594	4/30/2012	81,121.14
14B.183	LFH Venture Merchandising Corp.	90	5/12/2024	43,725.14
14B.184	North-West Enterprises	128	5/19/2012	7,147.93
14B.185	MRTC Trucking Services Corp.	706	5/14/2012	6,757.33
14B.186	Hizon Transport Services and Trading Inc.	5110	5/7/2012	43,650.21
14B.188	E. P. Bautista Trucking Services	213	5/5/2012	11,680.70
14B.189	LFH Venture Merchandising Corp.	89	5/14/2012	36,188.38
14B.190	Joanne & Janine Enterprises	940	5/7/2012	10,075.61
14B.191	Joanne & Janine Enterprises	937	5/7/2012	22,527.73
14B.192	C. Gubatan Enterprises	635	5/8/2012	5,096.79
14B.193	Riddle Trucking Service	354	5/7/2012	2,548.39
14B.194	Our Beverly Village Trucking Corp.	1696	5/7/2012	2,166.11
14B.196	JRS Express	various	5-01-12	21.43
14B.198	JRS Express	various	various	45.01
14B.199	JRS Express	various	various	31.07
14B.201	Wide Area Network Transport Services	985	5/21/2012	8,617.95
14B.202	Wide Area Network Transport Services	978	5/21/2012	17,497.70
14B.203	Robien Trucking	147	5/19/2012	1,937.57
14B.204	MRTC Trucking Services Corp.	707	5/21/2012	6,241.61
14B.205	Mary Rose Cargo Movers, Inc.	387	5/9/2012	5,387.57
14B.206	E. M. Mendoza Trucking	350	5/21/2012	9,400.82
14B.207	3 Kids Enterprises	343	5/21/2012	19,552.85
14B.208	E. C. Creencia Trading	1521	5/21/2012	2,943.59
14B.209	Renz Trucking	606	5/21/2012	52,810.32
14B.210	Z. S. M. Trucking Services	461	5/21/2012	4,468.36
14B.211	Rapid Movers & Forwarders Co., Inc.	5873	5/25/2012	9,217.61
14B.212	Rapid Movers & Forwarders Co., Inc.	5874	5/25/2012	2,609.10
14B.213	Rapid Movers & Forwarders Co., Inc.	5875	5/25/2012	2,369.68
14B.214	Rapid Movers & Forwarders Co., Inc.	5872	5/25/2012	2,775.64
14B.215	Wide Area Network Transport Services	986	5/21/2012	2,548.39
14B.217	Joanne & Janine Enterprises	955	5/22/2012	32,219.19
14B.218	Mary Rose Cargo Movers, Inc.	297		5,521.71
14B.219	MRTC Trucking Services Corp.	720	5/28/2012	1,937.57
14B.220	3 Kids Enterprises	347	5/31/2012	14,344.20
14B.221	E. M. Mendoza Trucking	354	5/21/2012	13,165.93
14B.223	Z. S. M. Trucking Services	408	5/28/2012	2,973.32
14B.224	CMT Hauling Services	654	5/28/2012	3,356.25
14B.225	E. P. Bautista Trucking Services	219	5/21/2012	8,313.96
14B.226	J.P. Opeña Trucking, Inc.	15	5/21/2012	5,522.36
14B.227	Verson Trucking Services	1924	6/9/2012	4,082.04
14B.228	Hizon Transport Services and Trading Inc.	5119	5/21/2012	65,172.96
14B.229	Dennis Trucking Services	6350	5/19/2012	2,012.70
14B.230	Renz Trucking	621	6/11/2012	61,392.77
14B.231	Mary Rose Cargo Movers, Inc.	567	6/2/2012	2,548.39
14B.232	Renz Trucking	623	6/11/2012	45,118.69
14B.234	North-West Enterprises	132	6/16/2012	10,288.11
14B.235	San Joseph Sea Oil Gasoline Station	553	6/2/2012	2,726.68
14B.236	E. P. Bautista Trucking Services	227	6/6/2012	4,796.36
14B.237	C. Gubatan Enterprises	646	6/18/2012	2,091.29
14B.238	C. Gubatan Enterprises	644	6/1/2012	10,870.34
14B.239	Our Beverly Village Trucking Corp.	1710	6/4/2012	3,356.25
14B.243	Robien Trucking	207	6/20/2012	2,031.32
14B.244	Z. S. M. Trucking Services	415	6/11/2012	2,138.49
14B.246	J.P. Opeña Trucking, Inc.	22	6/13/2012	4,278.06
14B.248	Rapid Movers & Forwarders Co., Inc.	5925	6/22/2012	8,317.80
14B.249	Rapid Movers & Forwarders Co., Inc.	5926	6/22/2012	3,527.68
14B.250	Rapid Movers & Forwarders Co., Inc.	5922		5,497.18
14B.251	Rapid Movers & Forwarders Co., Inc.	5921		13,261.46

