

REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

SPECIAL SECOND DIVISION

MAIBARARA
GEOTHERMAL, INC.,
Petitioner,

CTA CASE NOS. 9455, 9500, 9529
& 9555

Present:

vs.

RINGPIS-LIBAN, P.J., Chairperson,
MODESTO-SAN PEDRO, and
FERRER-FLORES, JJ.

COMMISSIONER OF
INTERNAL REVENUE,

Promulgated:

Respondent.

2:35 PM

X -----
RESOLUTION

FERRER-FLORES, J.:

Submitted before this Court is petitioner’s Omnibus Motion for Reconsideration and/or New Trial filed on February 26, 2026, without respondent’s comment as per Records Verification dated May 5, 2026.

On February 2, 2026, the Court promulgated a Decision denying petitioner’s consolidated claims for refund of unutilized input value-added tax (VAT) for the four quarters of taxable year (TY) 2014, in the total amount of ₱17,216,478.45,¹ for failure to sufficiently establish that its sales of service are attributable to zero percent (0%) VAT, the dispositive portion of which states as follows:

CTA Case No.	TY 2014	Amount claimed
9455	First Quarter	₱ 3,592,865.27
9500	Second Quarter	1,905,076.06
9529	Third Quarter	9,884,107.52
9555	Fourth Quarter	1,834,429.60
TOTAL AMOUNT		₱ 17,216,478.45

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WHEREFORE, in light of the foregoing considerations, the present consolidated **Petitions for Review** are **DENIED** for lack of merit.

SO ORDERED.

In its *Omnibus Motion*, petitioner argues that the Court erred in denying its consolidated claims for refund due to failure to comply with the substantiation and invoicing requirements to establish zero-rated sales of service. Specifically, the Court found that the nature of service/s rendered were not indicated in the official receipts (ORs), instead only the billing statement numbers were presented therein. As a result, the Court was not able to validly ascertain whether the payments received are indeed for the services claimed to have been rendered by petitioner that qualify for VAT zero-rating.

Petitioner contends that the records show that it was able to sufficiently present evidence to establish its zero-rated sales. Being a renewable energy (RE) developer, petitioner has established that it is engaged in zero-rated sales since its primary operation and main source of income is no other than the sale of electricity from geothermal energy. Petitioner expounds that the Court may have overlooked the documents it presented establishing its zero-rated sales, *i.e.*, *Articles of Incorporation*;² *Certificate of Compliance*;³ Bureau of Internal Revenue (BIR) *Certificate of Registration*;⁴ *Supply Agreement with Trans-Asia Oil and Energy Development Corporation*;⁵ *Audited Financial Statements*;⁶ and, *Billing Statement*.⁷ According to petitioner, the Court can clearly ascertain from the aforementioned pieces of evidence that the payments received by petitioner from Trans-Asia Oil and Energy Development Corporation pertain to no other than their Electricity Supply Agreement, a VAT zero-rated transaction.

Furthermore, petitioner argues that the failure to indicate the description of the nature of the service/s in the ORs is a mere oversight and should not be taken as a fatal error to prejudice petitioner's entitlement to refund its unutilized input VAT. Petitioner posits that, considering the limited space in the OR and the number of services contained in a single billing statement, it would not be feasible to put the description of the nature of the service/s rendered in the official receipt. Instead, companies usually only indicate the billing statement number in the OR to refer to which service/s the collection of the payment pertains to. Petitioner claims that the said arrangement is recognized by the BIR for service companies, as they are required to register both the OR and the billing statement. Petitioner

² Exhibit "P-2", Docket – Vol. III (9455), pp. 1276 to 1290.

³ Exhibit "P-6", Docket – Vol. III (9455), p. 1300.

⁴ Exhibit "P-7", Docket – Vol. III (9455), p. 1301.

⁵ Exhibit "P-47", Docket – Vol. IV (9455), pp. 1691 to 11710.

