Republic of the Philippines
COURT OF TAX APPEALS
Quezon City

INVESTORS FINANCE CORPORATION,
(Formerly FNCB Finance)
Petitioner,

- versus - C.T.A. CASE NO. 3717

COMMISSIONER OF INTERNAL REVENUE,
Respondent.
x ---------------------------- x

5/10/93

D E C I S I O N

This is a claim for tax credit in the amount of P2,583,901.28 representing the excess creditable income taxes over the income tax due from petitioner for taxable year 1981 which were deducted and withheld by various payors from petitioner's income.

The facts as gathered from the records of the case are stated below;

Petitioner, Investors Finance Corporation formerly FNCB Finance, is a domestic corporation duly organized and authorized to engage in the financing business. It derives its income primarily from financing of receivables and equipment leasing. For taxable year ended December 31, 1981, petitioner's annual corporate income tax return which was filed on April 5, 1982 showed a refundable amount of P6,810,254.09. An amended return was subsequently filed on November 12, 1982 to show its true income and deductions including creditable income taxes for the taxable year in question. The total amount refundable as adjusted is P2,583,901.28 and this was arrived at as follows:

Taxable Income	P 5,684,438.00
Corporate Income Tax	
P 100,000.00 x 25%	25,000.00
5,584,438.00 x 35%	1,954,554.00
TOTAL TAX DUE	P 1,979,554.00
Less : Previous Year's Tax Credit (Net of TCC of P3,039,567.94 granted by BIR)	2,113,627.35
Amount of Tax Credit Available for succeeding Quaterly Income Tax	(134,073.35)
Less : 1981 Creditable Withholding Tax	(2,449,827.93)
TOTAL AMOUNT REFUNDABLE	**(P 2,583,901.28)**

On April 8, 1983, petitioner through SGV and Company filed with the Bureau of Internal Revenue a claim for tax credit in the amount of P2,583,901.28. When respondent failed to resolve petitioner's request for tax credit, the instant petition for review was filed on January 5, 1984 in order to interrupt the two-year period from the date of payment of the tax within which to judicially claim for tax credit.

In its answer (p.17-20, CTA records), respondent prayed for the dismissal of the petition on, among other grounds, that it states no cause of action, that claim for refund is pending investigation, its right has prescribed, the amount withheld must be shown to have been paid to the government; and burden of proof lies on the taxpayer to show that taxes paid were erroneously or illegally collected.

Hearings of this case were repeatedly postponed, and the Court resolved to achieve it upon motion of petitioner's counsel, with conformity of respondent, on the ground that its claim for tax credit is still being administratively processed in the BIR. (p. 27, CTA records)

When hearing was resumed, petitioner's new counsel formally offered as evidence its exhibits. (See list on p .56-192, CTA, records) Respondent interposed no objection except for the purpose for which they were offered as evidence. Accordingly, the Court admitted the same without prejudice to the Court's evaluation of their probative value and purpose for which they were offered as evidence.

The report submitted by the revenue examiner dated May 9, 1986 (p.220-221, BIR records) showed that after investigation, petitioner has incurred on income tax deficiency for the year 1981. Of the alleged creditable income taxes withheld for 1981 amounting to P2,583,901.28, the amount of P2,449,827.93 has been applied against the deficiency income tax due after investigation. In addition, the amount of P134,073.35 was found to pertain to a prior year and was not approved (BIR Records, page 222). A detailed computation is shown below:

Net Income Per Return		P 5,684,438.00
Add: Unallowable Deductions		
Interest expense disallowed	P 1,382,000.54	
Taxes and licenses disallowed	39,177.99	1,421,178.59
Net Income per Investigation		P 7,105,616.47
Income Tax Due Thereon		
P 100,000.00 x 25%	25,000.00	
P 7,0054,616.47 x 35%	2,451,966.00	2,476,966.00
Less: 1981 Creditable Withholding Tax		
Per Return	2,583,901.28	
Less: Pertaining to prior year	134,073.35	2,449,827.93
Deficiency Tax Per Investigation		**P 27,138.07**

The only issue for resolution of this Court is whether or not petitioner is entitled to a tax credit of P2,583,901.28 representing excess creditable income taxes for taxable year 1981.

