

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

EN BANC

COMMISSIONER OF
INTERNAL REVENUE,
Petitioner,

CTA EB No. 2950
(CTA Case No. 10040)

Present:

- versus -

RINGPIS-LIBAN, P.J.,
BACORRO-VILLENA,
MODESTO-SAN PEDRO,
REYES-FAJARDO,
CUI-DAVID,
FERRER-FLORES,
ANGELES,
TESTON, *and*
CENTENO-DIJAMCO, II.

BETA ELECTROMECHANICAL
CORPORATION,
Respondent.

Promulgated:
SEP 18 2026

x ----- x

RESOLUTION

BACORRO-VILLENA, J.:

For the Court *En Banc*'s resolution is petitioner Commissioner of Internal Revenue's (CIR's/**petitioner's**) "Motion for Reconsideration Re: Decision promulgated February 25, 2026"¹ (**MR**) with Beta Electromechanical Corporation's (**respondent's**) "Comment and Opposition *Ex Abundanti Ad Cautelam* (to the Motion for Reconsideration)"² (**Comment**).

In his or her MR, petitioner contests the Court *En Banc* Decision³ of 25 February 2026 (**assailed Decision**) that denied petitioner's bid to reverse the Special First Division's Decision promulgated on

¹ Filed personally and *via* email on 12 March 2026, *rollo*, pp. 202-225.
² Filed personally and *via* email on 31 March 2026, *id.*, pp. 233-259.
³ *Id.*, pp. 163-198.

05 March 2024 and its Resolution issued on 18 June 2024 and, thereafter, declared void petitioner's assessment against respondent for calendar year (CY) 2012 for having been issued in violation of the latter's right to due process.

In arriving at Our conclusion, We ruled that the assessment in the Formal Letter of Demand (FLD) with Details of Discrepancies, and Final Assessment Notice (FAN) is a replica of the assessment in the Preliminary Assessment Notice (PAN). We further observed that petitioner did not contradict the Special First Division's finding that respondent's Reply to the PAN was not considered before the issuance of the FLD/FAN. Instead, petitioner contained his or her response to the argument that the requirement of administrative due process is sufficiently complied with as long as the taxpayer was given the opportunity to be heard. We rejected petitioner's argument, considering the Supreme Court's clear pronouncement in *Commissioner of Internal Revenue v. Avon Products Manufacturing, Inc.*⁴ (**Avon**).

The dispositive portion of the assailed Decision reads:

...
WHEREFORE, with the foregoing considered, the instant Petition for Review filed by petitioner Commissioner of Internal Revenue on 22 July 2024 is **DENIED** for lack of merit. Accordingly, the assailed Decision dated 05 March 2024 and assailed Resolution dated 18 June 2024, of the Special First Division in CTA Case No. 10040, entitled *Beta Electromechanical Corporation v. Commissioner of Internal Revenue*, are hereby **AFFIRMED**.
...

We resolve.

Before We delve into its merits, We shall first determine whether the MR was filed within the prescribed reglementary period.

Section 1, Rule 15 of the Revised Rules of Court of Tax Appeals⁵ (**RRCTA**) provides that an aggrieved party may seek a reconsideration or new trial of any decision, resolution or order of the Court by filing a motion for reconsideration or new trial within fifteen (15) days from the

⁴ G.R. Nos. 201398-99, 03 October 2018.
⁵ A.M. No. 05-11-07-CTA.

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date he or she received the notice of the decision, resolution, or order of the Court in question.

In the instant case, petitioner received the assailed Decision on 06 March 2026.⁶ Counting 15 days therefrom, petitioner had until 21 March 2026 to file a motion for reconsideration. Thus, the instant MR filed on 12 March 2026 was filed on time.

Nevertheless, after an examination of the pleadings, We are constrained to deny petitioner's MR for lack of merit.

First, petitioner recycled his or her argument that the Special First Division has no jurisdiction over respondent's prior Petition for Review⁷ (**prior petition**) filed on 01 March 2019. According to petitioner, the Court *En Banc* failed to consider that respondent did not file a valid protest within the reglementary period under the National Internal Revenue Code (**NIRC**) of 1997, as amended. Thus, the assessment has already become final and executory and respondent's filing of an appeal on the issuance of the Warrant of Dstraint and Levy No. 121.2019.2004 dated 01 February 2019 (**WDL**) is a belated remedy.

In its Comment, respondent disagrees and reiterates its position that although it was the Large Taxpayer Excise Audit Division (**LTEAD**) I (instead of the Large Taxpayer's Service [**LTS**]) that received its Protest to the FLD/FAN on 24 November 2015, the filing of the Protest is still valid.

We maintain Our ruling that the Special First Division has jurisdiction over the prior petition.

