

**REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY**

FIRST DIVISION

PHILIPPINE NATIONAL BANK,

Petitioner,

C.T.A. CASE NO. 6652

Members:

- versus -

**ACOSTA, Chairman
BAUTISTA, and
CASANOVA, J.**

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

Promulgated:

JAN 30 2007 3:30 PM

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X

DECISION

CASANOVA, C., J.:

This Petition for Review seeks the refund of alleged unutilized creditable withholding taxes in the aggregate amount of Twenty Six Million Four Hundred Sixty Six Thousand Seven Hundred Thirty Five Pesos and 40/100 (P26,466,735.40) covering the taxable year 2000.

The Philippine National Bank ("petitioner") is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with

principal address located at PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City.¹ It is engaged in the commercial banking business.

The Commissioner of Internal Revenue ("respondent") is vested by law with the power to grant refund for any internal revenue tax erroneously paid, assessed or collected, among others, with office address at the Bureau of Internal Revenue Building, Agham Street, Diliman, Quezon City.

In several transactions including but not limited to the sale of real properties, lease and commissions, petitioner allegedly earned income and paid the corresponding income taxes due which were collected and remitted by various payors as withholding agents to the Bureau of Internal Revenue ("BIR") during the taxable year 2000.

On April 18, 2001, petitioner filed its tentative income tax return for taxable year 2000² which petitioner subsequently amended on July 25, 2001.³

Seemingly unsatisfied with the first amendment, petitioner filed again an amended income tax return for taxable year 2000 on June 20, 2002,⁴ declaring no income tax liability (either at the regular rate of 32% or minimum corporate income tax rate of 2%) as it incurred a net loss in the amount of P11,318,957,602.00 and a gross loss of P745,713,454.00⁵ from its Regular Banking Unit ("RBU") transactions. However, petitioner had a 10% final income tax liability of P210,364,280.00 on taxable income of P1,959,931,182.00 earned from its Foreign Currency Deposit Unit. 

¹ Par. 1, Summary of Admitted Facts, Rollo, p. 713.

² Exhibit A.

³ Exhibit B.

⁴ Exhibit C.

⁵ Pursuant to Section 27(E)(4) of the NIRC of 1997, the MCIT rate of 2% is imposed on the corporate taxpayer's gross income. *Schedule of Minimum Corporate Income Tax Computation, December 31, 2000 attached to Exhibit C.*

("FCDU") transactions for the same year. Likewise, in the said return, petitioner reported a total amount of P245,888,507.00 final and creditable withholding taxes which was applied against the final income tax due of P210,364,280.00 leaving an overpayment of P35,524,227.00, as shown below:

	<u>Special Rate</u>	<u>Regular Rate</u>
Sales/Revenues/Receipts/Fees	P2,031,786,989.00	P 9,410,611,254.00
Less: Cost of Sales/Services	-	<u>13,480,972,398.00</u>
Gross Income from Operation	P2,031,786,989.00	(P 4,070,361,144.00)
Add: Non-Operating & Other Income	<u>71,855,807.00</u>	<u>3,324,647,690.00</u>
Total Gross Income	P1,959,931,182.00	(P 745,713,454.00)
Less: Deductions	-	<u>10,573,244,148.00</u>
Taxable Income	P1,959,931,182.00	(P11,318,957,602.00)
Tax Rate	<u>10%</u>	<u>32%</u>
Income Tax	P 210,364,280.00	P -
Aggregate Income Tax Due	P 210,364,280.00	P -
Less: Tax Credits/Payments		
Prior Years' Excess Credits	P 13,266,584.00	
Tax Payments for the First Three Quarters	2,976,489.00	
Creditable Tax Withheld for the First Three Quarters	216,455,877.00	
Creditable Tax Withheld for the Fourth Quarter	<u>13,189,557.00</u>	
Total Tax Credits/Payments	P 245,888,507.00	
Overpayment	<u>(P 35,524,227.00)</u>	

In its second amended return, petitioner's income tax overpayment of P35,524,227.00 consisted of the balance of the prior year's (1999) excess credits of P9,057,492.00 to be carried-over as tax credit to the succeeding quarter/year and excess creditable withholding taxes for taxable year 2000 in the amount of P26,466,735.00 which petitioner opted to be refunded.

On November 11, 2002, petitioner, through its Vice President Ligaya R. Gagolinan, filed a claim for refund or the issuance of a tax credit certificate in the amount of P26,466,735.40 for the taxable year 2000 with the respondent.⁶

⁶ Exhibit WW.