It is significant to note is that in the investigation of petitioner's claim for tax credit, there was instead found due from petitioner alleged deficiency income tax which respondent automatically set-off against the amount claimed as excess creditable income tax. The result was that petitioner has no longer any excess creditable income tax but a deficiency tax due .(*Ibid.*)

The act of respondent smacks of whim or caprice. There was arbitrary disallowance of deductible expenses to create a deficiency tax. No chance was even accorded to petitioner to rebut the findings. The element of due process was sorely lacking. To free any governmental action from imputation of legal infirmity sufficient to spell its doom, there must exist, both as a procedural and substantive requisite, due process. *(Ermita-Malate Hotel and Motel Operators Association v. City Mayor, 20 SCRA 849.)* Collection of taxes should be made in accordance with law as any arbitrariness will negate the very reason for government itself. *(Reyes v. Almanzor, 196 SCRA 322.)*

An assessment fixes and determines the tax liability of a taxpayer. (Aranas, Updated National Internal Revenue Code (7th ed. 1988) p.22.) Without an assessment, there is no debt from taxpayer, and there is no obligation on his part which can be enforced in an action. (Galusha v. Wendt, 114 Iowa 604.) Accordingly, respondent cannot be allowed to apply the tax credit claimed against the alleged deficiency tax when no assessment has been made. In like manner that a taxpayer cannot refuse to pay a tax on the ground that the government owes him an amount equal to or greater than the tax being collected

(Francia v. Appellate Court, G.R. No. 76749, June 28, 1988), the government cannot automatically set-off alleged deficiency tax against a claim for tax credit. What is sauce for the goose is also sauce for the gander. To borrow the words of the Supreme Court in the case of Collector v. University of Sto. Tomas, L-11274, November 28, 1958, citing the reasons for non-application of the doctrine of equitable recoupment in our jurisdiction.

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> "And this is not without its resulting danger, because a Commissioner of Internal Revenue to play safe and have a fund available for said set-off and recoupment of a tax which he had failed and neglected to collect may be tempted to make illegal assessment and collections, and the taxpayer would be helpless because however illegal and unauthorized the assessment may be, the Commissioner can always enforce the same by levy and distraint xxx."

xxx xxx xxx

Premises considered, We do not believe that respondent can be allowed to arbitrarily set-off alleged deficiency tax against petitioner's claim for tax credit. To allow the same is fraught with danger and place claimants of refund and/or tax credit at the mercy of taxing authorities.

The task before us now is to determine whether the requisites for entitlement to refund are complied with. Time and again this Court has ruled that in claims for refund/tax credit of excess withholding taxes petitioner-taxpayer need only prove the following:

(1) that it filed a claim for refund within the two (2) year period as prescribed under Section 292 (now 230) of the National Internal Revenue Code;

(2) that the income upon which the taxes were withheld were included in the return of the recipient; and

(3) the fact of withholding is established by a copy of statement (BIR Form 17431) duly issued by the payor (withholding agent) to the payee, showing the amount paid and the amount of tax withheld therefrom.[1]

In the case before us, the claim for tax credit with the BIR and the petition for review with the Court were seasonably filed on April 8, 1983 and January 5, 1984, respectively. These were well within the two-year prescriptive period within which to claim a refund/tax credit which commences to run at the earliest, on the date of the filing of the final tax

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[1] Sec.10, Rev. Reg. No. 6-85; see Paseo Realty & Development Corporation, CTA Case No. 4254, March 24, 1993; Citytrust Finance Corporation v. The Commissioner of Internal Revenue, CTA Case No. 4134, November 11, 1991; Citytrust Finance Corporation (Formerly Investors Finance Corporation/FNCB Finance) v. Commissioner of Internal Revenue, CTA Case No. 4046, February 24, 1993)

return on April 5, 1982. The period that lapsed between the filing of the return and claims for refund/tax credit was less than two years.

As to the requirement that the income upon which the taxes were withheld were included in the return, petitioner presented as documentary evidence its Annual Corporate Income Tax Return for 1981 (Original and Amended) together with the supporting schedules to establish such fact. (See Exhibits "NE", "NF", "NG", "NH", "NI", and "NJ".) Rental and other income subject to the expanded withholding tax were noted to have been reported as part of the income for the year under review.

Proof of withholding of taxes for 1981 submitted by petitioner consists of confirmation receipts, withholding tax returns and statements/certificates of tax withheld.

