

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
Quezon City

EN BANC

COMMISSIONER OF
INTERNAL REVENUE,
Petitioner,

CTA EB NO. 3035
(CTA Case Nos. 10252 and 10297)

Present:

- versus -

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

PETRON CORPORATION,
Respondent.

Promulgated:

SEP 29 2026

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RESOLUTION

BACORRO-VILLENA, J.:

For the Court's resolution is petitioner Commissioner of Internal Revenue's (**petitioner's/CIR's**) "Motion for Reconsideration (Re: Decision promulgated 28 January 2026)"¹ (**MR**), filed on 11 February 2026 and emailed on 12 February 2026, with respondent Petron Corporation's (**respondent's/Petron's**) "Comment/Opposition (Re: *Motion for Reconsideration* dated 4 February 2026)"² (**Comment/Opposition**) filed via registered mail on 09 March 2026 and emailed on 10 March 2026.

¹ *Rollo*, pp. 181-190.

² *Id.*, pp. 200-213.

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In the instant MR,³ petitioner assails this Court's Decision dated 28 January 2026⁴ (**assailed Decision**), denying the present Petition for Review⁵ for lack of merit and thereby affirming the Second Division's finding that respondent is entitled to a refund or issuance of a tax credit certificate (TCC) in the following aggregate amounts: (1) ₱34,536,789.00, representing excise taxes erroneously paid by respondent on importations of alkylate covered by Bureau of Customs (BOC) Single Administrative Document (SAD) No. 6WOA1800019⁶ on 30 January 2018 and 04 April 2018; and (2) ₱35,046,886.00, representing excise tax erroneously paid by respondent on importation of alkylate covered by BOC SAD Reference No. 6WOA1800100⁷ on 02 May 2018 and 13 July 2018. Taking into account that refund is in the nature of a tax exemption and should be construed *strictissimi juris* against the claimant, petitioner insists that respondent is liable to pay excise taxes since alkylate is a product of distillation and falls within the category of naphtha, regular gasoline and other similar products of distillation; hence, subject to excise tax under Section 148(e)⁸ of the National Internal Revenue Code (NIRC) of 1997, as amended.

In support of his or her position, petitioner cites the Court *En Banc*'s ruling in *Petron Corporation v. Commissioner of Internal Revenue*.⁹ There, the Court *En Banc* sustained the Court in Division's finding that since alkylate cannot be produced without the raw material 'isobutane', which is a product of distillation, it logically follows that

³ Supra at note 1.

⁴ *Rollo*, pp. 125-174.

⁵ Filed on 29 November 2024, id., pp. 1-34.

⁶ See Exhibits "P-5", "P-9", "P-9-A", and "P-9-B", id., Volume IV, pp. 1640-1641, 1646, 1647-1648, and 1649-1650, respectively; see also Exhibits "P-49-1" to "P-49-2," "P-49-3" to "P-49-4", and "P-49-7", USB.

⁷ See Exhibits "P-6", "P-10-A", "P-10-B" and "P-10", id., Volume IV, pp. 1642-1643, 1652, 1653, and 1651, respectively; see also Exhibits "P-49-1" to "P-49-2," "P-49-5" to "P-49-6", and "P-49-8", USB.

⁸ **SEC. 148. Manufactured Oils and Other Fuels.**- There shall be collected on refined and manufactured mineral oils and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such:

...

(e) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, Four pesos and thirty-five centavos (P4.35): *Provided, however*, That naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural-gas-fired-combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Energy, in consultation with the Secretary of Finance, per liter of volume capacity, zero (P0.00); *Provided, further*, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section[.]

⁹ CTA EB Case No. 2425 (CTA Case Nos. 9565, 9606 & 9645), 21 June 2022.

alkylate itself, although indirectly, is a product of distillation. Consequently, it still falls under the purview of excise tax as outlined in Section 148(e)¹⁰ of the NIRC of 1997, as amended.