14B.252	Rapid Movers & Forwarders Co., Inc.	5949	6/29/2012	14,761.92
14B.254	MRTC Trucking Services Corp.	725	6/11/2012	1,937.57
14B.255	Rapid Movers & Forwarders Co., Inc.	5950	6/2/2012	19,637.96
14B.256	3 Kids Enterprises	363	6/18/2012	9,586.36
14B.257	ContGeo Cargo Solutions	500	6/22/2012	2,430.43
14B.258	MRTC Trucking Services Corp.	739	6/23/2012	10,267.76
14B.261	Joanne & Janine Enterprises	978	6/25/2012	17,074.21
14B.264	J.P. Opeña Trucking, Inc.	0029	6/30/2012	2,166.11
14B.266	Rapid Movers & Forwarders Co., Inc.	5948	6/29/2012	16,952.34
14B.267	E. P. Bautista Trucking Services	232	6/30/2012	5,004.64
14B.270	E. P. Bautista Trucking Services	236	6/30/2012	3,096.24
14B.274	JRS Express	various	various	45.01
14B.276	Manna & Genesis Food house	5246	2/9/2012	96.05
14B.277	North-West Enterprises	various	2/15/2012	1,660.72
14B.278	Rosvilla Trading	276322	2/6/2012	96.96
14B.280	JRS Express	various	various	23.58
14B.284	JRS Express	various	2/20/2012	21.43
14B.285	Northern Star Investigation and Security Agency	various	2/29/2012	1,660.72
14B.288	Green R Hotel	25427	2/24/2012	80.36
14B.290	JRS Express	43343	2/28/2012	11.79
14B.294	Magic Mart Co.	865	3/10/2012	71.79
14B.295	JRS Express	45197	3/30/2012	11.79
14B.296	Green R Hotel	25721	3/9/2012	64.29
14B.297	Northern Star Investigation and Security Agency	various	3/15/2012	1,660.72
	sub-total			***₱3,032,339.28***
2. Input VAT amount were not separately indicated in the supporting invoices/ORs; without petitioner's address and/or TIN and dated outside the period of claim				
14B.13	Wide Area Network Transport Services	1030	1/21/2011	₱ 5,094.21
14B.26	3 Kids Enterprises	267	12/15/2011	15,266.54
14B.200	New Jamaica Security Agency	7811	10/16/2011	5,041.07
14B.242	Vigan Printing Press	5192	12/27/2012	112.50
14B.247	Hizon Transport Services and Trading Inc.	5131	7/2/2012	70,397.12
14B.253	Rapid Movers & Forwarders Co., Inc.	5958	7/6/2012	4,996.16
14B.263	C. Gubatan Enterprises	853	7/2/2012	11,926.48
14B.265	Hizon Transport Services and Trading Inc.	5133	7/2/2012	59,731.05
14B.268	E. M. Mendoza Trucking	371	7/3/2012	5,521.71
14B.269	D' Bar Logistics	276	7/6/2012	2,166.11
14B.271	C. Gubatan Enterprises	858	7/9/2012	5,096.79
14B.272	Renz Trucking	639	7/2/2012	8,547.32
14B.273	Renz Trucking	636	7/2/2012	10,468.29
14B.119	Begits Trucking Services	67	4/13/2013	4,946.57
14B.259	Marissa's Trucking & Hauling Services	363	7/3/2012	102,014.77
14B.260	Allroad Trucking	0009	7/7/2012	2,430.43
	sub-total			***₱ 313,757.12***
3. Supporting VAT invoices/ORs do not indicate petitioner's TIN and/or address				
14A.2	Choy's Householdwares	1081	1/7/2012	₱ 81.00
14A.7	New Pacific Auto Supply	194180	1/10/2012	66.96
14A.8	Nina Marc General Merchandising	110438	1/12/2012	19.29
14A.9	Sky I Auto Parts Center	70424	1/14/2012	26.79
14A.10	The New Laoag Auto Supply	100103	1/11/2012	12.86
14A.14	New Jom Auto Parts	110129	1/21/2012	19.29
14A.16	Nina Marc General Merchandising	111486	1/26/2012	40.71
14A.20	A.B. Casiano Gravel & Sand	various	1/31/2012	139.28
14A.23	Lernel Auto Supply, Furniture & General Merchandising	11210	1/30/2012	15.00
14A.25	New Jom Auto Parts & General Merchandise	35432	1/24/2012	37.50
14A.26	New Lorna's Trading	54509	1/26/2012	10.71
14A.27	New Pacific Auto Supply	194647	1/25/2012	35.36
14A.28	R. Fragante Hardware	57321	1/20/2012	4.29
14A.29	Sky-1 Auto Parts Center	70483	1/23/2012	26.79
14A.32	A.B. Casiano Gravel & Sand	various	2/3/2012	127.50
14A.33	Farmland Hardware & Gen. Merchandise	various	various	32.14
14A.34	Jojin Trading	11476	2/8/2012	38.04