Due to respondent's inaction on its administrative claim, petitioner appealed before this Court by way of a Petition for Review on April 11, 2003.

In his Answer, respondent alleged, *inter-alia*, that petitioner's alleged claim for refund is subject to administrative routinary investigation/examination by the Bureau; the amount of P26,466,735.40 being claimed by petitioner as allegedly representing overpaid creditable withholding tax for the year 2000 was not properly documented; in an action for refund, the burden of proof is on the taxpayer to establish its right to refund, and failure to sustain the burden is fatal to the claim for refund/credit; petitioner must show that it has complied with the provisions of Sections 204(C) and 229 of the Tax Code on the prescriptive period for claiming tax refund/credit since claims for refund are construed strictly against the claimant for the same partake the nature of exemption from taxation.⁷

The Court commissioned the services of Mr. Ruben B. Rubio of the SGV & Co. as independent auditor to examine and verify petitioner's voluminous documents. Only petitioner proffered documentary evidence and it presented Mr. Rubio and its Assistant Vice-President of Central Tax Management Department Unit and Financial Management Division, Atty. Julian B. Soriano as witnesses.

In the Resolution of April 12, 2006, the parties were given thirty (30) days from receipt thereof to submit their respective memoranda. However, petitioner alone filed its memorandum within the prescribed period. On June 20, 2006, this case was deemed submitted for decision.

For this Court's consideration, the parties stipulated the following issues: 

⁷ Rollo, pp. 689-690.

- "1. Whether or not the claim for refund was filed within the two-year period prescribed by Section 229 of the Tax Code;
2. Whether or not the income upon which the taxes were withheld were included in the return of the recipient;
3. Whether or not the fact of withholding is established by a copy of a statement issued by the payor to the payee showing the amount paid and the amount of tax withheld therefrom;
4. Whether or not petitioner had negative taxable income for year 2000;
5. Whether or not the creditable tax withheld were utilized or not credited in the taxable years of 2000 and 2001; and
6. Whether or not the Certificates of Creditable Withholding Taxes correctly and accurately represent the unutilized amount of P26,466,735.40."⁸

Being interrelated, the issues shall be jointly discussed.

To bolster its claim for refund, petitioner invokes the provision of Section 76 of the 1997 NIRC, as amended, which reads:

SEC. 76. *Final Adjustment Return.* – Every corporation liable to tax under Section 27 shall file a final adjustment return covering the total taxable income for the preceding calendar or fiscal year. If the sum of the quarterly tax payments made during the said taxable year is not equal to the total tax due on the entire taxable income of that year, the corporation shall either:

- (A) Pay the balance of tax still due; or
- (B) Carry-over the excess credit; or
- (C) Be credited or refunded with the excess amount paid, as the case may be.

In case the corporation is entitled to a tax credit or refund of the excess estimated quarterly income taxes paid, the excess amount shown on its final adjustment return may be carried over and credited against the estimated quarterly income tax liabilities for the taxable quarters of the succeeding taxable years. Once the option to carry-over and apply the excess quarterly income tax against income tax ⁸

⁸ Rollo, pp. 714-716.

against income tax due for the taxable quarters of the succeeding taxable years has been made, such option shall be considered irrevocable for that taxable period and no application for cash refund or issuance of a tax credit shall be allowed therefor."

From the foregoing, the corporate taxpayer's excess tax credits or overpaid income tax in a given taxable year may either be refunded (in the form of cash or tax credit certificate) or carried-over and applied to the succeeding taxable quarters/years. However, once the option of carry over has been made, the same becomes irrevocable for that taxable period.

A perusal of petitioner's second amended income tax return and audited financial statements for taxable year 2000⁹ shows that its Regular Banking Unit ("RBU") had indeed suffered a net loss in the said year. As can be seen in Part II (*Computation of Tax*) of the same return, specifically under the column "Regular Rate", petitioner's deductions for "Cost of Sales/Services" amounting to P13,480,972,398.00 and Expense Deductions amounting to P10,573,244,148.00 totalling P24,054,216,546.00 exceeded its gross income of P12,735,258,944.00 representing the sum of its "Sales/Revenues/Receipts/Fees(Sch1)" of P9,410,611,254.00 and "Non-Operating & Other Income" of P3,324,647,690.00 resulting in a net loss of P11,318,957,602.00. Accordingly, petitioner had no income tax liability at the normal rate of 32% for the year 2000.