This Court has in many cases dismissed the allegations of counsels for respondent that the other requirements such as the presentation of withholding tax returns, official receipts showing remittance of taxes withheld by the withholding agent and verification by revenue enforcement officer have to be presented before the issuance of tax credit/refund. (Citytrust Finance Corporation v. Commissioner of

Internal Revenue, CTA Case No. 4046, February 22, 1993; The Philippine American Life Insurance Company v. Commissioner of Internal Revenue, CTA Case No. 4018, November 5, 1991; A. Soriano Corporation v. Commissioner of Internal Revenue, CTA Case No. 4201, August 7, 1991; Commonwealth Pacific Consultants Ltd. v. Commissioner of Internal Revenue, CTA Case No. 2953, May 15, 1982; Ateneo De Manila v. Commissioner of Internal Revenue, CTA Case No. 3213, July 28, 1989.)

Exhibits A to Z, inclusive as well as Exhibits AA to PP, inclusive were not considered by the Court since these exhibits pertain to creditable income taxes deducted, withheld and remitted by Investors Finance Corporation as a withholding agent. Withholding taxes are not taxes due from the withholding agent. They are income tax due from the recipients of the income payment and creditable against the income tax due them. The taxes deducted and withheld by the withholding agent are held as special fund in trust for the government until paid to the collecting officer. (Aranas, Updated National Internal Revenue Code (7th ed.1988) p. 437.) Petitioner cannot claim them as its own creditable income taxes which it can apply against its tax liability.

Exhibits SS to ZZ, inclusive; Exhibits AB to AZ, inclusive; Exhibits BA to BZ, inclusive and Exhibits CA to CF, inclusive were also disregarded by the Court since the receipts were in the name of various individuals and nothing in the said receipts indicate that the amount paid were for the account of petitioner.

Exhibit CG is likewise ignored for being a mere transmittal letter of receipts purportedly referring to payment of taxes withheld. To take up the same would also result in double counting since the receipts referred therein form part of the evidence presented in support of the claimed creditable income tax.

Exhibits FG to FZ, inclusive as well as Exhibits GA to GW, inclusive do not indicate the year the income subjected to withholding was earned. There is no way to determine from the evidence presented whether the taxes withheld pertain to petitioner's 1981 income hence, they were disallowed.

Only the following exhibits were found to substantiate petitioner's claim of creditable income taxes withheld by various payors, to wit:

Exhibit	Withholding Agent	Type of Income	Amount	Tax Withheld
CG1-a & b	Carter Marketing, Inc.	Lease Rental	P 21,893.85	P 1,094.70
CG2-a & b	Carter Marketing Phils.Inc.	Lease Rental	21,893.85	1,094.70
CG3-a & b	- do -	Lease Rental	21,893.85	1,094.70
CG4-a & b	- do -	Lease Rental	20,558.25	1,027.91
CG5-a & b	- do -	Lease Rental	20,558.25	1,027.91
CG6-a & b	- do -	Lease Rental	20,558.25	1,027.91
CG7-a & b	- do -	Lease Rental	20,558.25	1,027.91
CG8-a & b	Carter Int'l. Corp.	Lease Rental	20,558.25	1,027.90
CG9-a & b	- do -	Lease Rental	20,558.25	1,027.91
CG10-a & b	- do -	Lease Rental	19,110.55	955.52
CG11-a & b	- do -	Lease Rental	19,110.55	955.52
CG12-a & b	- do -	Lease Rental	19,110.55	955.52
CH	A.H. Robins(Phil.) Co.,Inc.	Car Rental	111,812.01	5,410.77
CI	- do -	Car Rental	114,917.01	5,745,84
CJ	- do -	Car Rental	96,642.18	4,832.11
CK	- do -	Car Rental	114,230.61	5,711.53
CL	ASEA (Phils.) Inc.	Lease	95,042.01	4.752.10
CM	Autosphere, Inc.	Car Rental	26,390.00	1,319.50
CN	- do -	Car Rental	10,556.00	527.80
CO	Carter Marketing Phils.Inc.	Lease Rental	6,714.00	335.70
CP	- do -	Lease Rental	7,385.40	369.27
CQ	- do -	Lease Rental	65,681.55	3,284.10
CR	- do -	Lease Rental	9,098.91	454.95
CS	- do -	Lease Rental	4,699.80	234.96
CT	- do -	Lease Rental	4,901.00	245.05
CU	- do -	Lease Rental	15,337.00	766.84
CV	- do -	Lease Rental	4,310.55	215.52
CW	- do -	Lease Rental	4,310.55	215.52
CX	Carter Int'l. Corp.	Lease Rental	3,090.00	154.50
CY	- do -	Lease Rental	13,468.80	673.44
CZ	Atlas Copco (Phils.) Inc.	Rental	1,012,828.99	50,641.43
DA	Amalgamated Creameries Corp.	Rental	15,406.20	770.35
DB	Beta Chemical Supply	Rental	12,617.70	630.90
DC	- do -	Rental	25,235.40	1,261.80
DE	Black & Decker Phils.Inc.	Rental	4,192.50	209.64
DF	- do -	Rental	40,365.00	2,018.28
DG	Citibank N.A.	EWT (sic)	568,650.00	28,432.50
DH	- do -	EWT (sic)	568,650.00	28,432.50
DI	- do -	Rental	568,650.00	28,432.50
DJ	- do -	EWT (sic)	8,400.00	420.00
DK	- do -	EWT (sic)	8,400.00	420.00
DL	- do -	Rental	8,400.00	420.00
DM	- do -	EWT (sic)	8,400.00	420.00
DN	- do -	EWT (sic)	8,400.00	420.00
DO	- do -	EWT (sic)	8,400.00	420.00
DP	- do -	Rental	8,400.00	420.00
DQ	- do -	EWT (sic)	8,400.00	420.00
DR	- do -	Rental	8,400.00	420.00