⁶ Exhibit "P-46", Docket – Vol. IV (9455), pp. 1641 to 1690.

⁷ Exhibit "P-48", Docket – Vol. IV (9455), p. 1712.

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concludes that it merely relied on the common practice being done by other companies operating in the same industry, and that its failure to indicate the description of service/s rendered in the ORs should not be the sole basis to deny the present claim for refund.

Petitioner likewise points out that the BIR has authorized and approved petitioner's issuance of both the OR and billing statement. As such, petitioner argues that, if the law strictly requires that the description of the service/s rendered be stated in the OR, then the issuance of a billing statement is a mere superfluous act, as the contents of both documents are almost the same.

Nonetheless, petitioner admits that there was a mistake in filling out the details in its ORs, and to rectify it, petitioner attached the remediated ORs and billings statements as Annexes "A" and "B" in the instant *Omnibus Motion* to reflect the description of the services it rendered. Petitioner cites the ruling of the Court of Tax Appeals (CTA) in *Coral Bay Nickel Corporation vs. Commissioner of Internal Revenue*⁸ (Coral Bay), wherein the CTA ruled that, if an invoice or OR is altered, the alteration must be validated by having it countersigned by the authorized signatory. Here, petitioner claims that the alterations were made in its own ORs, and that the validation therefore must be done by petitioner's authorized signatory through countersigning the alterations. In this regard, petitioner also attached an *Affidavit of Merit* executed by its Senior Treasury Associate as Annex "C", detailing the correction made and the reason for the said correction.

Lastly, petitioner submits that there is nothing in the National Internal Revenue Code (NIRC) of 1997, as amended, that states that additions, alterations, deletions, or inserted handwritten details or information in receipts or invoices would make the documents noncompliant with the invoicing requirements and would result in the disallowance of the claim for refund.

After due consideration, the Court finds petitioner's *Omnibus Motion* bereft of merit.

To reiterate, to be entitled to a claim refund of input VAT, the taxpayer-claimant must comply, among others, with the pertinent invoicing requirements under Section 113(B)(3) of the NIRC of 1997, as amended, as implemented by Sections 4.113-1 of RR No. 16-2005.⁹ Relatively, sales receipts or invoices must also be duly registered with the BIR pursuant to Section 237, of the NIRC of 1997, as amended. We quote said provisions as follows:

⁸ CTA Case No. 7895, January 27, 2015.

⁹ SUBJECT: Consolidated Value-Added Tax Regulations of 2005.

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SEC. 113. *Invoicing and Accounting Requirements for VAT-registered Persons.* —

x x x

(B) *Information Contained in the VAT Invoice or VAT Official Receipt.* — **The following information shall be indicated in the VAT invoice or VAT official receipt:**

x x x

- (3) The date of transaction, quantity, unit cost and description of the goods or properties or **nature of the service**; and [...].

x xx

SEC. 237. *Issuance of Receipts or Sales or Commercial Invoices.* — **All persons subject to an internal revenue tax shall**, for each sale or transfer of merchandise or for services rendered valued at Twenty-five pesos (P25.00) or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or **nature of service**: [...]. (*Emphasis and underscoring supplied*)

Notably, the use of the word “shall” in the above-quoted Sections connotes a mandatory order to indicate in the OR the nature of the service rendered. In fact, jurisprudence provides that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.¹⁰ Furthermore, since cases filed before this Court are litigated *de novo*, party-litigants must prove every minute aspect of their case.¹¹ In view thereof, it behooves petitioner to show compliance with each of the foregoing requisites and invoicing requirements.

In this case, the Court held that failure to comply with invoicing requirements is sufficient ground to deny a claim for refund.¹² Contrary to petitioner’s argument, the documents it presented (i.e., *Articles of Incorporation; Certificate of Compliance; Bureau of Internal Revenue Certificate of Registration; Supply Agreement with Trans-Asia Oil and Energy Development Corporations; Audited Financial Statements; and Billing Statement*), standing alone, without showing petitioner’s compliance with the invoicing requirements on its principal supporting document¹³—the

¹⁰ *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015.

