REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

THIRD DIVISION

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ACE SAATCHI & SAATCHI ADVERTISING, INC., Petitioner,	**CTA Case No. 9622**
	Members:
- versus -	**UY,** *Chairperson,* **RINGPIS-LIBAN,** *and* **MODESTO-SAN PEDRO,** JJ.
COMMISSIONER OF INTERNAL REVENUE, Respondent.	***Promulgated:*** MAY 3 1 2022 2:11 p.m.

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RESOLUTION

UY, J.:

For resolution is the ***MOTION FOR RECONSIDERATION (Of Decision dated 28 October 2021)***[1] filed by petitioner on December 10, 2021, seeking the reconsideration of this Court's Decision[2] dated October 28, 2021, the dispositive portion of which reads:

> "**WHEREFORE**, in light of the foregoing considerations, the instant *Petition for Review* is hereby **DISMISSED** for lack of jurisdiction.
>
> **SO ORDERED**."

As per *Records Verification Report* dated April 26, 2022[3], respondent failed to file Comment thereto despite notice.

[1] Docket – Vol. 2, pp. 773 to 784.
[2] Docket, pp. 753 to 772.
[3] Docket – Vol. 2, p. 787.

Hence, this resolution.

In its *Motion*, petitioner argues that the Court erred in dismissing the case for lack of jurisdiction. According to petitioner, it does not ask the court to control how respondent will process or resolve its claim for refund, but merely seeks the reversal of the denial of its claim for refund and remand of the case to the CIR for proper disposition of its refund claim.

Further, petitioner reiterates its position that the application of the two-year period within which refund claims may be filed should be suspended by reason of equity and fairness. Allegedly, it was misled by the BIR that its claim for refund was already approved.

THE COURT'S RULING

After careful examination and consideration of the instant *Motion*, it is noted that the arguments raised therein are mere reiteration of matters which have already been considered, weighed and resolved in the assailed Resolution.

As regards petitioner's contention that the instant *Petition* is not a judicial claim for refund but one which merely seeks the reversal and setting aside of the denial of its administrative claim and the finding of the CIR that it has a delinquent account, the same is untenable.

It bears noting that the instant case is an offshoot of the **denial** of petitioner's administrative claim for refund of its alleged erroneously paid surcharges and interest penalties. Thus, considering that the instant case is essentially an appeal of the denial of petitioner's administrative claim for refund, the same must comply with the 2-year prescriptive period provided under Section 229 of the National Internal Revenue code of `1997, as amended.

The well-settled rule is that **both** the claim for refund with the BIR and the **subsequent appeal** to the Court of Tax Appeals must be filed within the two-year period from the date of payment of the tax.[4]

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[4] *Commissioner of Internal Revenue vs. Victorias Milling Co., Inc. and the Court of Tax Appeals*, G.R. No. L-24108, January 3, 1968.

Correspondingly, having failed to timely file a judicial claim within the mandatory two-year period, petitioner cannot be deemed to be entitled to its claim for refund, much more to have this Court compel the CIR to continue the processing of a refund claim that has already prescribed.

It must be emphasized that the power of taxation is an inherent attribute of sovereignty; the government chiefly relies on taxation to obtain the means to carry on its operations. Taxes are essential to its very existence, hence, the dictum that taxes are the lifeblood of the government. For this reason, the right of taxation cannot easily be surrendered; statutes granting tax exemptions are considered as a derogation of the sovereign authority and are strictly construed against the person or entity claiming the exemption.[5]

In sum, the Court finds that petitioner failed to raise a new or substantial matter, or compelling reason to justify the reversal or modification of the Court's findings in the assailed Decision.

WHEREFORE, in light of the foregoing considerations, the instant *Motion for Reconsideration* is hereby **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

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[5] *Commissioner of Internal Revenue vs. Eastern Telecommunications Philippines, Inc.*, G.R. No. 163835, July 7, 2010.