REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

EN BANC

****

PRUDENTIALIFE PLANS, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA EB No. 1219
(CTA Case No. 8109)

Present:

DEL ROSARIO, *P.J.*,
CASTAÑEDA, JR.,
BAUTISTA,
UY,
CASANOVA,
FABON-VICTORINO,
MINDARO-GRULLA, and
RINGPIS-LIBAN, *JJ.*

Promulgated:

OCT 14 2016 11:53 a.m.

x - x

RESOLUTION

UY, *J.*:

For resolution is petitioner's **"MOTION FOR RECONSIDERATION"** filed on May 30, 2016, with respondent's **"COMMENT (To Petitioner's Motion for Reconsideration of the *Decision* dated 19 April 2016)"** filed on August 15, 2016, seeking the reconsideration of the Court *En Banc*'s Decision dated April 19, 2016, the dispositive portion of which reads:

> "**WHEREFORE**, all the foregoing considered, the Petition for Review is hereby **DENIED** for lack of merit. The Resolutions dated June 23, 2014 and September 3, 2014, both issued by the Court in Division in CTA Case No. 8109 are hereby **AFFIRMED**.
>
> **SO ORDERED**."

Petitioner states the following grounds to the instant Motion, to wit:

> "THE HONORABLE COURT DID NOT PASS UPON THE LEGALITY OF REVENUE MEMORANDUM CIRCULAR NO. 13-96, PARTICULARLY ON QUESTION 10 AND ANSWER 10 IN RELATION TO THE SECURITIES REGULATIONS CODE. THE RESOLUTION OF THIS LEGAL QUESTION WILL DETERMINE WHETHER THE LEGAL BASIS OF THE SUBJECT ASSESSMENT IS VOID. IF SO, THE ASSESSMENT PRODUCES NO EFFECT AND SHOULD BE CANCELLED OUTRIGHT BY THIS HONORABLE COURT.
>
> PETITONER IS ALSO REITERATING FOR RESOLUTION WHETHER A PRE-NEED COMPANY'S CONTRIBUTIONS TO THE TRUST FUND EARMARKED AND DEPOSITED IN THE TRUST FUND ACCOUNTS – FOR THE BENEFIT OF PLANHOLDERS AS MANDATED BY SECURITIES REGULATIONS CODE – DO NOT FORM PART OF ITS GROSS RECEIPTS AND IS THUS NOT SUBJECT TO THE VALUE ADDED TAX."

In support thereof, petitioner argues as follows:

1. Portion of premium collections segregated and earmarked for contribution to the trust fund do not belong to the petitioner. It is earmarked for the benefit and protection of planholders. It does not form part of its gross receipts. As such, it is not subject to value-added tax (VAT).
2. The subject VAT assessment has no factual basis; it is void pursuant to Section 228 of the National Internal Revenue Code, as amended.
3. Petitioner submitted voluminous documents before this Court to establish its contributions to the trust fund.
4. Only this Court, as a specialized court, can determine the legality of Revenue Memorandum Circular (RMC) No. 13-96. It cannot be left to the discretion of the Bureau of Internal Revenue as its effects is far ranging to the pre-need industry, and it is prejudicial to the financial interests of planholders which the Securities Regulations Code sought to protect.

Upon the other hand, respondent, in his Comment, contends as follows:

1. It is well settled that petitioner cannot indirectly attack the

ᴍᴅ

validity of the above-mentioned RMC. To dwell a discussion on this issue would be superfluous, or more appropriately, unnecessary.

2. RMC No. 13-96 was issued for the Commissioner of Internal Revenue to be able to determine which part of a pre-need company's gross income was actually attributed to contributions to trust fund by indicating the same in the VAT official receipt. A simple requirement which petitioner utterly failed to do.
3. Even assuming, for the sake of argument, that RMC No. 13-96 was an invalid issuance, petitioner, during the course of the trial, has failed to establish which part of its gross income was actually attributed to contributions to the trust fund. Thus, to conclude that this case involves only a legal issue is clearly erroneous, because factual determinations as to the contributions had to be established.
4. With petitioner's failure to formally offer its documentary evidence, petitioner has failed to establish a *prima facie* case in its favor. Thus, for all good reasons, the instant Motion must perforce be denied.

THE COURT *EN BANC'S* RULING

We deny the instant Motion for Reconsideration.

A careful perusal of the Motion for Reconsideration shows that the arguments raised therein are mere reiterations of matters which have already been considered, weighed, passed upon and exhaustively resolved by the Court *En Banc* in the assailed Decision.

Hence, finding no compelling reason to reconsider, modify or reverse the said Decision, We shall no longer belabour, in this Resolution, to repeat the disquisitions made therein.

WHEREFORE, premises considered, the instant Motion for Reconsideration is **DENIED** for lack of merit.

SO ORDERED.

ERLINDA P. UY
Associate Justice

WE CONCUR:

ROMAN G. DEL ROSARIO
Presiding Justice

Juanito C. Castañeda, Jr.
JUANITO C. CASTAÑEDA, JR.
Associate Justice

LOVELL R. BAUTISTA
Associate Justice

CAESAR A. CASANOVA
Associate Justice

ESPERANZA R. FABON-VICTORINO
Associate Justice

Cielito N. Mindaro-Grulla
CIELITO N. MINDARO-GRULLA
Associate Justice

Ma. Belen
MA. BELEN M. RINGPIS-LIBAN
Associate Justice