14A.35	Laoag Centerpoint General Merchandise	6258	2/7/2012	10.71
14A.36	Laoag Kambal Corporation	47750	2/6/2012	21.43
14A.37	Laoag Pacific Hardware	various	various	126.42
14A.39	New JOM Auto Parts & Gen. Mdse.	various	various	352.39
14A.40	New Pacific Auto Supply	various	various	46.08
14A.41	Petron Bantay Service Station	169087	2/8/2012	24.66
14A.42	Silicon Valley	21527	2/6/2012	160.71
14A.43	Solid North Marketing Corp.	8754	2/5/2012	7.50
14A.44	The New Laoag Auto Supply	99655	2/7/2012	224.46
14A.47	A.B. Casiano Gravel & Sand	6497	2/17/2012	9.11
14A.48	D. U. Machine Shop	19528	2/8/2012	482.14
14A.50	Farmland Hardware & Gen. Merchandise	14981	2/16/2012	2.14
14A.51	Jojin Trading	11503	2/13/2012	16.61
14A.52	Nina Marc Gen. Mdse	112862	2/8/2012	107.14
14A.53	Stargate Caltex Service Station	358072	2/12/2012	5.36
14A.55	New Jom Auto Parts & General Merchandise	various	various	50.90
14A.57	The New Laoag Auto Supply	101179	2/21/2012	186.43
14A.60	New Jom Auto Parts & General Merchandise	111905	2/26/2012	26.79
14A.66	Ettah Lihl Enterprises	44228	3/1/2012	33.21
14A.67	1297 Motor Parts & General Services	345	3/9/2012	6.43
14A.68	Jojin Trading	11701	3/25/2012	10.18
14A.70	Nina Marc General Merchandising	114070	3/12/2012	53.57
14A.73	Farmland Hardware & Gen. Merchandise	various	various	32.46
14A.74	Laoag Far Eastern Lumber & Hardware	515	3/17/2012	75.54
14A.75	Laoag Kambal Corporation	75717	3/16/2012	174.43
14A.77	New Jom Auto Parts & General Merchandise	various	various	83.57
14A.78	Nina Marc General Merchandising	114210	3/12/2012	4.29
14A.79	Farmland Hardware & Gen. Merchandise	various	various	73.66
14A.81	Jojin Trading	various	various	72.42
14A.84.1	New Jom Auto Parts & General Merchandise	37262	3/22/2012	3.21
14A.84.2	The New Laoag Auto Supply	393707	3/20/2012	10.71
14A.85	New Pacific Auto Supply	196350	3/18/2012	19.82
14A.86	Nina Marc General Merchandising	114677	3/21/2012	32.14
14A.87	The New Laoag Auto Supply	14951	3/19/2012	43.93
14A.89	Vigan Goldlabel Gen. Merchandise	96936	3/24/2012	16.07
14B.2	Marissa's Trucking & Hauling Services	0291	1/24/2012	22,725.19
14B.3	Marissa's Trucking & Hauling Services	0293	1/24/2012	12,666.00
14B.6	Good Deal Hauling Services - Branch I	1309	1/16/2012	3,615.70
14B.11	Rapid Movers & Forwarders Co., Inc.	5680	2/10/2012	7,356.35
14B.19	LFH Venture Merchandising Corp.	192	2/13/2012	49,937.25
14B.20	LFH Venture Merchandising Corp.	192	2/13/2012	36,772.93
14B.43	Marissa's Trucking & Hauling Services	307	2/23/2012	28,560.29
14B.79	Marissa's Trucking & Hauling Services	314	5/3/2012	54,291.30
14B.100	Marissa's Trucking & Hauling Services	326	3/19/2012	15,754.96
14B.102	Marissa's Trucking & Hauling Services	316	3/19/2012	38,872.72
14B.133	Marissa's Trucking & Hauling Services	332	4/2/2012	30,479.36
14B.140	Marissa's Trucking & Hauling Services	330	4/2/2012	47,721.05
14B.174	Marissa's Trucking & Hauling Services	341	4/30/2012	53,788.03
14B.187	Marissa's Trucking & Hauling Services	344	5/12/2012	39,066.01
14B.222	Marissa's Trucking & Hauling Services	351	5/22/2012	27,324.29
14B.233	Marissa's Trucking & Hauling Services	356	6/4/2012	61,715.36
14B.195	Farmside Hotel	various	various	163.93
14B.197	Farmside Hotel	various	various	163.93
14B.240	Farmside Hotel	various	various	573.74
14B.241	Laoag Renzo Hotel	various	various	648.21
14B.275	Laoag Renzo Hotel	various	various	346.08
14B.281	Universal Storefront Services Corp.	various	2/16/2012	8.76
14B.282	Vigan Printing Press	5273	2/14/2012	85.71
14B.287	CF Real Estate Lessor	1789	2/3/2012	8,400.00
14B.289	Ilocos Sur Electric Cooperative, Inc.		various	1,219.21
14B.291	Laoag Renzo Hotel	various	various	1,039.02
14B.292	Kingscourt Hotel	9990	2/12/2015	75.00
14B.293	Tracy-Macy's Diner	34922	2/20/2012	22.29

