

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SPECIAL THIRD DIVISION

PETRON CORPORATION,
Petitioner,

CTA Case Nos. 10750 & 10905

- versus -

Members:
REYES-FAJARDO, *Chairperson,*
and **ANGELES, II**.

Promulgated:

COMMISSIONER OF
INTERNAL REVENUE,
Respondent.

OCT 05 2026

3:40 p.m.

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RESOLUTION

REYES-FAJARDO, J.:

We resolve:

1. Petitioner's Motion for Partial Reconsideration (Re: Decision Promulgated on April 8, 2026)¹ posted on May 6, 2026, with respondent's Comment/Opposition (Re: Petitioner's Motion for Partial Reconsideration dated 06 May 2026)² filed on June 9, 2026; and,
2. Respondent's Motion for Partial Reconsideration (Re: Decision dated 08 April 2026)³ filed on May 7, 2026, with the petitioner's Comment/Opposition [To Respondent's Motion for Partial Reconsideration (Re: Decision dated 8 April 2026)]⁴ filed on June 2, 2026.

¹ Rollo, pp. 1181 - 1199.

² *Id.*, pp. 1231 - 1236.

³ *Id.*, pp. 1160 - 1176.

⁴ *Id.*, pp. 1216 - 1229.

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On April 8, 2026, We promulgated a Decision,⁵ partially granting petitioner's Petitions for Review. The *fallo* of which reads:⁶

WHEREFORE, the Petitions for Review are **PARTIALLY GRANTED**. Accordingly, respondent is **ORDERED** to **REFUND** in favor of petitioner in the total amount of **₱389,493,496.00**, representing petitioner's erroneously paid excise taxes for its imported and locally-produced Jet A-1 fuel for the periods from January 1, 2020 to June 30, 2020, and from July 1, 2020 to December 31, 2020, which were subsequently sold and delivered to various international carriers and tax-exempt entities.

SO ORDERED.

In the Decision, out of the ₱586,958,664.00 worth of excise taxes claimed by petitioner for refund, We allowed ₱389,493,496.00, as erroneously paid excise taxes on petitioner's imported and locally produced Jet A-1 fuel subsequently sold and delivered to international carriers and tax-exempt entities from January 1 to December 31, 2020. The amount of ₱197,465,168.00 was disallowed, computed as follows:⁷

	Volume (in Liters)	Excise Tax Amount
Total Amount of Claim	146,739,666	₱586,958,664.00
Less: Disallowances per Independent Certified Public Accountant (ICPA) Dayego		
Unsupported Withdrawals	1,991,335	₱ 7,965,340.00
Withdrawals not traced to Product Movement by Movement Type, Liquidation Statements, and Official Registry Book - JOCASP	560,000	2,240,000.00
Disallowed Aviation Delivery Receipts (ADR)	3,974,884	15,899,536.00
<i>Total Disallowances per ICPA Dayego</i>	<u>6,526,219</u>	<u>P 26,104,876.00</u>
Disallowances per Our findings:		
ADRs not traced to certifications	1,129,531	₱ 4,518,124.00
Additional ADRs not supported by certifications	1,080,410	4,321,640.00
Destination of aircraft not indicated in ADR	1,346	5,384.00
Withdrawals before date of earliest Authority to Release Imported Goods	27,967,064	111,868,256.00
Difference between fuel traced to depots, ITPs, and refuellers vs fuel issued by depots, ITPs, and refuellers	12,661,722	50,646,888.00
<i>Total Disallowances per Our findings</i>	<u>42,840,073</u>	<u>P 171,360,292.00</u>
Total disallowances	49,366,292	₱ 197,465,168.00
Refundable excise taxes	97,373,374	₱389,493,496.00

⁵ Rollo, pp. 1128 - 1158.
⁶ Id., p. 1157.
⁷ Id., pp. 1156 - 1157.

Aggrieved, both parties moved for partial reconsideration.

After due consideration of the parties' arguments, We find no cogent reason to disturb the assailed Decision.

*We acquired jurisdiction over
CTA Case No. 10905.*

In his Motion for Partial Reconsideration,⁸ respondent argues that We lack jurisdiction over CTA Case No. 10905. He maintains that although petitioner submitted an application for refund on April 11, 2022, it was not accepted as its supporting documents were incomplete; thus, petitioner's administrative claim was not validly filed.

In its Comment, petitioner counters that it timely filed its administrative and judicial claim prior to the lapse of the two-year prescriptive period. It asserts that any alleged deficiencies in supporting documents are evidentiary matters to be resolved during trial, not a jurisdictional defect.

We find for petitioner.

The record shows that petitioner's application for refund bears the stamped receipt dated April 11, 2022.⁹ This official acknowledgment is sufficient to establish that petitioner filed its administrative claim on that date. Respondent's return of certain documents for proper documentation does not refute this fact of filing.