Petitioner likewise argues that his or her “Motion for Reconsideration (Re: Decision promulgated 14 August 2024)”¹¹ (**MR before the Second Division**) is not *pro forma* merely because it reiterates arguments that the Court had previously considered and rejected. Citing *Marikina Valley Development Corporation, et al. v. Hon. Napoleon R. Flojo, et al.*¹² (**Marikina Valley**), petitioner asserts that an MR necessarily allows a movant to reassert previously raised arguments in order to persuade the court that its ruling is erroneous. Thus, petitioner maintains that the mere repetition of arguments does not automatically render an MR *pro forma*.

On the other hand, in its Comment/Opposition,¹³ respondent echoes this Court’s findings in the assailed Decision.¹⁴ Specifically, respondent puts forward the following countervailing arguments below.

First, the Court *En Banc* ruled correctly that petitioner’s MR before the Second Division is *pro forma* and, thus, did not toll the reglementary period of appeal. Since the Second Division’s judgment became final and executory, the Court *En Banc* is without jurisdiction to take cognizance of such MR.

Petitioner’s reliance on *Marikina Valley* is misplaced. In that case, the Supreme Court did not rule that the MR therein was *pro forma* as it found that the arguments repeated were not touched upon by the trial court. Whereas, in this case, petitioner’s MR before the Second Division was declared *pro forma* not simply because of the recycled arguments that were already resolved and passed upon but also because the MR failed to identify the specific findings or conclusions in the Second Division’s Decision that lacked evidentiary support or were contrary to law. The MR failed to cite any testimonial or documentary evidence, or any statutory provision, that contradicted the Second Division’s factual or legal conclusions.



¹⁰ Supra at note 8.
¹¹ Division Docket (CTA Case No. 10252). Volume V. pp. 2177-2186.
¹² G.R. No. 110801. 08 December 1995.
¹³ Supra at note 2.
¹⁴ Supra at note 4.

Second, the instant MR¹⁵ warrants outright denial not only for being *pro forma* but for falling short as well of the requirements of an MR under Section 2,¹⁶ Rule 37¹⁷ of the Rules of Civil Procedure (**RCP**), as amended. Moreover, apart from challenging the finding that petitioner’s MR before the Second Division¹⁸ was *pro forma*, respondent merely reiterates an argument that the Court *En Banc* has already thoroughly considered and rejected. Thus, petitioner presents no new matter of fact or law that would justify the reconsideration of the assailed Decision.¹⁹

Third, assuming *arguendo* that the instant MR may be given due course, the Court *En Banc* did not commit any error in its assailed Decision, which is wholly consistent with the Supreme Court’s final judgment in the 2023 case of *Petron Corporation v. Commissioner of Internal Revenue*²⁰ (**Petron**). Specifically, the Court *En Banc* correctly ruled that alkylate is not a product of distillation and is not similar to naphtha or regular gasoline.

In *Petron*, the Supreme Court categorically held that “it is incorrect to say that both raw materials [i.e., olefins and isobutane] utilized to produce alkylate are products of distillation, much more to declare alkylate as a product of distillation simply because its raw materials are produced through distillation. To be sure, [Section 148(e) of the NIRC of 1997, as amended], imposes excise tax on naphtha, regular gasoline, and other similar products of distillation only, and not on the raw materials or ingredients used for their production.”

The Supreme Court has also declared in *Petron* that “[c]onsidering the intended purpose and nature of alkylate, it certainly cannot be placed under the same category as naphtha and regular gasoline.” 

¹⁵ Supra at note 1.
¹⁶ Section 2. *Contents of motion for new trial or reconsideration and notice thereof.* — The motion shall be made in writing stating the ground or grounds therefor, a written notice of which shall be served by the movant on the adverse party.
...
A motion for reconsideration shall point out specifically the findings or conclusions of the judgment or final order which are not supported by the evidence or which are contrary to law, making express reference to the testimonial or documentary evidence or to the provisions of law alleged to be contrary to such findings or conclusions.
A pro forma motion for new trial or reconsideration shall not toll the reglementary period of appeal. (Emphasis supplied)
¹⁷ NEW TRIAL OR RECONSIDERATION.
¹⁸ Supra at note 11.
¹⁹ Supra at note 4.
²⁰ G.R. No. 255961. 20 March 2023.

