

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

SECOND DIVISION

SAN MIGUEL CAMPOCARNE CORPORATION, CTA CASE NO. **11582**

Petitioner,

Members:

- versus -

BACORRO-VILLENA, *Chairperson*,
CUI-DAVID, *and*
TESTON, *JJ.*

**COMMISSIONER OF
INTERNAL REVENUE,**

Promulgated:

Respondent.

SEP 04 2026

3:07 pm

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RESOLUTION

For the Court's resolution is respondent Commissioner of Internal Revenue's (**respondent's/CIR's**) "Motion for Reconsideration"¹ (**MR**) emailed² on 18 May 2026 and filed on 21 May 2026, with petitioner San Miguel Campocarne Corporation's (**petitioner's**) "Comment/Opposition [To Respondent's [MR] dated May 18, 2026]"³ (**Comment/Opposition**) filed and emailed⁴ on 10 June 2026.

The MR assails the Resolution dated 22 April 2026⁵ (**assailed Resolution**), which dispositive portion reads –

...
ACCORDINGLY, premises considered:

1. Petitioner San Miguel Campocarne Corporation's "Extremely Urgent Prayer for Issuance of Temporary Suspension Order and/or Suspension Order Enjoining the Collection of Taxes", as incorporated in the Petition for Review filed on 02 August 2024,

¹ Division Docket, Volume III, pp. 974-982.
² Id., p. 973.
³ Id., pp. 985-997.
⁴ Id., p. 984.
⁵ Id., pp. 954-972.

is **DENIED** for being moot and academic. There being no collection to suspend as the right of respondent Commissioner of Internal Revenue to collect the subject deficiency taxes is already barred by the statute of limitations.

- 2. Petitioner’s Petition for Review filed on 02 August 2024 is hereby **GRANTED**. Accordingly, the collection of the subject deficiency taxes is declared **VOID** for having been issued and/or enforced beyond the prescriptive period.
- 3. Respondent Commissioner of Internal Revenue, including any of the latter’s authorized officers, agents, or representatives, is hereby **PERMANENTLY ENJOINED** from enforcing or collecting the deficiency taxes subject of the assessments.

SO ORDERED.
...

In the MR, respondent vehemently insists that his or her right to collect the subject taxes assessed for taxable year (**TY**) 2012 has not yet prescribed. In support thereof, respondent invokes three (3) circumstances which allegedly tolled the running of the statute of limitations, namely: (1) petitioner’s request for reinvestigation against the Formal Letter of Demand (**FLD**) was granted; (2) petitioner filed a ‘motion for reconsideration’ against the Final Decision on Disputed Assessment (**FDDA**); and (3) the related COVID-19 issuances.

On the first ground, respondent maintains that when he or she granted petitioner’s Protest by way of a request for reinvestigation against the FLD, the running of the statute of limitations for the assessment and collection of taxes was effectively suspended pursuant to Section 223⁶ of the National Internal Revenue Code (**NIRC**) of 1997, as amended, and as ruled in the case of *Bank of the Philippine Islands v. Commissioner of Internal Revenue*⁷ (**BPI**).

On the second ground, respondent avers that petitioner’s filing of a ‘motion for reconsideration’ against the FDDA of 03 April 2018 also tolled the running of the prescriptive period. According to respondent, the running of the same only resumed when the Final Decision of 22 April 2024 was issued to petitioner.

On the third ground, respondent adds that the related COVID-19 issuances have interrupted the running of the statute of limitations.

⁶ Section 223. *Suspension of Running of Statute of Limitations.*
⁷ G.R. No. 139736, 17 October 2005.

Further, in a final bid to have the assailed Resolution reversed, respondent alleges that taxes are the lifeblood of the government, thus, the collection thereof should be made without undue obstruction and delay. Respondent also argues that the issue of prescription may only be determined after the parties have presented their respective evidence during a full-blown trial.

On the other hand, petitioner counters that the arguments in respondent's MR are merely *pro forma* as these were already addressed in the assailed Resolution. Hence, the MR should be denied outright.

Nonetheless, petitioner fully agrees with the Court's disquisition and stresses that even if the facts of the case warrant the application of the ten (10)-year prescribed period to assess, five (5)-year prescribed period to collect, and all the COVID-19 issuances, it is still evident that respondent's right to collect the subject taxes still prescribed. Thus, it would be futile on both the government and the litigants to continue prosecuting the case when the final outcome would not be changed as prescription had already barred the collection of the assessed deficiency taxes.

