REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

QUEZON CITY as represented by MR. EDGAR T. VILLANUEVA, in his capacity as the TREASURER OF QUEZON CITY, *Petitioner,*	**CTA AC No. 304**
	Members:
	REYES-FAJARDO, *Acting Chairperson, and* **ANGELES,** *JJ.*
- versus -	
	Promulgated:
DKT HEALTH INC., *Respondent.*	JAN 2 1 2026 2:30 p.m.

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RESOLUTION

REYES-FAJARDO, *J*.:

For the Court's resolution is petitioner's Motion for Reconsideration (To the Decision dated June 13, 2025) (Motion) filed on July 9, 2025.[1] It seeks to reverse the Court's Decision[2] promulgated on June 13, 2025, which affirmed the assailed Regional Trial Court, Branch 216, Quezon City (RTC) Decision and Order, and invalidated the local business tax assessment of respondent's products on the principal ground of violation of due process. Particularly, for offending taxpayer's right to be informed of the factual and legal bases of the tax assessment. The *fallo* of which reads:[3]

> **WHEREFORE**, in light of the foregoing considerations, the Petition for Review is **DENIED** for lack of merit. The assailed Regional Trial Court, Branch 216, Quezon City (RTC) Decision and Order promulgated on September 22, 2022 and August 7, 2023, respectively, are **AFFIRMED**.
>
> **SO ORDERED.**

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1 *Rollo*, pp. 248 – 261.
2 *Id.*, pp. 228 – 246.
3 *Id.*, p. 245.

The Court explained that petitioner's deficiency local business tax assessment against respondent was void for violation of due process, as the two-page Assessment Report failed to state the legal basis under the Quezon City Revenue Code and did not explain the factual basis for reclassifying and apportioning the taxpayer's gross receipts between "essential" and "non-essential" commodities, leaving the taxpayer unable to verify the rates applied or effectively mount a protest. The Court agreed in part with the RTC ruling that pills, condoms, injectables, and medical devices qualify as essential medicines entitled to the preferential rate, but lubricants do not. It sustained the RTC's order of refund and cancellation of the assessments because the assessment was a mere tabulation of figures without statutory citations or explanatory breakdowns. It further ruled that the local business tax assessment for the first quarter of 2016 was already barred by prescription. Accordingly, the deficiency assessments were set aside, and the refund or credit of taxes paid was affirmed.

Petitioner contends[4] that the Court: (1) erred in failing to rule on its argument that the RTC Decision and Resolution are void for not clearly stating the factual and legal bases required by the Constitution and the Rules of Court; (2) wrongly classified respondent's products as "medicine" or "essential medicines," when applicable laws and regulatory lists show otherwise; (3) erred in holding that the assessment violated due process, since it complied with Section 195 of the Local Government Code (LGC) and such compliance satisfies due process.

Respondent points out[5] that nothing in petitioner's allegations would disrupt the Court's findings, reiterating the ruling of the Court, which exhaustively ruled on petitioner's arguments with factual and legal basis.

We sustain the Assailed Decision.

The arguments raised by petitioner have been squarely addressed and resolved by the Court. They are a mere repackage of matters already considered and ruled upon. A court is not required

4 *Supra* note 1.
5 Rollo, pp. 266 -309.

to restate, in seriatim, its earlier conclusions when a motion for reconsideration merely repeats previously resolved issues.[6]

Accordingly, on this ground alone, the Motion for Reconsideration should be denied. Nevertheless, to eradicate any perceived cloud in petitioner's mind, We address the following points:

Foremost, the assailed RTC Decision and Resolution complied with the constitutional requirement to clearly and distinctly state the facts and the law on which they were based.

Petitioner argues that the RTC failed to provide a detailed discussion as to the facts and legal basis required under the Constitution and the Rules of Court.

The argument is ill-founded.

