

REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

KING AIR FBO, INC.
represented by its Director of
Finance, GLORIA VALDEZ,
Petitioner,

- versus -

CTA CASE NO. 12052

Members:

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

COMMISSIONER OF
INTERNAL REVENUE,
Respondent.

Promulgated:

SEP 21 2025

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RESOLUTION

CUI-DAVID, J.:

For the Court's resolution are the following:

1. Petitioner's *Prayer for Preliminary Injunction and/or to Suspend Collection of Taxes* incorporated in its *Petition for Review*¹ filed on July 16, 2025, sans respondent's comment thereto per Records Verification dated October 1, 2025;
2. Respondent's *Motion to Resolve Early the Issue of Jurisdiction* incorporated in his *Answer* filed on November 5, 2025, with petitioner's *Comment & Opposition (To the Motion to Resolve Early the Issue of Jurisdiction)* filed on December 4, 2025;
3. Petitioner's *Formal Offer of Exhibits (on the Motion to Suspend Collection of Taxes)* filed on December 9, 2025, with respondent's *Comment/Objection (to Petitioner's Formal Offer of Exhibits on the Motion to Suspend Collection of Taxes)* filed on December 16, 2025;

¹ Docket – Vol. I, pp. 6-51.

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4. Respondent's *Transmittal of the entire BIR Records* submitted on December 23, 2025; and
5. Petitioner's *Manifestation with Motion*, filed through accredited courier on March 26, 2026 and received by the Court on March 27, 2026.

For the orderly disposition of the pending incidents, the Court shall first tackle respondent's ***Motion to Resolve Early the Issue of Jurisdiction***, as the determination thereof is decisive of whether the Court may validly take cognizance of the case and act on the remaining incidents. But before proceeding, We deem it more prudent to first resolve petitioner's *Formal Offer of Exhibits (on the Motion to Suspend Collection of Taxes)*. This would ensure that the documents or exhibits cited or mentioned in this *Resolution* are limited to those that the Court has already admitted in evidence after petitioner presented them for comparison with their originals and for proper marking.

Thus, acting on petitioner's *Formal Offer of Exhibits (on the Motion to Suspend Collection of Taxes)* filed on December 9, 2025, with respondent's *Comment/Objection (to Petitioner's Formal Offer of Exhibits on the Motion to Suspend Collection of Taxes)* filed on December 16, 2025, the Court **RESOLVES** to **ADMIT** Exhibits "P-1", "P-2", "P-3", "P-4", "P-5", "P-5-A", "P-5-B", "P-6", "P-7", "P-7-A", "P-8", "P-9", "P-10", "P-11", "P-12", "P-13", "P-14", "P-15", "P-16", "P-17", "P-18", "P-19", "P-20", "P-20-A", "P-21", "P-23", and "P-23-A", subject to this Court's final evaluation and/or appreciation of their probative value to the issues involved.

Further, the Court **NOTES** that while Exhibits "P-4", "P-8", "P-15", "P-17", "P-18", "P-20", and "P-20-A", are mere photocopies, the same were admitted for failure of respondent to raise a genuine question as to the authenticity of the originals thereof.

Moving on to respondent's ***Motion to Resolve Early the Issue of Jurisdiction***.

Respondent avers in his *Answer* filed on November 5, 2025 that the deficiency tax assessment issued against petitioner for taxable year 2012 had already attained finality and may no longer be challenged.



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Respondent contends that the foregoing affirmative defense presents no factual issue requiring trial on the merits, but involves a pure question of law arising from the facts, timelines, and admissions set forth in petitioner's *Petition for Review*.

Allegedly, petitioner's own pleadings establish the following undisputed facts:

- a. Petitioner received the Final Decision on Disputed Assessment (FDDA) on **June 9, 2020**.
- b. The 30-day reglementary period to appeal either to the Court of Tax Appeals or the Office of the Commissioner of Internal Revenue (OCIR) expired on **July 9, 2020**.
- c. Petitioner **failed to file** a valid appeal with either of these bodies within the prescribed period.
- d. Instead, on July 8, 2020, the Petitioner filed its protest letter with the **Office of the Regional Director** – the very same office whose decision it was protesting.
- e. Petitioner only furnished a copy of this protest to the Office of the Commissioner on **October 1, 2020**, long after the 30-day period had lapsed.