¹¹ *Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc.*, G.R. No. 231581, April 10, 2019; citing *Commissioner of Internal Revenue vs. Lucio L. Co, et al.*, G.R. No. 241424, February 26, 2020; *Edison (Bataan) Cogeneration Corporation vs. Commissioner of Internal Revenue, et seq.*, G.R. Nos. 201665 and 201668, August 30, 2017.

¹² *Commissioner of Internal Revenue vs. Philex Mining Corporation*, G.R. No. 230016, November 23, 2020.

¹³ Section 2 (2) of RR No. 18-12, defines “Principal Receipts/Invoices” as follows:

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ORs—cannot sufficiently establish its zero-rated sales. It bears stressing that the invoicing and substantiation requirements must be complied with because it is the only way to determine the veracity of the taxpayer's claims.¹⁴ It must also be pointed out that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.¹⁵

As to petitioner's argument that its claim for input VAT refund should not be denied based on its mistake in filling out the details of its ORs, the Court is not persuaded.

Verily, Section 5 of Rule 15 of the Revised Rules of the CTA, as amended, provides for the grounds for a motion for new trial, as follows:

SEC. 5. *Grounds of motion for new trial.* – A **motion for new trial may be based on one or more of the following causes** materially affecting the substantial rights of the movant:

- (a) Fraud, accident, **mistake** or excusable negligence **which ordinary prudence could not have guarded against and by reason of which the rights of such aggrieved party has probably been impaired in his rights;** or
- (b) Newly discovered evidence, which the party could not, with reasonable diligence, have discovered and produced at the trial and, which, if presented, would probably alter the result.

A motion for new trial shall include all grounds then available and those not included shall be deemed waived. (*Emphasis supplied*)

In relation thereto, Section 1 of Rule 37 of the 1997 Rules of Court, as amended, similarly provides as follows:

SECTION. 1. *Grounds of and period for filing motion for new trial or reconsideration.* – Within the period for taking an appeal, **the aggrieved party may move the trial court to set aside the judgment or final order**

-
- 2. *Principal Receipts/Invoices* — for purposes of this regulations, it is a written account evidencing the sale of goods and/or services issued to customers in an ordinary course of business which necessary includes the following:

xxx

- 2.2 *VAT Official Receipt* — for purposes of Value Added Tax (VAT) pursuant to Section 108 of the NIRC, as amended, it is a proof of sale of service and/or leasing of properties which shall be the basis of the output tax liability of the seller and the input tax claim of the buyer. [...]

¹⁴ *Kepeco Philippines Corporation vs. Commissioner of Internal Revenue*, G.R. No. 181858, November 24, 2010; *Nippon Express (Philippines) Corporation vs. Commissioner of Internal Revenue*, G.R. No. 191495, July 23, 2018.

¹⁵ *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 168856, August 29, 2012.

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and grant a new trial for one or more of the following causes materially affecting the substantial rights of the party:

- (a) Fraud, accident, **mistake** or excusable negligence **which ordinary prudence could not have guarded against and by reason of which the rights of such aggrieved party has probably been impaired in his rights**; or
- (b) Newly discovered evidence, which he could not, with reasonable diligence, have discovered and produced at the trial and, which, if presented, would probably alter the result.

Within the same period, the aggrieved party may also move for reconsideration upon the grounds that the damages awarded are excessive, that the evidence is insufficient to justify the decision or final order, or that the decision or final order is contrary to law. (*Emphasis supplied*)

Based on the above, for a motion for new trial—on the ground of mistake—to prosper, the mistake should be that which ordinary prudence could not have guarded against.¹⁶ This is not obtaining in the present case.

