REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

PETRON CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE, COMMISSIONER OF CUSTOMS and COLLECTOR OF CUSTOMS (PORT OF LIMAY, BATAAN),
Respondents.

CTA EB NO. 1499
(CTA Case No. 8544)

Present:

DEL ROSARIO, *PJ*
CASTAÑEDA, JR.,
UY,
FABON-VICTORINO,
MINDARO-GRULLA,
RINGPIS-LIBAN, and
MANAHAN, *JJ.*

Promulgated:

NOV 13 2018
3:17 p.m.

x- -x

RESOLUTION

Fabon-Victorino, J.:

On June 14, 2018, the *Court En Banc,* following the Resolution dated February 14, 2018)[1] issued by the Supreme Court in the case of *Commissioner of Internal Revenue v. Court of Tax Appeals and Petron Corporation*, declaring that the Court of Tax Appeals has jurisdiction over the Petition for Review docketed as CTA Case No. 8544 filed by petitioner, rendered a Decision in the following manner:

> **WHEREFORE**, petitioner's Petition for Review is hereby **GRANTED**. Accordingly, the case is remanded to the Court in Division for disposition on the merits.
>
> **SO ORDERED**.

[1] G.R. No. 207843.

Aggrieved, respondent Commissioner of Internal Revenue (CIR) filed the instant *Motion for Reconsideration*[2], praying to reverse and set aside adverse Decision of June 14, 2018 and order the dismissal of the *Original* and *Supplemental Petition for Review* filed by petitioner for lack of jurisdiction.

In support of his *motion*, respondent CIR maintains that:

1. Petitioner has no cause of action when it filed the original petition, thus, any amendment/supplement thereto to introduce a cause of action should not be allowed;

2. The filing of a claim for refund with the Bureau of Internal Revenue is not the proper remedy assailing the decision or action of the Collector of Customs; and

3. When the Commissioner issues rulings, circulars or memoranda, he is performing a quasi-legislative function. Interpretation of tax laws rendered by the Commissioner is subject to review by the Secretary of Finance. In the present case, petitioner failed to show that it questioned the subject Customs Memorandum Circular No. 164-2012 before the Secretary of Finance, prior to elevating the matter before the CTA.

In rejecting [3] respondent CIR's position, petitioner counters that:

I. The Supreme Court has already confirmed this Honorable Court's jurisdiction in the *Petron Case* and such judgment constitutes *res judicata* in this case.

II. Petitioner has a valid cause of action – that is, an appeal of the respondent's inaction on its administrative claim for refund and/or tax credit.

III. Petitioner's cause of action, either under the original or supplemental Petition for Review, is within the exclusive appellate jurisdiction of the CTA.

Respondent CIR's *motion* must fail.

[2] *En Banc* docket, pp. 185-203.
[3] Comment/Opposition [Respondent's Motion for Reconsideration] dated August 24, 2018.

Obviously, respondent CIR wants this Court to disregard and show disrespect to the clear and unequivocal ruling of the Supreme Court in the case of *Commissioner of Internal Revenue vs. Court of Tax Appeals and Petron Corporation,*[4] which is an offshoot of the present controversy.

As stated in the assailed Decision of June 14, 2018, the Supreme Court has spoken on the matter and this Court has no option but to comply. **The Supreme Court, by tradition and in our system of judicial administration, has the last word on what the law is; it is the final arbiter of any justiciable controversy. There is only one Supreme Court from whose decisions all other courts should take their bearings**.[5]

WHEREFORE, the *Motion for Reconsideration Re: Decision dated June 14, 2014* filed by respondent Commissioner of Internal Revenue on July 6, 2018 is hereby **DENIED**, for lack of merit.

SO ORDERED.

ESPERANZA R. FABON-VICTORINO
Associate Justice

We Concur:

ROMAN G. DEL ROSARIO
Presiding Justice

(On Leave)
JUANITO C. CASTAÑEDA, JR.
Associate Justice

ERLINDA P. UY
Associate Justice

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[4] See Note 1.
[5] *GSIS v. Court of Appeals*, 334 Phil. 163, 175 [1997], citing *Ang Ping v. RTC of Manila, Br. 40*, G.R. No. L-75860, 17 September 1987, 154 SCRA 77 and *Tugade v. Court of Appeals*, G.R. L-47772, 31 August 1978, 85 SCRA 226.

CIELITO N. MINDARO-GRULLA
Associate Justice

MA. BELEN RINGPIS-LIBAN
Associate Justice

(*Inhibited*)
CATHERINE T. MANAHAN
Associate Justice