Exhibit	Withholding Agent	Type of Income	Amount	Tax Withheld
DS	- do -	EWT (sic)	P 17,799.33	P 889.97
DT	- do -	EWT (sic)	17,799.33	889.97
DU	Cherry Foodarama	Rental	405,391.68	20,269.56
DV	CDCP	Rental	535,324.80	26,766.24
DW	Cooper Laboratories(Phil.)Inc.	Rental	208,058.40	10,402.94
DX	Concrete Aggregates Corp.	Rental	4,968.56	248.42
DY	- do -	Rental	4,968.56	248.42
DZ	- do -	Rental	59,622.72	2,981.04
EA	- do -	Rental	4,968.56	248.42
EB	- do -	Rental	4,968.56	248.42
EC	- do -	Rental	4,968.56	248.42
ED	- do -	Rental	4,968.56	248.42
EF	Cummins Diesel Sales & Service Corp.	Rental	89,395.80	4,4469.79
EG	Cummins Diesel Sale Service Corp of the Phil.	Rental	128,602.40	6,430.12
EH	- do -	Rental	89,395.80	4,469.79
EI	Endo Laboratories (Phil.)Inc.	Car Rental	83,643.94	4,182.22
EJ	Fireman's Fund Insurance Co.	Lease	242,581.38	12,129.06
EK	- do -	Lease	908,374.40	45,418.72
EL	Fabar Sales, Inc.	Rental	22,590.72	1,129.53
EM	- do -	Rental	22,590.72	1,129.53
EN	- do -	Rental	90,362.08	4,518.08
EO	First Chemical Sales Corp.	Rental	7,228.50	361.44
EP	- do -	Rental	7,228.50	361.44
EQ	- do -	Rental	7,228.50	361.44
ER	- do -	Rental	7,228.50	361.44
ES	DCCD Engineering Corp.	Rental	15,954.60	797.74
ET	First Worldwide Marketing Corp.	Eqpt Rental	19,718.64	985.92
EU	Gilbara Australia Ltd.	Rental	42,997.46	2,149.87
EV	- do -	Rental	12,445.62	2,120.46
EW	- do -	Rental	28,867.62	1,443.37
EX	Group Developers, Inc.	Rental	95,818.00	4,790.90
EY	- do -	Rental	977,442.60	48,872.13
EZ	Fuji-Haya Electric Corp. Phils.	Lease Rental	217,342.76	10,867.07
FA	Industrial Offset Press	Rental	27,270.00	1,363.50
FB	- do -	Rental	27,270.00	1,363.50
FC	- do -	Rental	54,540.00	2,727.00
FD	Inland Enterprises Co.	Rental	64,068.53	3,077.47
FE	Integral Chemical Corp.	Rental	84,060.16	4,202.97
GX	Luzon Stevedoring Corp.	Lease Rental	624,924.72	30,853.80
GY	Lorenzo Shipping Corp.	Rental	994,532.00	49,726.60
GZ	Marsman & Co., Inc.	Rent	1,093,939.59	54,696.98
HA	Phil. Acetylene Co., Inc.	Rental	21,027.00	1,051.35
HB	- do -	Rental	7,009.00	350.45
HC	- do -	Rental	28,036.00	1,401.80
HD	Pelican, Inc.	Rent	166,917.48	8,734.56