Likewise, for purposes of computing its Minimum Corporate Income Tax ("MCIT") for the same year, petitioner's second amended return/audited financial 

⁹ Exhibits C, C-4 & C-5.

statements reflected a gross loss of P745,713,454.00.¹⁰ Considering that under Section 27(E)(4) of the National Internal Revenue Code ("NIRC") of 1997, the MCIT is based on *gross income* (and not gross loss), petitioner also had no MCIT liability for taxable year 2000.

Inasmuch as petitioner's second amended income tax return for taxable year 2000 was prepared under penalties of perjury, the figures appearing therein are presumed to be true and correct in the absence of contrary evidence.¹¹ In the case of *Citibank N. A. vs. Court of Appeals and Commissioner of Internal Revenue*¹² the Supreme Court held that:

"A refund claimant is required to prove the inclusion of the income payments which were the basis of the withholding taxes and the fact of withholding. However, detailed proof of the truthfulness of each and every item in the income tax return is not required. That function is lodged in the Commissioner of Internal Revenue by the NIRC which requires the Commissioner to assess internal revenue taxes within three years after the last day prescribed by law for the filing of the return. In *San Carlos Milling Co., Inc. vs. Commissioner of Internal Revenue*, the Court held that the internal revenue branch of government must investigate and confirm the claims for tax refund or credit before taxpayers may avail themselves of this option. The grant of a refund is founded on the assumption that the tax return is valid: that is, the facts stated therein are true and correct. In fact even without Petitioner's tax claim, the Commissioner can proceed to examine the books, records of the petitioner-bank, or any data which may be relevant or material in accordance with Section 16 of the present NIRC." (*Underlining supplied.*)

In the present case, since petitioner had no income tax liability either at the regular rate of 32% or MCIT rate of 2% against which the subject creditable 

¹⁰ Schedule of Minimum Corporate Income Tax Computation for the year ended December 31, 2000 attached to Exhibit C.

¹¹ *Paseo-Reality and Development Corporation vs. Commissioner of Internal Revenue*, CTA Case No. 4693, July 29, 1993 and affirmed by the Court of Appeals in CA-G.R. SP No. 33589, October 14, 1994.

¹² G.R. No. 107434, October 10, 1997.

withholding taxes ("CWT") of P26,466,735.40 may be applied or credited, the same remained unutilized as of December 31, 2000.

In its tentative and first and second amended returns for taxable year 2000 filed on April 18, 2001, July 25, 2001, and June 20, 2002,¹³ respectively, petitioner marked both options "To be refunded" and "To be carried over as tax credit next year/quarter" and indicated the following: "(Note: 2000 CWT to be refunded while balance of 1999 CWT to be carried over as tax credit next year/quarter)". In its second amended return, it was specifically indicated that income tax overpayment of P35,524,227.00 shall be treated as follows: CWT for the year 2000 amounting to P26,466,735.00 "To be refunded" while the 1999 CWT amounting to P9,057,492.00 "To be carried over as tax credit next year/quarter". Clearly, petitioner properly marked the option "To be refunded" insofar as the claimed unutilized excess creditable withholding taxes for taxable year 2000 is concerned.

Moreover, in the 2001 tentative and amended income tax returns for its Regular Banking Unit and Foreign Currency Deposit Unit,¹⁴ petitioner did not carry-over the 2000 excess creditable withholding taxes of P26,466,735.00. As aptly noted by SGV & Co.,¹⁵ it was only the amount of P9,057,492.00 representing the 1999 excess credits that was reflected as "Prior Year's Excess Credits" in the said 2001 income tax returns filed by petitioner for its RBU and FCDU, as follows:

Prior Year's Excess Credits:	
RBU (Exhibit E)	P 5,106,339.00
FCDU (Exhibit F)	<u>3,951,153.00</u>
TOTAL	<u>P 9,057,492.00</u>



¹³ Exhibits A, B & C.

¹⁴ Exhibits ZZ-1, AAA-1, XX, YY, E & F.

¹⁵ Page 2, Exhibit G.

Thus, petitioner could not have possibly utilized the claimed creditable withholding taxes of P26,466,735.40 in the year 2001 or in any of the succeeding years. In which case, the amount of P26,466,735.40 appears to have been excessively paid and refundable pursuant to Section 76 of the NIRC of 1997.