In *Philippine Journalists, Inc. v. Commissioner of Internal Revenue*,⁸ the Supreme Court confirms that the CTA's appellate jurisdiction is not limited to cases involving petitioner's decisions on matters relating to assessments or refunds but extends over any case that could arise from the NIRC of 1997, as amended, or from other related laws that the BIR administers. Since the WDL's issuance is a

⁶ See Notice of Decision. *rollo*, p. 162.

⁷ Petition for Review with Omnibus Motion to Suspend Collection of Taxes; for the Lifting and Invalidation of the Warrant of Dstraint and/or Levy, and/or Assessment of Taxes; and to Dispense with the Requirement to Post Bond filed 01 March 2019. Division Docket. Volume I, pp. 12-60.

⁸ G.R. No. 162852, 16 December 2004.

matter that arose from petitioner's implementation of the provisions of the NIRC of 1997, as amended, particularly Sections 205, 206, 207 (a), 207 (b), and 208 thereof, then the Court of Tax Appeals (CTA) has jurisdiction to take cognizance of respondent's prior petition which, on the main, prayed for the cancellation of the WDL.

Moreover, even assuming *ex gratia argumenti* that the Protest was not filed on time, the Special First Division would still have jurisdiction. In the recent case of *Ortiz Memorial Chapel Inc., represented by Ronald Ortiz vs. Commissioner of Internal Revenue*⁹ (**Ortiz**), the Supreme Court ruled that an assessment issued in violation of the taxpayer's right to due process may be assailed at any time, even if no protest was filed, viz:

...
The BIR is the principal agency mandated to assess and collect taxes and to administer and enforce the provisions of the NIRC. In carrying out its functions of tax assessment and collection, the BIR is vested with broad powers under the NIRC. Nonetheless, these powers must be exercised reasonably and in accordance with the prescribed procedures, and more importantly, the constitutional rights of the taxpayers.

The general rule is that a tax assessment becomes final, executory, and demandable if the taxpayer fails to file a protest within the reglementary period. Once final, the assessment attains the character of a judgment that is final, immutable, and enforceable. Thus, the CTA can no longer exercise jurisdiction because there is no "disputed assessment" to speak of. The CTA, being a court of limited jurisdiction, can only hear cases and matters that are specifically and exclusively granted to it by law. Accordingly, it is want of jurisdiction over final and executory assessments.

The principle, however, is not absolute. When the assessment is void *ab initio* for want of due process, it produces no legal effect and may be assailed at any time, **even if no protest was filed**. A void assessment, being a nullity, cannot attain finality.

This exception has long been recognized in the Court's jurisprudence. As correctly observed in the Dissenting Opinion, the Court has set aside tax assessments despite the taxpayer's failure to comply with protest requirements whenever the defect went into the very validity of the assessment itself.

⁹ G.R. No. 278493, 03 December 2025: Italics in the original text, citations omitted, and emphasis supplied.

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In *Himlayang Pilipino Plans, Inc. vs. Commissioner of Internal Revenue*, the Court granted a Petition to nullify and cancel an FLD, despite having denied by the CTA Division and agreed to by the CTA *En Banc*, for lack of jurisdiction due to the failure to file a timely protest to the FAN. According to the CTA Division, there was no disputed assessment because the taxpayer's protest against the FAN and FLD were filed out of time. The CTA *En Banc* affirmed the denial.

In *Commissioner of Internal Revenue vs. Metro Star Superama, Inc.*, the Court upheld the grant of the Petition by the CTA despite the failure to file a timely protest against the FAN. In fact, the Court ruled that it need not belabor to discuss the failure to file protest since it is well settled that a void assessment bears no fruit.

...

Thus, the Special First Division had jurisdiction to resolve respondent's allegations of due process violations in its prior petition.

Second, petitioner disagrees with Our determination that he or she violated respondent's right to due process when he or she did not consider respondent's Reply to the PAN. According to petitioner, administrative due process is satisfied if the taxpayer is properly notified of the charges against it and is given a fair and reasonable opportunity to explain or defend itself. Moreover, petitioner is not under any obligation to give credence to respondent's arguments in its Reply to the PAN when in the first place some of the arguments are unmeritorious and there is no new evidence presented to refute the assessments in the PAN.

Respondent, for its part, points out that the PAN and the FLD/FAN, with their Details of Discrepancies, did not consider the voluminous documents, reconciliations, and explanations that it provided. At a minimum, the taxpayer must be apprised of what went wrong, which documents were disregarded, and which additional documents or information may be submitted to support or substantiate its position.

Again, We maintain Our ruling. Petitioner is gravely mistaken. Taxpayers must be afforded a **meaningful** opportunity to explain the assessments against them. For it to be meaningful, petitioner is duty-bound, not only to acknowledge the explanations, but to inform the taxpayers of the merits of their explanations. Indeed, petitioner is not under any obligation to give credence to respondent's arguments in its



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Reply to the PAN, but respondent must be informed why such arguments were unmeritorious. The Supreme Court made it clear in *Avon*:

...