In *Ongjoco v. Enriquez, et al., (Ongjoco)*[7] the Supreme Court elucidated on the essence of Section 14, Article VIII of the Constitution, in this wise:

> The essential purpose of the constitutional provision is to require that a judicial decision be clear on why a party has prevailed under the law as applied to the facts as proved; the provision **nowhere demands that a point-by-point consideration and resolution of the issues raised by the parties are necessary.**[8]

Records show that the RTC squarely addressed the issues raised by petitioner on: (1) respondent's products classification as medicines,[9] (2) prescription,[10] (3) the erroneous computation of deficiency interest,[11] and (4) that respondent was not properly informed of the factual and legal basis for the assessment.[12] Following *Ongjoco,* the decision made clear why respondent prevailed under the law as applied to the facts as proved, satisfying

6 *Ortigas and Company Limited Partnership v. Judge Tirso Velasco and Dolores V. Molina, and Dolores V. Molina v. Hon. Presiding Judge of RTC, Quezon City, Br. 105, and Manila Banking Corporation,* G.R. Nos. 109645 and 112564, Resolution, March 4, 1996.

7 A.M. OCA IPI No. 11-184-CA-J, January 31, 2012.

8 Emphasis supplied.

9 RTC Order pp. 10 - 12, *Rollo,* pp. 199 -201.

10 RTC Decision p. 8, *Rollo,* p. 41.

11 RTC Decision p. 9, *Rollo,* p. 42.

12 *Id.*

said constitutional requirement. The detailed discussion sought by petitioner is unnecessary.

Next, the subject local tax assessment offended respondent's right to due process. To be precise, it was not informed of the factual and legal bases of the tax assessment.

Petitioner maintains that Section 195 of LGC does not require a notice of assessment to cite specific legal basis. Petitioner emphasizes that respondent was aware of the legal basis of the assessment, as it used said legal basis in its Petition for Review filed in RTC. Respondent was also made aware of this legal basis through Petitioner's Comment in RTC.

The argument fails to persuade.

It is not the taxpayer's duty to ferret out the basis of the tax assessment, but the taxing authority's duty to clearly inform the taxpayer of the factual and legal bases of said assessment. The underpinning for this duty was well explained in *Commissioner of Internal Revenue v. Fitness by Design* (*Fitness*),[13] *viz.*:

> **The rationale behind the requirement that taxpayers should be informed of the facts and the law on which the assessments are based conforms with the constitutional mandate that no person shall be deprived of his or her property without due process of law.** Between the power of the State to tax and an individual's right to due process, the scale favors the right of the taxpayer to due process.
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> The purpose of the written notice requirement is to aid the taxpayer in making a reasonable protest, if necessary. Merely notifying the taxpayer of his or her tax liabilities without details or particulars is not enough.[14]

Following *Fitness*, the requirement to inform the taxpayer of the factual bases of the assessment emanates from the constitutional guarantee of due process. Due process cuts across the nature of the assessment, whether local or internal revenue tax. The constitutional protection does not depend on the source of the taxing power but on the character of the governmental act as one that affects property rights.

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13 G.R. No. 215957, November 09, 2016.

14 Emphasis ours.

Petitioner's reliance on Section 195 of the LGC and on respondent's supposed subsequent knowledge of the legal basis of the assessment does not cure the defect. The absence of a clear factual and legal basis in the assessment constitutes a denial of due process, rendering the assessment void.

Consequently, there is no need to belabor petitioner's argument that the Court allegedly erred in classifying respondent's products. A void assessment produces no legal effects; hence, any discussion on the substantive correctness of the classification would be merely academic.

WHEREFORE, petitioner's *Motion for Reconsideration (To the Decision dated June 13, 2025)* is **DENIED** for lack of merit. The Decision promulgated on June 13, 2025 is **AFFIRMED.**

SO ORDERED.

Marian Ivy F. Reyes-Fajardo

MARIAN IVY F. REYES-FAJARDO
Associate Justice

HENRY S. ANGELES
Associate Justice