Respondent seeks refuge in *Hedcor, Inc. v. Commissioner of Internal Revenue (Hedcor)*, stating that "the law intends the filing of an application for a refund to necessarily include the filing of complete supporting documents to prove entitlement for the refund."

Respondent's reliance is misplaced.

Hedcor involved a refund of unutilized input VAT under Section 112 of the National Internal Revenue Code of 1997 (NIRC), as

⁸ *Supra* at note 3.

⁹ Exhibit "P-7-B," Docket (CTA Case No. 10750) - Vol. 2, pp. 845 to 851.

amended. The present case, in contrast, involves a refund of erroneously or illegally collected tax under Sections 204(C) and 229 of the NIRC, as amended. Thus, the pronouncement in *Hedcor* cannot be applied to the present claim.

Moreover, no law or jurisprudence supports respondent's view that failure to submit complete supporting documents for a tax refund under Sections 204(C) and 229 of the NIRC, as amended, amounts to non-filing of the administrative claim. *Otherwise*, jurisdiction could be defeated simply by returning the supporting documents and later denying filing of the administrative claim itself.

All told, petitioner properly filed its administrative claim in CTA Case No. 10905, vesting Us with jurisdiction over the case.

*The disallowance of
₱197,465,168.00 from
petitioner's excise tax refund
claim is proper.*

In its Motion for Partial Reconsideration,¹⁰ petitioner challenges three disallowances: (1) ₱4,105,556.00 for 1,026,389 liters for Aviation Delivery Receipts (ADRs) not traced to Civil Aeronautics Board (CAB) and Department of Foreign Affairs (DFA) certifications; (2) ₱98,328,936.00 for 24,582,234 liters of Jet A-1 fuel included in the withdrawals made before the earliest Authority to Release Imported Goods (ATRIG); and (3) ₱50,646,888.00 for the 12,661,722 liter difference between Jet A-1 fuel traced to the depots, into-plane facilities (ITPs), and refuellers and the fuel issued by them.

In its Comment,¹¹ respondent retorts that the Court correctly denied the portion of the claim for failure to submit evidence to show that it is entitled to the entire amount it claims for refund.

We upheld the subject disallowance.

First. The ADRs variance remains unsubstantiated.

¹⁰ *Supra* at note 1.

¹¹ *Rollo*, pp. 603– 608.

In the Decision, We found that the ADRs and sales invoices reflected 142,764,782 liters, while the sales traced to the CAB and DFA certifications under Exhibit "P-123" totaled only 141,635,251 liters. The 1,129,531-liter difference was therefore disallowed.

Petitioner attributes the variance to an inadvertent omission in Exhibit "P-123," where certain sales were not included.¹² It now presents a revised tracing through Annexes "A" and "B" and claims that variance may now be traced to the CAB and DFA certifications.

We are not persuaded.

*Office of the Ombudsman, represented by Hon. Simeon V. Marcelo v. Carmencita D. Coronel*¹³ explained that the presentation of forgotten evidence after trial is not allowed:

Forgotten evidence refers to evidence already in existence or available before or during a trial; known to and obtainable by the party offering it; and could have been presented and offered in a seasonable manner, were it not for the sheer oversight or forgetfulness of the party or the counsel. Presentation of forgotten evidence is disallowed, because it results in a piecemeal presentation of evidence, a procedure that is not in accord with orderly justice and serves only to delay the proceedings. A contrary ruling may open the floodgates to an endless review of decisions, whether through a **motion for reconsideration** or for a new trial, in the guise of newly discovered evidence.¹⁴

Annexes "A" and "B" are belated compilations of evidence prepared from documents and information already known and available to petitioner during trial and which could have been seasonably presented. As forgotten evidence, it cannot be introduced through a motion for reconsideration to cure deficiencies in petitioner's evidence or afford it another opportunity to improve its case against the identified discrepancy.

Thus, petitioner's request to restore ₱4,105,556.00 is denied.

Second. The disallowance of withdrawals made before the earliest ATRIG should likewise stand.

¹² Par. 11, Petitioner's Motion for Partial Reconsideration (Re: Decision Promulgated on April 8, 2026), *Rollo*, p. 1185.

¹³ G.R. No. 164460, June 27, 2006.

¹⁴ Emphasis supplied.

Petitioner attributes the disallowance to the different tracing methodologies employed by the Court and the ICPA.¹⁵ It explains that the ICPA began with the sales covered by the refund claim and traced the fuel backward to its source, whereas the Court traced the fuel forward, from importation and withdrawal to its eventual sale.

It further argues that, of the 27,967,064 liters identified by the Court as imported Jet A-1 fuel withdrawn before the earliest ATRIG, the ICPA could trace only 24,340,245 liters as imported. It thus claims that the remaining 3,626,819 liters were “most likely” locally produced fuel, for which no ATRIG was required.¹⁶

We are not convinced.