Respondent thus contends that the only issue for resolution is whether petitioner's filing with the Regional Director, instead of the OCIR, effectively tolled the running of the period to appeal.

For its part, petitioner maintains that respondent failed to consider circumstances demonstrating that its appeal to the OCIR was timely.

Petitioner asserts that although its appeal was addressed to the Commissioner of Internal Revenue, the same was initially filed with the Regional Director's Office on July 8, 2020 because of the extraordinary conditions brought about by the COVID-19 pandemic and the community quarantine restrictions then in force. Petitioner further argues that, under the applicable revenue regulations implementing Section 4(z) of Republic Act No. 11469, otherwise known as the *Bayanihan to Heal as One Act*, the running of the thirty (30)-day period to appeal was suspended during the period relevant to the present case.



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Specifically, petitioner submits that Metro Manila remained under General Community Quarantine (GCQ) from the time it received the FDDA on June 9, 2020 until it filed its appeal with the OCIR on October 1, 2020. Hence, according to petitioner, the period within which to appeal did not run during such time.

The Court is not persuaded.

Section 7 (a) (1) of Republic Act (RA) No. 1125,² as amended by RA No. 9282,³ vests in the CTA appellate jurisdiction over decisions of the Commissioner of Internal Revenue in cases involving disputed assessments, among others:

SEC. 7. Jurisdiction. — The CTA shall exercise:

(a) Exclusive appellate jurisdiction to review by appeal, as herein provided:

(1) **Decisions of the Commissioner of Internal Revenue in cases involving disputed assessments**, refunds of internal revenue taxes, fees or other charges, penalties in relation thereto, or other matters arising under the National Internal Revenue Code or other laws administered by the Bureau of Internal Revenue[.] (Emphasis supplied)

In the present *Petition for Review*, petitioner seeks to assail respondent's *Final Decision*⁴ dated May 13, 2025, which found that the assessment issued against petitioner for taxable year 2012 had already become final due to petitioner's failure to file a request for reconsideration against the FDDA within 30 days from receipt of the same before the OCIR.

It bears emphasizing that a tax assessment that has become final, executory, and enforceable for failure of the taxpayer to assail the same as provided in Section 228 of the National Internal Revenue Code (NIRC) of 1997, as amended, can no longer be contested.⁵

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² AN ACT CREATING THE COURT OF TAX APPEALS.

³ AN ACT EXPANDING THE JURISDICTION OF THE COURT OF TAX APPEALS (CTA), ELEVATING ITS RANK TO THE LEVEL OF A COLLEGIATE COURT WITH SPECIAL JURISDICTION AND ENLARGING ITS MEMBERSHIP, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 1125, AS AMENDED, OTHERWISE KNOWN AS THE LAW CREATING THE COURT OF TAX APPEALS, AND FOR OTHER PURPOSES.

⁴ Exhibit P-21, Docket – Vol. I, pp. 132-134.

⁵ *Oceanic Wireless Network, Inc. v. Commissioner of Internal Revenue*, G.R. No. 148380, December 9, 2005.

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Accordingly, the pivotal issue is whether the assessment had already attained finality.

The Court answers in the affirmative.

Section 228 of the NIRC of 1997, as amended, together with Section 3.1.4 of Revenue Regulations No. 12-99, as amended by Revenue Regulations No. 18-2013, provides the remedies available to a taxpayer upon receipt of an adverse decision on a protest issued by the Commissioner's duly authorized representative.

Section 228 of the NIRC of 1997, as amended, reads:

Section 228. *Protesting of Assessment.* — When the Commissioner or his duly authorized representative finds that proper taxes should be assessed, he shall first notify the taxpayer of his findings: . . .

. . . .

The taxpayers shall be informed in writing of the law and the facts on which the assessment is made; otherwise, the assessment shall be void.

Within a period to be prescribed by implementing rules and regulations, the taxpayer shall be required to respond to said notice. If the taxpayer fails to respond, the Commissioner or his duly authorized representative shall issue an assessment based on his findings.

Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations. Within sixty (60) days from filing of the protest, all relevant supporting documents shall have been submitted; **otherwise, the assessment shall become final.**

If the protest is denied in whole or in part, or is not acted upon within one hundred eighty (180) days from submission of documents, the taxpayer adversely affected by the decision or inaction may appeal to the Court of Tax Appeals within thirty (30) days from receipt of the said decision, or from the lapse of the one hundred eighty (180)-day period; otherwise, the decision shall become final, executory and demandable. (Emphasis supplied)



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On the other hand, Section 3.1.4 of RR No. 12-99,⁶ as amended by RR No. 18-2013,⁷ implementing Section 228, states:

3.1.4 *Disputed Assessment.* — The taxpayer or its authorized representative or tax agent may protest administratively against the aforesaid FLD/FAN within thirty (30) days from date of receipt thereof. ...

....

If the taxpayer fails to file a valid protest against the FLD/FAN within thirty (30) days from date of receipt thereof, the assessment shall become final, executory and demandable. No request for reconsideration or reinvestigation shall be granted on tax assessments that have already become final, executory and demandable.

If the protest is denied, in whole or in part, by the Commissioner's duly authorized representative, the taxpayer may either: (i) appeal to the Court of Tax Appeals (CTA) within thirty (30) days from date of receipt of the said decision; or (ii) elevate his protest through request for reconsideration to the Commissioner within thirty (30) days from date of receipt of the said decision. No request for reinvestigation shall be allowed in administrative appeal and only issues raised in the decision of the Commissioner's duly authorized representative shall be entertained by the Commissioner.

If the protest is not acted upon by the Commissioner's duly authorized representative within one hundred eighty (180) days counted from the date of filing of the protest in case of a request reconsideration; or from date of submission by the taxpayer of the required documents within sixty (60) days from the date of filing of the protest in case of a request for reinvestigation, the taxpayer may either: (i) appeal to the CTA within thirty (30) days after the expiration of the one hundred eighty (180)-day period; or (ii) await the final decision of the Commissioner's duly authorized representative on the disputed assessment.

If the protest or administrative appeal, as the case may be, is denied, in whole or in part, by the Commissioner, the taxpayer may appeal to the CTA within thirty (30) days from date of receipt of the said decision. Otherwise, the assessment shall become final, executory and demandable. A motion for

⁶ Implementing the Provisions of the National Internal Revenue Code of 1997 Governing the Rules on Assessment of National Internal Revenue Taxes, Civil Penalties and Interest and the Extra-Judicial Settlement of a Taxpayer's Criminal Violation of the Code Through Payment of a Suggested Compromise Penalty.

⁷ Amending Certain Sections of Revenue Regulations No. 12-99 Relative to the Due Process Requirement in the Issuance of a Deficiency Tax Assessment.



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reconsideration of the Commissioner's denial of the protest or administrative appeal, as the case may be, shall not toll the thirty (30)-day period to appeal to the CTA. (Emphasis supplied)

In applying the foregoing rules, the Supreme Court, in the case of *Philippine Amusement and Gaming Corporation v. Bureau of Internal Revenue*⁸ and later on in *Commissioner of Internal Revenue v. V.Y. Domingo Jewellers, Inc.*,⁹ explained that there are three (3) options by which a taxpayer may appeal the denial of its administrative protest, to wit:

Following the *verba legis* doctrine, the law must be applied exactly as worded since it is clear, plain, and unequivocal. A textual reading of Section 3.1.[4] gives a protesting taxpayer like PAGCOR only three options:

1. If the protest is wholly or partially denied by the CIR or his authorized representative, then the taxpayer may appeal to the CTA within 30 days from receipt of the whole or partial denial of the protest.
2. **If the protest is wholly or partially denied by the CIR's authorized representative, then the taxpayer may appeal to the CIR within 30 days from receipt of the whole or partial denial of the protest.**
3. If the CIR or his authorized representative failed to act upon the protest within 180 days from submission of the required supporting documents, then the taxpayer may appeal to the CTA within 30 days from the lapse of the 180-day period. (Emphasis supplied, citation omitted)

It must be stressed that if the protest is denied, in whole or in part, by the CIR's duly authorized representative, the taxpayer may either: (a) appeal to the Court of Tax Appeals (CTA) within 30 days from date of receipt of the said decision; or (b) elevate his protest through a request for reconsideration to the CIR within 30 days from date of receipt of the decision of the CIR's duly authorized representative. **Otherwise, the assessment becomes final, executory and demandable.**

In the instant case, records reveal that petitioner received the FDDA, signed by Regional Director Maridur V. Rosario, on

⁸ G.R. No. 208731, January 27, 2016 [Per J. Carpio, Second Division].