Here, petitioner admits that it deliberately followed what it characterizes as an “industry practice”, whereby the details of the transaction were reflected in the billing statement and not written on the official receipts itself. Such omission, therefore, was neither accidental nor unknown to petitioner at the time it was presented in evidence. Significantly, in the case of *Coral Bay*, cited by petitioner,, the claimed alterations were done during trial of the case. Herein, petitioner seeks to modify the evidence previously examined by the Court, to cure its deficiency after the fact of judgment. Correspondingly, the evidence it seeks to present was clearly not omitted due to a mistake which ordinary prudence would have guarded against. What petitioner seeks is not relief from a mistake that prevented it from fully presenting its case, but a reopening of the proceedings to permit the submission of documentary evidence revised in the light of the adverse findings contained in the Decision. Such circumstance does not justify the grant of a new trial.

Moreover, the Court cannot consider the resubmitted ORs with the supplied information as newly discovered evidence. Petitioner merely seeks to resubmit documents that it later physically altered in an attempt to cure the specific defect identified by the Court in its Decision. Such subsequent correction will not cure its non-compliance with the invoicing requirements as already found by this Court.

¹⁶ *Viking Industrial Corp. vs. Court of Appeals*, G.R. No. 143794, July 13, 2004.

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In addition, the *Affidavit of Merit*, which should accompany a motion for new trial, should set out the following details, viz.: (1) the fraud, accident, mistake, or excusable negligence relied on; (2) facts constituting the movant's good and substantial defense; and, (3) the evidence intended to be presented if the motion is granted.¹⁷

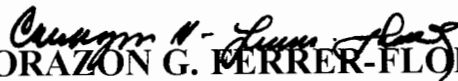
In this case, however, the affidavit submitted by petitioner merely narrates the correction process, and claims that there was a mistake in the filling up of the official receipts but does not squarely address why the original omission could not have been previously avoided.

Again, well-settled is the rule that tax refunds are in the nature of tax exemptions. They are regarded as derogation of sovereign authority and to be construed *strictissimi juris* against the person or entity claiming the refund.¹⁸ The pieces of evidence presented entitling a taxpayer to an exemption are also *strictissimi* scrutinized and must be duly proven.¹⁹ Hence, an applicant for a claim for tax refund or tax credit must not only prove entitlement to the claim but also compliance with all the documentary and evidentiary requirements.²⁰

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by petitioner in its *Omnibus Motion*, the Court finds no compelling reason to reverse or modify the conclusions reached in the Decision promulgated on February 2, 2026.

ACCORDINGLY, petitioner's **Omnibus Motion for Reconsideration and/or New Trial** is **DENIED** for lack of merit.

SO ORDERED.


CORAZON G. FERRER-FLORES
Associate Justice

¹⁷ Refer to *Elpidio S. Uy vs. First Metro Integrated Steel Corp., et al.*, G.R. No. 167245, September 27, 2006.

¹⁸ *Commissioner of Internal Revenue vs. Interpublic Group of Companies, Inc.*, G.R. No. 207039, August 14, 2019; *Commissioner of Internal Revenue vs. S.C. Johnson and Son, Inc.*, G.R. No. 127105, June 25, 1999.

¹⁹ *Kepco Philippines Corporation vs. Commissioner of Internal Revenue*, G.R. No. 179961, January 31, 2011, citing *Atlas Consolidated Mining and Development Corporation vs. Commissioner of Internal Revenue*, G.R. No. 159490, February 18, 2008.

²⁰ *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015, citing *J.R.A. Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 171307, August 28, 2013.

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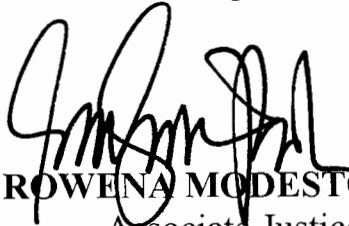
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WE CONCUR:



MA. BELEN M. RINGPIS-LIBAN

Presiding Justice



MARIA ROWENA MODESTO-SAN PEDRO

Associate Justice