We resolve.

It is noted that respondent's MR was timely filed,⁸ and complied⁹ with the requirements under *En Banc* Resolution No. 8-2024.¹⁰ However, a careful examination of the arguments therein fails to raise new or novel matters that would have convinced this Court to modify or reverse the assailed Resolution.

As petitioner aptly pointed out, all matters which respondent had raised were already considered in the computation of the prescription period of collection. Nevertheless, considering respondent's insistence that petitioner's 'motion for reconsideration' against the FDDA likewise

⁸ Respondent received the Resolution of 22 April 2026 on 05 May 2026. Counting fifteen (15) days from the receipt thereof, respondent had until 20 May 2026 to file the motion. Hence, the Motion for Reconsideration was timely filed.

⁹ Respondent's primary mode of filing is electronic transmittal which was made on 18 May 2026. Thus, he or she has five (5) days to transmit the paper copies of the pleading that was electronically submitted, or until 23 May 2026. The paper copies were filed on 21 May 2026, thus the same is deemed compliant with paragraph 3(b) of *En Banc* Resolution No. 8-2024. Supra at notes 1 and 2.

¹⁰ Guidelines on Submission of Electronic Copies of Pleadings and Other Court Submissions Before the Court of Tax Appeals Pursuant to A.M. No. 10-3-7-SC and A.M. No. 11-9-4-SC.

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suspended the running of the prescriptive period, the Court finds it necessary to address the matter anew.

In *BPI*,¹¹ the Supreme Court clarified that there is a distinction between a request for reinvestigation and request for reconsideration considering that the former can suspend the running of the statute of limitations while the latter can not –

...

This Court gives credence to the argument of petitioner BPI that there is a distinction between a request for reconsideration and a request for reinvestigation. Revenue Regulations (RR) No. 12-85, issued on 27 November 1985 by the Secretary of Finance, upon the recommendation of the BIR Commissioner, governs the procedure for protesting an assessment and distinguishes between the two types of protest, as follows –

PROTEST TO ASSESSMENT

SEC. 6. *Protest.* The taxpayer may protest administratively an assessment by filing a written request for reconsideration or reinvestigation. . .

...

For the purpose of the protest herein –

(a) Request for reconsideration. – refers to a plea for a re-evaluation of an assessment on the basis of existing records without need of additional evidence. It may involve both a question of fact or of law or both.

(b) Request for reinvestigation. – refers to a plea for re-evaluation of an assessment on the basis of newly-discovered or additional evidence that a taxpayer intends to present in the reinvestigation. It may also involve a question of fact or law or both.

With the issuance of RR No. 12-85 on 27 November 1985 providing the above-quoted distinctions between a request for reconsideration and a request for reinvestigation, the two types of protest can no longer be used interchangeably and their differences so lightly brushed aside. It bears to emphasize that under Section 224 of the Tax Code of 1977, as amended, the running of the prescriptive period for collection of taxes can only be suspended by a request for reinvestigation, not a request for reconsideration. Undoubtedly, a reinvestigation, which entails the reception and evaluation of additional evidence, will take more time than a reconsideration of a tax assessment, which will be limited to the evidence already at hand; this justifies why the former can suspend the running of the

¹¹

Supra at note 7. Emphasis, italics and underscoring in the original text.

statute of limitations on collection of the assessed tax, while the latter can not.
...

In *Commissioner of Internal Revenue v. Philippine Global Communication, Inc.*,¹² the Supreme Court emphasized this distinction and declared that a request for reconsideration could not suspend the statute of limitations –

...
The main difference between these two types of protests lies in the records or evidence to be examined by internal revenue officers, whether these are existing records or newly discovered or additional evidence. **A re-evaluation of existing records which results from a request for reconsideration does not toll the running of the prescription period for the collection of an assessed tax.** Section 271 distinctly limits the suspension of the running of the statute of limitations to instances when reinvestigation is requested by a taxpayer and is granted by the CIR.
...