Exhibit	Withholding Agent	Type of Income	Amount	Tax Withheld
HE	Phil. Aluminum Wheels, Inc.	Rentals	P 10,201.80	P 510.09
HF	Philips Electrical Lamps, Inc.	Rental	174,754.32	8,737.68
HG	Ravecar, Inc.	Lease	102,891.76	5,144.54
HI	Redson Textile Mfg. Corp.	Rental	63,831.28	3,191.60
HJ	Ruby Industrial Corp.	Rental	739,302.85	36,965.10
HK	Rhone-Poulenc Phil. Inc.	Rental	93,893.88	4,694.70
HL	- do -	Rental	104,085.48	5,204.28
HM	- do -	Rental	104,085.48	5,204.28
HN	- do -	Rental	104,085.48	5,204.28
HO	Leonardo T. Sanchez	Rental	7,950.15	397.50
HP	- do -	Rental	7,950.15	397.50
HQ	- do -	Rental	7,950.15	397.50
HR	- do -	Rental	7,950.15	397.50
HS	Sterling Product Int'l.	Rental	34,743.15	1,737.00
HT	- do -	Rental	42,553.07	2,129.00
HU	- do -	Rental	49,749.23	2,488.00
HV	- do -	Rental	55,662.86	2,783.00
HW	- do -	Rental	55,662.86	2,783.00
HX	Standard Electric Mfg.Corp.	Rental	565,249.80	28,262.64
HY	Sulpicio Lines, Inc.	Rental	4,684,095.00	251,052.75
HZ	Sweet Lines, Inc.	Rental	159,310.80	7,965.87
IA	Transport Contractors, Inc.	Rental	21,384.00	1,069.20
IB	- do -	Rental	28,512.00	1,425.60
IC	- do -	Rental	28,514.40	1,425.72
ID	Union Carbide Phils. Inc.	Rental	23,127.00	1,156.35
IE	- do -	Rental	23,127.00	1,156.35
IF	- do -	Rental	23,127.00	1,156.35
IG	- do -	Rental	14,439.60	721.98
IH	Univ. Physician's Serv. Inc.	Rent	35,500.00	1,775.00
IJ	- do -	Rent	86,944.00	4,347.20
IK	- do -	Rent	316,800.00	15,840.00
IL	- do -	Rent	310,800.00	15,540.00
IM	USV(Phil.) Pharm. Corp.	Car Rental	42,928.68	2,146.44
IN	- do -	Car Rental	42,928.68	2,146.44
IO	- do -	Car Rental	42,928.68	2,146.44
IP	USV(Phil.) Pharm. Corp.	Car Rental	42,928.68	2,146.44
IQ	Warner Barnes	Car Rental	1,137.10	56.85
IR	- do -	Rental	1,137.10	56.85
IS	- do -	Car Rental	1,137.10	56.85
IT	- do -	Car Rental	1,137.10	56.85
IU	- do -	Car Rental	1,137.10	56.85
IV	- do -	Car Rental	1,137.10	56.85
IW	- do -	Rental	1,137.10	56.85
IX	- do -	Rental	1,137.10	56.85
IY	Warner-Lambert Phils. Inc.	Contractor	15,188.04	759.40