However to be entitled to a refund of the subject claim, petitioner must observe the following requisites:

1. That the claim for refund is filed with the Commissioner of Internal Revenue within the two-year prescriptive period from the date of payment (Section 204 in relation to Section 229, 1997 NIRC);
2. That the fact of withholding is established by a copy of a statement duly issued by the payor (withholding agent) to the payee, showing the amount paid and the amount of tax withheld therefrom; and
3. That the income upon which the taxes were withheld were included in the return of the recipient.¹⁶

With regard to the first requisite on prescription, petitioner asserts that it filed its claim for refund before the administrative and judicial levels within the two (2)-year reglementary period under Sections 204(C) and 229 of the 1997 NIRC, as amended, which provide:

SEC. 204. *Authority of the Commissioner to Compromise, Abate and Refund or Credit Taxes.* – The Commissioner may –

xxx

xxx

xxx

(C) Credit or refund taxes erroneously or illegally received or penalties imposed without authority, refund the value of internal revenue stamps when they are returned in good condition by the purchaser, and, in his discretion, redeem or change unused stamps that have been rendered unfit for use and refund their value upon proof of destruction. No credit or refund of taxes or penalties shall be allowed unless the taxpayer files in writing with the Commissioner a claim for credit or refund within two (2) years after the payment of the

¹⁶ Section 2.58, Revenue Regulations No. 2-98, as amended; Citibank, N.A. vs. Court of Appeals and CIR, 280 SCRA 457.

tax or penalty: *Provided, however,* That a return filed showing an overpayment shall be considered as a written claim for credit or refund.

SEC. 229. *Recovery of Tax Erroneously or Illegally Collected.* – No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessively or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Commissioner; but such suit or proceeding may be maintained, whether or not such tax, penalty or sum has been paid under protest or duress,

In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment: *Provided, however,* That the Commissioner may, even without a written claim therefor, refund or credit any tax, where on the face of the return upon which payment was made, such payment appears to have been erroneously paid.

Petitioner satisfied the first requisite. The reckoning of the two-year prescriptive period for the filing of a claim for refund/tax credit of excess creditable withholding tax/quarterly income tax payments commences from the date of filing of the annual income tax return.¹⁷ Petitioner filed its income tax return for the taxable year 2000 on April 18, 2001.¹⁸ Counting from this date, petitioner had until April 18, 2003 within which to file its claim for refund or tax credit certificate both in the administrative and judicial levels. Therefore, the administrative claim for refund filed on November 11, 2002¹⁹ and this Petition for Review filed on April 11, 2003 are well within the two-year prescriptive period. *a*

¹⁷ ACCRA Investments Corporation vs. Court of Appeals, 204 SCRA 957 (1991); Commissioner of Internal Revenue vs. TMX Sales, Inc., 205 SCRA 184 (1992).

¹⁸ Per RMC No. 19-2001 taxpayers with accounting period ended December 31, 2000 were granted an extension of time to file their income tax returns up to April 18, 2001.

¹⁹ Exhibit WW.

As to the second requisite, per verification by the commissioned auditing firm, SGV & Co.,²⁰ the amount of P26,466,735.40 representing taxes withheld for 2000, the subject of the claim for refund, are supported by Certificates of Withholding Taxes ("CWTs") as follows:

Taxes withheld with original copies of the CWTs	P 24,058,809.85
Taxes withheld with original copies of the CWTs - no indication of period covered	1,488,787.95
Taxes withheld with original copies of the CWTs - where the Bank's name was placed under the payor's name	128,775.00
Taxes withheld supported by CWTs but still subject to further verification	781,362.60
Tax withheld taken up twice	<u>9,000.00</u>
Total	<u>P 26,466,735.40</u>

Upon examination of the SGV report and petitioner's supporting documents, this Court finds the above claimed creditable taxes withheld in the amount of P24,058,809.85 (with original copies of the CWTs) valid except for the amount of P48,600.00 the corresponding certificates of which do not bear the dates or period when the indicated creditable taxes were withheld, to wit:

<u>Exhibit</u>	<u>Withholding Agent</u>	<u>Tax Withheld</u>
D-590	SALAPANG, AMELIA	P45,000.00
D-516	BEBITA, EDWARD	<u>3,600.00</u>
	TOTAL	<u>P48,600.00</u>

As to the creditable taxes withheld in the amounts of P1,488,787.95 and P128,775.00, although this Court observes that there were no dates indicated in the certificates covering the creditable withholding taxes of P1,488,787.95, the related Deeds of Absolute Sale which were executed in the year 2000²¹ show that the creditable taxes of P1,488,787.95 pertain to creditable taxes withheld on petitioner's

²⁰ Exhibit G.