It is true that the Commissioner is not obliged to accept the taxpayer's explanations, as explained by the Court of Tax Appeals. However, when he or she rejects these explanations, he or she must give some reason for doing so. He or she must give the particular facts upon which his or her conclusions are based, and those facts must appear in the record.

Indeed, the Commissioner's inaction and omission to give due consideration to the arguments and evidence submitted before her by Avon are deplorable transgressions of Avon's right to due process. The right to be heard, which includes the right to present evidence, is meaningless if the Commissioner can simply ignore the evidence without reason.

...

Moreover, while it may be argued that the determination of due process violation in the issuance of an assessment cannot solely rest on the fact that the respondent restated the entire PAN in the FLD, petitioner still failed to show that the latter, throughout the administrative process, was given a fair and reasonable opportunity to contest the assessment and present its case despite petitioner's failure to consider and acknowledge respondent's Reply to the PAN.

With the basic issues already passed upon, We find no reason to dwell upon the parties' remaining arguments which disclosed no cogent reason to abandon or modify the assailed Decision. As discussed in *Ortigas & Company Limited Partnership v. Judge Tirso Velasco and Dolores V. Molina*¹⁰–

...

The filing of a motion for reconsideration, authorized by Rule 52 of the Rules of Court, does not impose on the Court the obligation to deal individually and specifically with the grounds relied upon therefor, in much the same way that the Court does in its judgment or final order as regards the issues raised and submitted for decision. This would be a useless formality or ritual invariably involving merely a reiteration of the reasons already set forth in the judgment or final order for rejecting the arguments advanced by the movant; and it would be a needless act, too, with respect to issues raised for the first

¹⁰

G.R. No. 109645, 04 March 1996.

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time, these being, as above stated, deemed waived because not asserted at the first opportunity. It suffices for the Court to deal generally and summarily with the motion for reconsideration, and merely state a legal ground for its denial (Sec. 14, ART. VIII, Constitution); i.e., the motion contains merely a reiteration or rehash of arguments already submitted to and pronounced without merit by the Court in its judgment, or the basic issues have already been passed upon, or the motion discloses no substantial argument or cogent reason to warrant reconsideration or modification of the judgment or final order; or the arguments in the motion are too unsubstantial to require consideration, etc.

...

Furthermore, the Supreme Court in *Shangri-La International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*¹¹ held—

...

The bulk of the aforementioned grounds is a mere rehash of movant’s previous arguments. While DGCI is correct in stating that a motion for reconsideration, by its very nature, may tend to dwell on issues already resolved in the decision sought to be reconsidered and that this should not be an obstacle for a reconsideration, the hard reality is that movant has failed to raise matters substantially plausible or compellingly persuasive to warrant the desired course of action.

Considering that the grounds presently raised have been sufficiently considered, if not squarely addressed, in the subject Decision, it behooves movant to convince the Court that certain findings or conclusions in the Decision are contrary to law. As it is, however, the instant motion does not raise any new or substantial legitimate ground or reason to justify the reconsideration sought.

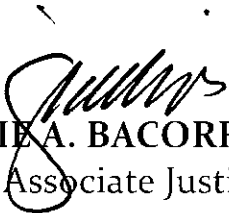
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Having failed to convince Us that certain findings or conclusions in the Decision are contrary to law, petitioner’s MR must necessarily fail.

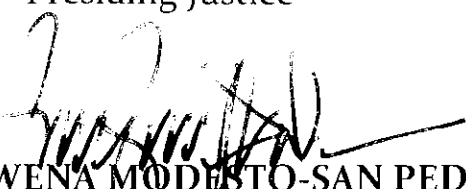
WHEREFORE, petitioner Commissioner of Internal Revenue’s “Motion for Reconsideration Re: Decision promulgated February 25, 2026” filed on 12 March 2026 is **DENIED** for lack of merit. 

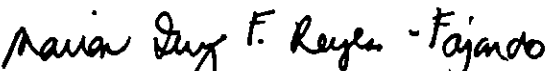
¹¹ G.R. No. 159938, 22 January 2007: Citation omitted.

SO ORDERED.

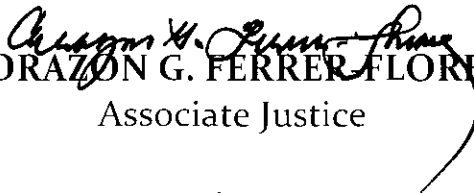

JEAN MARIE A. BACORRO-VILLENA
Associate Justice

WE CONCUR:


MA. BELEN M. RINGPIS-LIBAN
Presiding Justice

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice


MARIAN IVY F. REYES-FAJARDO
Associate Justice


LANEE S. CUI-DAVID
Associate Justice


CORAZON G. FERRER-FLORES
Associate Justice


HENRY S. ANGELES
Associate Justice

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PAOLO S. TESTON
Associate Justice


DEBBIE JEAN I. CENTENO-DIJAMCO
Associate Justice