14B.298	Universal Storefront Services Corp.	various	various	5.40
	sub-total			***₱ 546,738.20***
4. Purchases of Services supported by documents other than VAT OR, dated outside the period of claim and the amount of input VAT was not separately indicated therein				
14B.9	Robien Trucking	115	12/18/2011	₱ 7,537.61
14B.18	Allroad Trucking	0006	12/30/2011	4,303.93
14B.89	San Joseph Seaoil Gasoline Station	17284	15-02-12	2,876.14
	sub-total			***₱ 14,717.68***
5. Purchases of Services supported by documents other than VAT OR and the amount of input VAT was not separately indicated therein				
14B.112	Grandios Enterprise	259	1/31/2012	₱ 24,379.53
14B.139	Leavil Trucking Services	2157	4/2/2012	5,143.82
14B.146	Grandios Enterprise	280	2/23/2012	17,507.46
14B.163	CMT Hauling Services	659	2/29/2012	2,166.11
14B.216	Grandios Enterprise	307	3/30/2012	17,087.77
14B.262	Grandios Enterprise	326	4/30/2012	13,506.48
	sub-total			***₱ 79,791.17***
6. Supported by documents issued not in the name of petitioner				
14B.245	3 Kids Enterprises	358	6/18/2012	₱ 20,450.91
14B.279	D. U. Machine Shop	19528	2/8/2012	2,065.71
14B.283	Ilocos Norte Electric Cooperative Inc.	78067	2/28/2012	680.22
	sub-total			***₱ 23,196.84***
7. Purchase of goods supported by invoices dated outside the period of claim				
14A.1	Nina Marc General Merchandising	103569 103671	10/5/2011 10/6/2011	₱ 514.29
	sub-total			***₱ 514.29***
8. Purchases of goods supported by VAT invoices which indicate wrong address of petitioner				
14A.17	Pilipinas Shell Corp	various	2/29/2012	₱ 13,424.11
14A.18	Pilipinas Shell Corp	various	3/31/2012	60,074.20
14A.19	Pilipinas Shell Corp	various	3/31/2012	12,251.08
14A.56	Petron Fleet Card	various	1/28/2012	54,477.48
	sub-total			***₱ 140,226.87***
9. Purchase of goods supported by tape receipts				
14A.30	St. Joseph Drugstore		1/27/2012	₱ 156.64
	sub-total			***₱ 156.64***
10. Purchases of goods supported by VAT ORs imprinted with the phrase "Not valid as source of input tax"				
14A.46	Western Commercial Corp	various	various	₱ 3,995.36
14A.54	Western Commercial Corp	23246	1/31/2012	5,014.29
14A.62	Western Commercial Corp	23239	1/20/2012	948.21
14A.72	Western Commercial Corp	23299	2/28/2012	2,089.29
	sub-total			***₱ 12,047.15***
11. VAT invoice unreadable				
14A.64	The New Laoag Auto Supply	387093		₱ 12.86
	sub-total			***₱ 12.86***
	GRAND TOTAL			**₱4,163,498.10**