Exhibit	Withholding Agent	Type of Income	Amount	Tax Withheld
IZ	- do -	Contractor	P 18,977.16	P 948.86
JA	- do -	Contractor	12,112.58	605.63
JB	- do -	Contractor	23,480.27	1,174.01
JC	- do -	Contractor	12,923.40	646.17
JD	- do -	Contractor	13,892.95	669.65
JE	- do -	Contractor	46,277.78	2,313.89
JF	- do -	Contractor	49,796.62	2,489.83
JG	- do -	Contractor	46,277.78	2,313.89
JH	- do -	Contractor	49,796.62	2,489.83
JI	- do -	Contractor	45,181.89	2,259.09
JK	- do -	Contractor	45,181.89	2,259.09
JL	- do -	Rental	48,529.35	2,426.47
JM	- do -	Rental	41,168.79	2,058.44
JN	- do -	Rental	47,569.44	2,378.47
JO	- do -	Rental	45,609.93	2,280.50
JP	- do -	Rental	30,993.45	1,549.68
JQ	- do -	Rental	40,635.06	2,031.75
JR	- do -	Rental	30,993.45	1,549.67
JS	- do -	Rental	39,088.91	1,954.45
JT	- do -	Lease	48,529.35	2,426.47
JU	Warner-Lamber Phils. Inc.	Lease	45,181.89	2,259.09
JV	- do -	Contractor	45,181.89	2,259.09
JW	- do -	Contractor	48,529.35	2,426.47
JX	- do -	Rental	30,993.45	1,549.67
JY	- do -	Contractor	49,796.62	2,489.83
JZ	- do -	Rental	49,796.62	2,489.83
KA	- do -	Rental	1,029,506.36	51,575.32
KB	Wellcome (Phils.) Inc.	Car Rental	113,024.34	5,651.21
KC	- do -	Car Rental	125,448.66	6,272.43
KD	- do -	Car Rental	53,525.42	2,676.27
KE	- do -	Car Rental	291,998.42	14,599.91
KF	Winthrop Stearns, Inc.	Rental	240,943.65	12,047.17
KG	- do -	Rental	230,106.25	11,504.73
KH	- do -	Rental	160,895.82	8,044.25
KI	- do -	Rental	115,420.84	5,770.00
KJ	Yu Eng Kao Electrical Supply & Hardware	Lease Rental	111,943.23	5,597.31
KL	Drilling Corp. of Asia	Rental	31,950.00	1,598.00
KM	Neltex Dev. Co., Inc.	Rental	51,750.00	2,587.50
KN	RLM & Co.	Rental	12,419.06	516.60
KO	Diamond Motor Corp.	Contractor	2,881.00	10.26
KP	Economiline Office Eqpt Sales in Lease Corp.	Leasing	2,709.00	135.45
KQ	Efren V. Garcia	Car Rental	34,080.29	1,704.02
KR	Int'l. Good Housekeeping, Inc.	Rental	22,500.00	1,125.00
KS	Lafumar Marketing Corp.	Appraisal fee	1,669.50	166.95

Exhibit	Withholding Agent	Type of Income	Amount	Tax Withheld
KT	Progmatic Dev.& Const.Corp.	Rental	P 2,521.00	P 126.05
KU	Phil. Cocoa Corp.	Rental	365,853.52	18,292.61
KV	Technolux Marketing Inc.	Rental	5,883.00	294.15
KW	State Investment House, Inc.	Rental	2,500.00	125.00
KX	PDCP	Rental	24,830.00	1,241.25
KY	Quality Solid Industrial Corp.	Rental	119,040.00	5,952.00
KZ	Sta. Clara Estate, Inc.	Rental	32,946.00	1,647.24
LA	Lacson Hermanos Agro-Industrial Corp.	Rental	511,501.46	25,575.05
LB	Menchaca Hermanos	Lease	211,584.00	10,579.20
LC	Nenaco Sales Corp.	Rental	36,084.40	1,804.22
LD	Jon, Lopez & Co. CPA's	Rental	7,200.00	360.00
LE	Integrated Stevedoring, Arrastre Corp.	Eqpt. Rental	410,400.00	20,520.00
LF	- do -	Eqpt. Rental	68,400.00	3,420.00
LG	Dinglasan Law Office	Rental	8,400.00	420.00
LH	Perla Compania de Seguros, Inc.	Insurance Commissions	14,280.75	714.03
LI	- do -	Commissions	215,914.97	10,795.75
LJ	- do -	Commissions	60,371.45	3,018.57
LK	- do -	Commissions	60,371.45	3,018.57
LM	- do -	Commissions	42,746.10	2,137.30
LN	- do -	Commissions	86,835.40	4,341.77
LO	- do -	-	-	414.62
LP	- do -	Commissions	3,327.40	166.37
LQ	World-Wide Ins.& Surety Co.Inc.	Commission		1,468.04
LR	- do -	Commission	13,134.74	656.71
LS	- do -	Commission	33,392.66	1,669.66
LT	- do -	Wage(sic)	2,169.38	108.47
LU	Mrs. Yolanda A. Kilayco	Allowance(sic)	29,076.00	1,453.80
LV	Fortune Insurance & Surety Co.Inc.	-	-	109.13
LW	Manila Banking Corp.	Interest	67,912.00	10,186.80
LX	Imasco Arrastre & Stevedoring Co., Inc.	Rental	540,404.00	34,986.30
LY	Gold City Integrated Port Service, Inc.	Rental	1,042,907.03	52,145.35
LZ	- do -	Rental	683,736.22	34,186.81
MA	Bagonbon Farms, Inc.	Lease-eqpt.	261,886.23	13,889.74
MB	Elenita Agri.Dev. Corp.	Rental	318,679.92	15,933.96
MC	Home Financing Corp.	-	-	29,106.00
MD	Global Electrification System, Inc.	Rental	96,244.65	4,812.26
ME	C.B.Lopez Mngt & Consultant Engineering	Rent	24,300.00	1,215.00
MF	Min. of Trade & Industry	Rental	8,945.00	447.30
MG	Sandvik Phils. Inc.	Wages(sic)	2,342.42	117.12
MH	Mandaue Warehousing Corp.	Rental	8,736.00	436.80