De La Salle Lipa, Inc. v. Commissioner of Internal Revenue,¹⁷ instructs that ICPA’s findings are not conclusive upon the Court:

SECTION 3. Findings of independent CPA. - The submission by the independent CPA of pre-marked documentary exhibits shall be subject to verification and comparison with the original documents, the availability of which shall be the primary responsibility of the party possessing such documents and, secondarily, by the independent CPA. **The findings and conclusions of the independent CPA may be challenged by the parties and shall not be conclusive upon the Court, which may, in whole or in part, adopt such findings and conclusions subject to verification.**

From the plain words of the RRCTA, the CTA may or may not adopt the findings of the ICPA. The tax court is not obliged to blindly adopt the findings and conclusions of the ICPA, which are, at best, merely recommendatory. In determining the merits of the case, the CTA is in fact mandated to make its own independent assessment and arrive at its own conclusions based on the facts and evidence submitted.¹⁸

From the foregoing, We are not bound to adopt the ICPA’s methodology or conclusions. Thus, petitioner cannot rely on the ICPA’s findings alone to substantiate its claim, as the ultimate determination rests with the Court upon its independent evaluation of the evidence presented.

¹⁵ Par. 20, Petitioner’s Motion for Partial Reconsideration (Re: Decision Promulgated on April 8, 2026), *Rollo*, p. 1187.

¹⁶ Par. 23, Petitioner’s Motion for Partial Reconsideration (Re: Decision Promulgated on April 8, 2026), *Rollo*, p. 1188.

¹⁷ G.R. Nos. 233924-25 and 236822, December 1, 2025.

¹⁸ Emphasis supplied.

Moreover, the ICPA's inability to trace the 3,626,819 liters as imported Jet A-1 fuel does not establish that they were locally produced, absent any evidence supporting such. Petitioner's characterization of the fuel as "most likely" locally produced, for which no ATRIG was required, remains speculative.

Accordingly, the subject disallowance stands.

Last. The 12,661,722-liter discrepancy between Jet A-1 fuel traced to the depots, ITPs, and refuellers and the fuel issued by them remains unaccounted for.

Petitioner asserts that the unaccounted difference pertains to direct sales to customers from DMIA/Clark and Palawan Depots, which should not have been disallowed. It presents Annexes "D" to "E" to show the movement of Jet A-1 fuel in relation to the disallowance.

Conjectures and surmises cannot substitute for facts.¹⁹ Facts are generated by evidence.²⁰ Before evidence may come into being, it must be formally offered and admitted by the court.²¹

Here, the ICPA's subsequent explanation and accompanying schedules were not formally offered and admitted during trial. They cannot, therefore, establish facts sufficient to overturn the disallowance.

Besides, even if considered, Annexes "D" and "E" merely show that the 12,661,722-liter difference is numerically equal to the issuances from the DMIA/Clark and Palawan Depots. They do not establish that the same fuel was traced from the Petron Bataan Refinery to those depots and ultimately delivered to qualified customers, consistent with Section 135 of the NIRC, as amended.

Petitioner, as the taxpayer-claimant, bears the burden of proving its entitlement to the refund. *Commissioner of Internal Revenue v. Filminera Resources Corporation*²² explained:

¹⁹ See *Spouses Guidangen v. Wooden*, G.R. No. 174445, February 15, 2012.

²⁰ Section 1, Rule 128 of the Rules of Court, as amended reads: "**Section 1. Evidence defined.**—Evidence is the means, sanctioned by these rules, of ascertaining in a judicial proceeding the truth respecting a matter of fact."

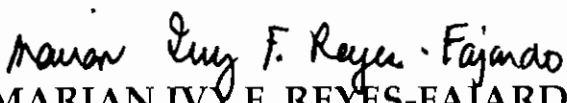
²¹ Section 34, Rule 132 of the Rules of Court, as amended states in part: "**Section 34. Offer of evidence.**—The court shall consider no evidence which has not been formally offered..."

We stress that the taxpayer-claimant has the burden of proving the legal and factual bases of its claim for tax credit or refund. After all, tax refunds partake the nature of exemption from taxation, and as such, must be looked upon with disfavor. **The burden of proof rests upon the taxpayer to establish by sufficient and competent evidence its entitlement to a claim for refund.**²³

Petitioner failed in this regard.

WHEREFORE, petitioner's Motion for Partial Reconsideration (Re: Decision Promulgated on April 8, 2026) and respondent's Motion for Partial Reconsideration (Re: Decision dated 08 April 2026) are **DENIED**. The Decision promulgated on April 8, 2026, is **AFFIRMED**.

SO ORDERED.


MARIAN IVY F. REYES-FAJARDO
Associate Justice


HENRY S. ANGELES
Associate Justice

²² G.R. No. 236325, September 16, 2020.

²³ Emphasis supplied.