⁹ G.R. No. 221780, March 25, 2019 [Per J. Peralta, Third Division].

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June 9, 2020.¹⁰ Under the rules laid out in RR No. 12-99, as amended by RR No. 18-2013, petitioner had 30 days from receipt of the FDDA, or until **July 9, 2020**, to either appeal the same to the CTA or elevate the matter to the CIR.

Although petitioner elected to pursue the second remedy, it failed to file its appeal with the OCIR within the prescribed period. While petitioner lodged its appeal with the Office of the Regional Director on July 8, 2020,¹¹ it was only on **October 1, 2020** that a copy thereof was filed with the OCIR.¹² By then, the 30-day period to appeal, under RR No. 12-99, as amended by RR No. 18-2013, had long expired.

To support its position that the appeal to the CIR was timely filed, petitioner argues that the running of the 30-day period was suspended because Metro Manila, where the offices of both petitioner and respondent are located, remained under GCQ from the time petitioner received the FDDA on June 9, 2020 until it filed its appeal with the OCIR on October 1, 2020.

The Court is not persuaded.

As correctly pointed out by respondent, the imposition of GCQ did not suspend the running of the period to appeal. Rather, under the pertinent BIR issuances (e.g., RR No. 7-2020, RR No. 10-2020, RR No. 11-2020 and RR No. 12-2020), the suspension of statutory and administrative deadlines applied only during the periods when Metro Manila was placed under Enhanced Community Quarantine (ECQ) or Modified Enhanced Community Quarantine (MECQ).

Indeed, RR No. 11-2020 provided that the term “quarantine” includes GCQ. However, the BIR subsequently issued RR No. 12-2020 on May 14, 2020, which specifically excluded GCQ from the definition of “quarantine.” Although RR No. 12-2020 continued to include “community quarantine” within the term “quarantine,” the same was qualified to refer only to “any announcement by the National Government resulting in limited operations and mobility.”

Applying the foregoing issuances, the Court finds that petitioner cannot validly invoke the continued imposition of

¹⁰ Exhibit P-13, Docket – Vol. I, pp. 100-104.

¹¹ Exhibit P-14, Docket – Vol. I, pp. 105-109.

¹² Exhibit P-16, Docket – Vol. I, pp. 112-113.

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GCQ in Metro Manila as a basis for the suspension of the 30-day period to appeal the FDDA.

When petitioner received the FDDA on **June 9, 2020**, Metro Manila was already under GCQ. Significantly, **from June 1, 2020 to August 3, 2020**, Metro Manila remained under GCQ,¹³ during which the suspension of the period to appeal no longer applied. Consequently, the 30-day period within which petitioner could elevate the FDDA to the CIR commenced upon petitioner's receipt of the FDDA on June 9, 2020 and expired on July 9, 2020.

The subsequent imposition of MECQ beginning August 4, 2020, does not alter the result. By that time, the period to appeal had already lapsed.

Accordingly, petitioner's failure to file its appeal with the OCIR within the 30-day reglementary period caused the FDDA to attain finality by operation of law.

As consistently held by the Supreme Court, once an assessment becomes final due to the taxpayer's failure to avail of the remedies provided by law within the prescribed period, the taxpayer is thereafter barred from contesting either the validity or correctness of the assessment.