As for the other grounds, We reiterate Our ruling in the assailed Resolution that, even after taking into account all the circumstances that suspended or otherwise interrupted the running of the prescriptive period for collection, respondent’s right to collect the subject deficiency taxes had already prescribed, viz –

...
Summatim, respondent only had until **23 March 2024** to collect the deficiency taxes, as follows:

Date	Event
26 June 2017	Issue date of the FLD and ANs
29 August 2017	Respondent CIR’s authorized representative’s acceptance of petitioner’s request for reinvestigation (as alleged in the Answer)
03 April 2018	Issue date of the FDDA
28 January 2023	End of the five (5)-year period to collect after considering the 64 days between the issuance of the FLD and ANs and the acceptance of petitioner’s request for reinvestigation
23 March 2024	End of the five (5)-year period to collect after considering COVID-related suspension of 420 days

¹² G.R. No. 167146, 31 October 2006. Emphasis supplied.

22 April 2024	Issue date of the CIR's Final Decision
11 July 2024	Issue date of the WDL.

The Supreme Court has clarified in *QL Development* that the BIR's collection efforts are initiated by distraint, levy, or court proceeding. The distraint and levy proceedings are validly begun or commenced by the **issuance of a WDL and service thereof on the taxpayer**. On the other hand, a judicial action for the collection of a tax is initiated: (a) by the filing of a complaint with the court of competent jurisdiction; or (b) where the assessment is appealed to the CTA, by filing an answer to the taxpayer's petition for review wherein payment of the tax is prayed for.

From the above, it is evident that when respondent issued the WDL on 11 July 2024, the same was already beyond the reglementary period to collect. Inescapably, respondent's right to collect the subject deficiency taxes had already prescribed.¹³

...

Finally, We do not agree with respondent's averment that a full-blown hearing is required to resolve the matter of prescription. Section 1,¹⁴ Rule 9 of the Rules of Civil Procedure, as amended, expressly provides that when it appears from the pleadings or evidence on record that the action is barred by statute of limitations, the court shall dismiss the claim.

In the present case, the issue of prescription may be resolved based on the parties' pleadings and the judicial admissions appearing on record. As correctly observed in the assailed Resolution, respondent expressly admitted in the Answer that petitioner's protest, by way of a request for reinvestigation, was granted on 29 August 2017.¹⁵ Likewise, respondent admitted the issuance of the FDDA dated 03 April 2018.¹⁶ These factual admissions constitute judicial

¹³ Emphasis and italics in the original text.
¹⁴ **Section 1. *Defenses and objections not pleaded.*** – Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. However, when it appears from the pleadings or the evidence on record that the court has no jurisdiction over the subject matter, that there is another action pending between the same parties for the same cause, or that the action is barred by a prior judgment or by statute of limitations, the court shall dismiss the claim.
¹⁵ As culled from the Answer, Division Docket, Volume II, p. 923 –
...
19. Perusal of the tax docket revealed that Petitioner filed their protest to the Final Assessment Notice and Formal Letter of Demand in the form of a request for reinvestigation dated July 24, 2017, which was granted by the Respondent on August 29, 2017.
...
¹⁶ As culled from the Answer, *id.*, –
...
20. The Final Decision on Disputed Assessment (FFDA), on the other hand, was issued on April 3, 2018 and duly received by the Petitioner on April 5, 2018.
...

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admissions under Section 4,¹⁷ Rule 129 of the Revised Rules on Evidence, as amended, and therefore require no further proof. Thus, Even after taking these judicial admissions into account, the Court still arrived at the conclusion that respondent's right to collect the subject deficiency taxes had already prescribed. Accordingly, no purpose would be served by proceeding to trial on an issue that may already be resolved on the basis of the pleadings and the admissions of the parties.

WHEREFORE, premises considered, respondent Commissioner of Internal Revenue's Motion for Reconsideration emailed on 18 May 2026 and filed on 21 May 2026 is hereby **DENIED** for lack of merit.

SO ORDERED.


JEAN MARIE A. BACORRO-VILLENA
Associate Justice


LANEE S. CUI-DAVID
Associate Justice


PAOLO B. TESTON
Associate Justice

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Section 4. Judicial admissions. - An admission, oral or written, made by the party in the course of the proceedings in the same case, does not require proof. The admission may be contradicted only by showing that it was made through palpable mistake or that the imputed admission was not, in fact, made.