REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

FIRST DIVISION

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IMPSA CONSTRUCTION CORPORATION,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

C.T.A. CASE NO. 7625

Members:

ACOSTA, *Chairperson*
BAUTISTA, and
CASANOVA, *JJ.*

Promulgated:

MAY 07 2009 ; 9:15 a.m.

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RESOLUTION

On March 26, 2009, petitioner filed a *"Manifestation and Motion to Cancel Assessment [With Submission of Originals of Certified True Copies of Tax Amnesty Documents Previously Marked as Exhibits UU to YY]"* praying for the cancellation of the assessments embodied in *Final Assessment Notice* and the *Formal Letter of Demand* and its attached *Details of Discrepancies,* all dated June 30, 2006, issued by respondent for the alleged deficiency value-added taxes, interests, and penalties, by virtue of its availment of tax amnesty on March 6, 2008.

Subsequently, petitioner filed its *"Formal Offer of Evidence"* on March 31, 2009, offering *Exhibits "UU"* to *"ZZ"*, inclusive of submarkings.

Acting on the Court's Resolution dated April 1, 2009, respondent filed his *"Opposition (Re: Manifestation and Motion to Cancel Assessments dated 26 March*

2009)" on April 7, 2009, and its *"Comment (Re: Petitioner's Formal Offer of Evidence)"* on April 16, 2009.

Thus, acting on petitioner's **"Formal Offer of Evidence"** and respondent's **"Comment"** interposing no objection thereto, the Court hereby **ADMITS Exhibits "UU"** to **"ZZ"**, inclusive of all submarkings, subject to this Court's final evaluation and appreciation of their purposes, materiality, relevancy, and probative value to the issues involved in this case.

As to petitioner's **"Manifestation and Motion to Cancel Assessment"**, with respondent's **"Opposition"**, the Court rules for the petitioner. Noted is the case of ***Philippine Banking Corporation, (now Global Business Banking) vs. Commissioner of Internal Revenue***, wherein the Supreme Court ruled:[1]

> "A tax amnesty is a general pardon or the intentional overlooking by the State of its authority to impose penalties on persons otherwise guilty of violation of a tax law. It partakes of an absolute waiver by the government of its right to collect what is due it and to give tax evaders who wish to relent a chance to start with a clean slate. A tax amnesty, much like a tax exemption, is never favored nor presumed in law. The grant of a tax amnesty, similar to a tax exemption, must be construed strictly against the taxpayer and liberally in favor of the taxing authority.
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> Records show that Metrobank, a qualified tax amnesty applicant, has duly complied with the requirements enumerated in RA 9480, as implemented by DO 29-07 and RMC 19-2008. Considering that the completion of these requirements shall be deemed full compliance with the tax amnesty program, the law mandates that the taxpayer shall thereafter be immune from the payment of taxes, and additions thereto, as well as the appurtenant civil, criminal or administrative penalties under the NIRC of 1997, as amended, arising from the failure to pay any and all internal revenue taxes for taxable year 2005 and prior years.

[1] G.R. No. 170574, January 30, 2009

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> **WHEREFORE,** we **GRANT** the petition, and **SET ASIDE** the Court of Tax Appeals' Decision dated 23 November 2005 in CTA EB No. 63 solely in view of petitioner's availment of the Tax Amnesty Program."

Pursuant thereto, and considering that petitioner had complied with the documentary requirements and the one-year period within which a proceeding can be initiated to contest the presumption of correctness of its SALN, the Court had no option but to grant petitioner the privileges and immunities provided in RA 9480.

WHEREFORE, premises considered, petitioner's *Manifestation and Motion to Cancel the assessment* for deficiency Value-Added Tax, interests, and surcharges, in the amount of P599,235,804.54 for the taxable year 2002, is hereby **GRANTED** solely in view of petitioner's availment of the Tax Amnesty Program under RA 9480. Accordingly, the above-captioned case is considered **CLOSED** and **TERMINATED**.

SO ORDERED.

ERNESTO D. ACOSTA
Presiding Justice

LOVELL R. BAUTISTA
Associate Justice

CAESAR A. CASANOVA
Associate Justice