Significantly, in *Republic v. Hizon*,¹⁴ the Supreme Court ruled:

The contention has no merit. Sec. 229 [now Sec. 228] of the Code mandates that a request for reconsideration must be made within 30 days from the taxpayer's receipt of the tax deficiency assessment, otherwise the assessment becomes final, unappealable and, therefore, demandable. The notice of assessment for respondent's tax deficiency was issued by petitioner on July 18, 1986. On the other hand, respondent

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Quarantine Window	Days in Quarantine	Post-Lifting Tolling	Total Suspension Days	Legal Basis (IATF/BIR)
Mar. 16, 2020 – May 31, 2020 (ECQ/MECQ)	77	60	137	Bayanihan to Heal as One Act; IATF Resos Nos. 12 (Mar. 13, 2020), 29 (May 15, 2020); BIR RMC 34-2020, RMC 136-2020
Aug. 4, 2020 – Aug. 18, 2020 (MECQ)	15	60	75	IATF Reso No. 60-A (Aug. 2, 2020); BIR RMC 79-2020, RMC 136-2020

14 G.R. No. 130430, December 13, 1999 [Per J. Mendoza, Second Division].

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made her request for reconsideration thereof only on November 3, 1992, without stating when she received the notice of tax assessment. She explained that she was constrained to ask for a reconsideration in order to avoid the harassment of BIR collectors. In all likelihood, she must have been referring to the distraint and levy of her properties by petitioner's agents which took place on January 12, 1989. Even assuming that she first learned of the deficiency assessment on this date, her request for reconsideration was nonetheless filed late since she made it more than 30 days thereafter. Hence, her request for reconsideration did not suspend the running of the prescriptive period provided under §223 (c). Although the Commissioner acted on her request by eventually denying it on August 11, 1994, this is of no moment and does not detract from the fact that the assessment had long become demandable. (Emphasis supplied, citations omitted)

In this case, the validity and correctness of the assessment, as finally decided in the FDDA, had become binding and conclusive upon petitioner, as held by the Supreme Court in the case of *Commissioner of Internal Revenue v. Bank of the Philippine Islands*,¹⁵ to wit:

The inevitable conclusion is that BPI's failure to protest the assessments within the 30-day period provided in the former Section 270 meant that they became final and unappealable. Thus, the CTA correctly dismissed BPI's appeal for lack of jurisdiction. BPI was, from then on, barred from disputing the correctness of the assessments or invoking any defense that would reopen the question of its liability on the merits. Not only that. There arose a presumption of correctness when BPI failed to protest the assessments.... (Citation omitted)

Thus, when respondent issued the *Final Decision* dated May 13, 2025 declaring the assessment final, executory, and demandable, there was no longer a disputed assessment that could be reviewed on appeal. The correctness and validity of the assessment had already become conclusive upon petitioner.

Corollarily, the Court cannot consider respondent's May 13, 2025 Final Decision as the appealable "decision on a disputed assessment" contemplated under Section 7 of Republic Act No. 1125, as amended. Petitioner's failure to seasonably appeal the FDDA caused the assessment to attain finality by operation of law, thereby foreclosing any further

¹⁵ G.R. No. 134062, April 17, 2007 [Per J. Corona, First Division].

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review of the assessment's validity and correctness. Consequently, there is no disputed assessment properly reviewable by this Court, and the Court is bereft of jurisdiction to take cognizance of the instant Petition for Review.

In light of the foregoing, the Court finds no need to resolve the other pending incidents. Having determined that it lacks jurisdiction over the instant *Petition for Review*, the Court is without authority to pass upon the remaining matters raised by the parties.

WHEREFORE, premises considered, the *Motion to Resolve Early the Issue of Jurisdiction* incorporated in the *Answer* filed by respondent Commissioner of Internal Revenue on November 5, 2025, is **GRANTED**. Consequently, the instant *Petition for Review* is hereby **DISMISSED** for lack of jurisdiction.

Accordingly, the rest of the pending incidents, namely, the *Prayer for Preliminary Injunction and/or to Suspend Collection of Taxes* incorporated in the *Petition for Review*, and the *Manifestation with Motion*, all filed by petitioner King Air FBO, Inc., represented by its Director of Finance, Gloria Valdez, are hereby deemed **MOOT and ACADEMIC**.

Lastly, respondent's *Transmittal* of the *Entire BIR Records* submitted on December 23, 2025, is **NOTED**.

SO ORDERED.


LANEE S. CUI-DAVID
Associate Justice

WE CONCUR:


JEAN MARIE A. BACORRO-VILLENA
Associate Justice


PAOLO S. TESTON
Associate Justice