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We resolve.

A simple cursory review of the instant MR²¹ immediately reveals that, apart from challenging the finding that his or her MR before the Second Division²² was *pro forma*, petitioner merely reiterates arguments that the Court *En Banc* has already exhaustively considered and passed upon in its assailed Decision.²³ With the arguments being essentially the same, We deem it no longer necessary to reiterate the Court *En Banc*'s pronouncement in the assailed Decision.

As regards petitioner's insistence that his or her MR before the Second Division should not be declared as *pro forma*, the Court *En Banc* sustains such finding and agrees with respondent that petitioner's reliance on *Marikina Valley* is misplaced.

Indeed, the mere repetition of arguments does not, by itself, automatically render an MR *pro forma*. Jurisprudence recognizes that an MR necessarily seeks to convince a court to revisit and reverse its earlier ruling and, in that sense, may discuss issues that the court has already addressed. However, such recognition does not dispense with the requirement that the motion must specifically identify the factual findings or legal conclusions alleged to be erroneous and present substantial grounds demonstrating why reconsideration is warranted.²⁴

Respondent correctly points out that the circumstances in *Marikina Valley* differ significantly from those obtaining in the present case. There, the Supreme Court declined to characterize the MR as *pro forma* because the arguments reiterated by the movants had not been squarely addressed by the trial court in the therein assailed decision. In contrast, the Court *En Banc* did not declare petitioner's MR before the Second Division²⁵ *pro forma* merely because it repeated arguments that the Second Division had already considered and rejected. Rather, the Court *En Banc* found that petitioner's MR before the Second Division failed to comply with the fundamental requirements governing an MR. Specifically, petitioner failed to identify particular findings or

²¹ Supra at note 1.

²² Supra at note 11.

²³ Supra at note 4.

²⁴ See *Valencia (Bukidnon) Farmers Cooperative Marketing Association, Inc. v. Heirs of Amante P. Cabotaje*, G.R. No. 219984 (Resolution), 03 April 2019, citing *Teodilo M. Coquilla v. The Hon. Commission on Elections and Mr. Neil M. Alvarez*, G.R. No. 151914, 31 July 2002.

²⁵ Supra at note 11.

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conclusions in the Second Division’s Decision dated 14 August 2024²⁶ that allegedly lacked evidentiary support or ran contrary to law. Neither did petitioner cite any testimonial or documentary evidence, nor any statutory provision or jurisprudential authority, that would negate or contradict the Second Division’s factual and legal conclusions. As such, petitioner’s MR before the Second Division did not meaningfully challenge the bases of the Decision dated 14 August 2024 sought to be reconsidered and merely rehashed matters that the Second Division had already resolved.

In this regard, respondent correctly points out that the Court *En Banc*’s declaration that petitioner’s MR before the Second Division is *pro forma* and so it failed to suspend or toll the running of the reglementary period to appeal. As a result, the Second Division’s Decision attained finality. Once a judgment becomes final and executory, the Court loses jurisdiction to amend, modify, or revisit the same, except in narrowly defined instances that do not obtain in this case.²⁷ Hence, petitioner cannot circumvent the finality of the Second Division’s Decision dated 14 August 2024 by repeatedly raising the same arguments that the Court *En Banc* has already considered and rejected.

Moreover, the instant MR²⁸ itself suffers from the same infirmities that attended petitioner’s MR before the Second Division.