In sum, the Court partially upholds respondent's assessment on unsupported input tax to the extent of ₱16,028,352.13, as determined below:

Exceptions per ICPA Report		₱ 1,766,831.30
Additional Disallowances by the Court:		
Domestic purchases of goods from ABI and IPI	₱ 10,098,022.73	
Other domestic purchases of goods and services	4,163,498.10	14,261,520.83
Total unsupported input tax		**₱ 16,028,352.13**

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Likewise, the creditable VAT withheld claimed by petitioner amounting to ₱2,996.57 was found to be unsupported, thus, it must be disallowed.

Excess Input Tax Carried Over to Succeeding Quarter - ₱259,034.46

As stated in the Details of Discrepancies, the excess input tax amounting to ₱259,034.46 was not applied against the allowable input tax in computing deficiency VAT since this shall be carried over to the next succeeding quarter(s) as provided under Section 110(B) of the NIRC of 1997, as amended.

However, the Court finds it improper for respondent to disallow the said excess input tax because any tax benefit derived by petitioner from the carry-over of the said amount redounds to the succeeding quarter(s). Since the tax benefit will be in the succeeding quarter(s), at most, petitioner may only be assessed in the said succeeding quarter(s).

Considering all the foregoing, petitioner is liable to pay the basic deficiency VAT in the amount of ₱16,028,352.12, computed as follows:

Gross receipts subject to VAT			₱ 422,462,011.11
Output tax due			₱ 50,695,441.33
Less: Input tax claimed per return		₱ 49,131,702.18	
Less: Unsupported input tax		16,028,352.13	33,103,350.05
VAT payable			₱ 17,592,091.28
Less: Tax payments		1,563,739.16	
Creditable VAT withheld per return	₱ 2,996.57		
Less: Unsupported creditable VAT withheld	2,996.57	-	1,563,739.16
Basic deficiency VAT			**₱ 16,028,352.12**

WHEREFORE, premises considered, the instant Petition for Review is **DENIED**. Accordingly, the Court finds petitioner liable to pay the basic deficiency VAT but in the reduced amount of ₱20,035,440.15, inclusive of twenty-five percent (25%) surcharge imposed under Section 248(A)(3) of the NIRC of 1997, as amended, as computed below: *gr*

Basic deficiency VAT	**₱16,028,352.12**
Add: 25% Surcharge	4,007,088.03
Total VAT due	**₱20,035,440.15**

In addition, petitioner is liable to pay:

a) Deficiency interest at the rate of twenty percent (20%) per annum on the basic deficiency VAT of ₱16,028,352.12 computed from July 25, 2012, until full payment thereof pursuant to Section 249(B) of the NIRC of 1997, as amended; and

b) Delinquency interest at the rate of 20% per annum on the total amount of ₱20,035,440.15 and on the 20% deficiency interest which have accrued as aforestated in (a), computed from December 11, 2014,[46] until full payment thereof pursuant to Section 249(C) of the 1997 NIRC, as amended.

SO ORDERED.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

WE CONCUR:

CAESAR A. CASANOVA
Associate Justice

Catherine T. Manahan
CATHERINE T. MANAHAN
Associate Justice

[46] Exhibit "P-3", Docket, Vol. II, p.1115.

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.

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 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.

ROMAN G. DEL ROSARIO
Presiding Justice