Exhibit	Withholding Agent	Type of Income	Amount	Tax Withheld
MI	Norkis Int'l. Co. Inc.	Rental	P 24,384.36	P 1,219.20
MJ	Norkis Trading Co., Inc.	Rental	314,501.17	15,725.09
MK	First Phil. Insurance Co. Inc.	Commission	107,700.79	5,385.04
ML	Lilo-An Repair Shop, Inc.	Rental	112,603.00	5,630.15
MN	Gelac Trading, Inc.	Rent	128,929.93	6,446.46
MO	INTERBANK	Rent	110,250.00	5,512.50
MP	Phil. Index Traders	Rent	4,394.00	219.70
MQ	Herminigildo Trinidad	Rent	60,248.80	3,012.44
MR	Aveco Eqpt. Corp.	Rental	11,969.75	598.49
MS	- do -	Rental	11,969.75	598.49
MT	- do -	Rental	11,969.75	598.49
MU	- do -	Rental	11,969.75	598.49
MV	- do -	Rental	11,969.75	598.49
MW	- do -	Rental	11,969.75	598.49
MX	- do -	Rental	11,969.75	598.49
MY	Mondragon Industries, Inc.	Rental	1,461,958.65	73,097.90
MZ	Congar Chemical Corp.	Rental	195,127.40	9,756.32
NA	Phil. Rock Products Inc.	Eqpt. Lease	507,199.57	25,359.98
NB	- do -	Eqpt. Lease	488,137.80	24,406.89
NC	Gerardo D. Cunanan, M.D.	-	-	120.44
QQ	Home Financing Corp.	-	-	8,316.00
RR	- do -	-	-	4,158.00
			TOTAL	1,696,151.05

The 1981 creditable income taxes withheld by various payors from petitioner per amended annual income tax return amount to P2,449,827.93, of which P1,696,151.05 only were found to be allowable based on the evidence offered.

Petitioner has also failed to present any evidence in support of the previous year's tax credits claimed amounting to P2,113,627.35 per amended 1981 annual income tax return. For this reason, the Court is left with no recourse but to bar the same.

Accordingly, we compute the resulting claim for tax credit as follows:

Taxable Income			P 5,684,438.00
Corporate Income Tax			
P 100,000	x	25%	P 25,000.00
P 5,584,438.00	x	35%	1,954,554.00
Total Tax Due			P 1,979,554.00
Less : 1981 Withholding tax credits per evidence offered			1,696,151.05
TOTAL AMOUNT DUE			**P 283,402.95**

WHEREFORE, the Court denies petitioner's claim for tax credit. The instant petition for review is hereby dismissed for lack of merit.

SO ORDERED.

Quezon City, Metro Manila, May 10, 1993.

MANUEL K. GRUBA
Associate Judge

WE CONCUR:

ERNESTO D. ACOSTA
Presiding Judge

RAMON O. DE VEYRA
Associate Judge

CERTIFICATION

I hereby certify that this decision was reached after due consultation between the members of the Court of Tax Appeals in accordance with Section 13, Article VIII of the **Constitution.**

ERNESTO D. ACOSTA
Presiding Judge
Court of Tax Appeals