In *Shangri-la International Hotel Management, Ltd., et al. v. Developers Group of Companies, Inc.*,²⁹ the Supreme Court made clear that it is incumbent upon the movant to raise substantially plausible matters to warrant the relief sought, thus:

...
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 

²⁶ Division Docket (CTA Case No. 10252). Volume V. pp. 2162-2175. Penned by Associate Justice Maria Rowena Modesto-San Pedro, concurred in by Associate Justice Ma. Belen M. Ringpis-Liban and Associate Justice Corazon G. Ferrer-Flores.
²⁷ See *Mercury Drug Corporation and Rolando J. Del Rosario v. Spouses Richard Y. Huang & Carmen G. Huang, and Stephen G. Huang*, G.R. No. 197654, 30 August 2017.
²⁸ Supra at note 1.
²⁹ G.R. No. 159938, 22 January 2007.

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that movant has failed to raise matters substantially plausible or compellingly persuasive to warrant the desired cause 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.

...

Here, petitioner has likewise failed to demonstrate any substantial factual or legal basis that would justify a reversal of the assailed Decision.³⁰ The instant MR³¹ does not identify any specific finding or conclusion in the assailed Decision that lacks evidentiary support or contravenes applicable law. Neither does it point to any evidence, statutory provision, or controlling jurisprudence that the Court *En Banc* overlooked or misapprehended. Instead, petitioner merely quotes, without explanation or context, the Court *En Banc*'s Decision in CTA EB Case No. 2425, thereby reiterating arguments that the Court *En Banc* has already considered and rejected.

Further, as also correctly pointed out by respondent, the instant MR fails to comply with Section 2,³² Rule 37³³ of the RCP, as amended. It neither specifies the findings or conclusions in the assailed Decision that are unsupported by evidence or contrary to law, nor cites any evidence or legal authority inconsistent with the Court *En Banc*'s findings. Consequently, petitioner failed to discharge the burden of showing compelling grounds for reconsideration.

Clearly, based on the Supreme Court's ruling in *Petron*, alkylate is not among the articles covered by Section 148(e)³⁴ of the NIRC of 1997, as amended, as it does not fall under the category of "other similar products of distillation" subject to excise tax. Moreover, Section 148(e)³⁵ of the NIRC of 1997, as amended, imposes excise tax on naphtha, regular gasoline, and other similar products of distillation only, and not on the raw materials or ingredients used for their production. Hence,

³⁰ Supra at note 4.

³¹ Supra at note 1.

³² Supra at note 16.

³³ Supra at note 17.

³⁴ Supra at note 8.

³⁵ Id.



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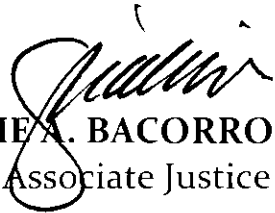
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respondent's excise tax payments upon its importation of alkylate are deemed illegal and erroneous.

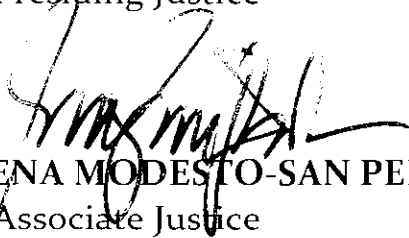
Accordingly, there being no new matters raised that would warrant a re-examination of the Court *En Banc*'s ruling, petitioner's "Motion for Reconsideration (Re: Decision promulgated 28 January 2026)" is hereby **DENIED** for lack of merit.

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 C. REYES-FAJARDO
Associate Justice


LANEE S. CUI-DAVID
Associate Justice

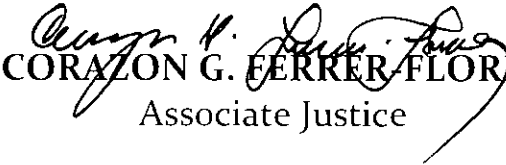
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CORAZON G. FERRER-FLORES
Associate Justice


HENRY S. ANGELES
Associate Justice


PAOLO E. TESTON
Associate Justice


DEBBIE JEAN I. CENTENO-DIJAMCO
Associate Justice