²¹ Exhibits I to I-40.

sales of real properties in the year 2000. Similarly, while petitioner's name was placed under the payor's name in the certificates covering the creditable taxes withheld of P128,775.00, the related Deeds of Absolute Sale which indicated petitioner as the seller²² prove that the said creditable taxes of P128,775.00 were withheld on petitioner's sales of real properties in the year 2000. Thus, the said certificates were extended credence and probative value by this Court.

Regarding the creditable taxes withheld of P781,362.60 detailed in Annex D of Exhibit G, this Court observes that only the certificates corresponding to the following creditable withholding taxes of P42,417.00 can be considered valid:

<u>Exhibit</u>	<u>Withholding Agent</u>	<u>Tax Withheld</u>
D-22	Carol Ann Wy	P 5,400.00
D-104	Felipa L. Garcia	<u>37,017.00</u>
	TOTAL	<u>P 42,417.00</u>

The certificates covering the remaining creditable withholding taxes in the amount of P738,945.60 (P781,362.60 less P42,417.00) shall be disallowed due to the following reasons:

<u>Exhibit</u>	<u>Withholding Agent</u>	<u>Tax Withheld</u>
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1.) Supported by certificates dated outside the period of claim

a.) Supported by certificates dated 2001

D-26 Albert Figueroa

P 2,781.00 *a*

²² Exhibits J-1 to J-2.

D-57	Apolonio Bati, Jr.	39,000.00
D-74	Elaine Garcia	17,925.00
D-119	Emerald Cachola	24,570.00
D-76	Emmanuel Duterte	37,230.00
D-157	Evilla T. Amar	101,250.00
D-140	Florante Pamittan	12,985.50
D-4	Florits Su	27,029.68
D-105	Herminia D. Manlapaz	6,000.00
D-49	Jennete Cruz	25,905.00
D-88	Julius Decierto	3,982.50
D-117	Lerna Tacipit	4,387.50
D-89	Lorna Sta. Maria	37,350.00
D-5	Ma. Linda Casugod	4,103.52
D-151	Melitona C. Retutas	26,250.00
D-158	Nelda Onenieta	13,950.00
D-6	Pedro Membrano	4,575.00
D-27	Perseveranda Domingo	54,187.50
D-24	PNB Forex, Inc.	25,696.40
D-165	Ramon/Veronica Laxamana	16,800.00
D-144	Rodolfo S. Teodoro	2,325.00
D-111	Rodolfo/Estrellita Malabanan	49,500.00
D-86	Rogelio B. Co.	7,650.00
D-147	Ruhaida Amed	2,970.00
D-93	SHJ Development Corporation	28,462.50
D-28	Sps. Luis Antonio/Rizalina Yao	21,000.00
D-138	Susan Honculada	43,500.00
D-1	Urbano Amante	12,360.00
D-133	Wilfredo Navarro	53,925.00

b.) Supported by a certificate dated 1999

D-602	Luzviminda de Villa	22,500.00
		<u>P 730,151.10</u>

2.) Supported by a certificate with no indicated amount of creditable tax withheld

D-15	May Jane Catubig	8,794.50
Total:		<u>P738,945.60</u>

Regarding the creditable taxes withheld in the amount of P9,000.00 which was noted by SGV & Co. as "taken up twice", the same shall be denied for being claimed twice by petitioner.

Based on the above discussion, out of the total claimed creditable withholding taxes of P26,466,735.40, petitioner was able to substantiate only the amount of P25,666,064.80, computed as follows:



Amount of Claimed Creditable Taxes Withheld	P 26,466,735.40
Less: 1.) Certificates which do not bear any date or period when the indicated creditable taxes were withheld	48,600.00
2.) Certificates dated outside the period of claim	730,151.10
3.) Certificate without indicated amount of tax withheld	8,794.50
4.) Certificates taken-up twice	9,000.00
Substantiated Creditable Taxes Withheld	<u>P 25,670,189.80</u>

Anent the third requisite that the income upon which the taxes were withheld were included in the return of the recipient, the commissioned auditing firm, SGV & Co, summarized in its report dated September 29, 2004,²³ its findings as follows:

Updated Summary of the Results of the Procedures to Determine the Related Income

Income/loss of which were recorded in 2000 as traced to the Bank's general ledger (GL) transaction history using as reference the name of the payor/withholding agent, amount of income/loss reflected in the transaction tickets, branch name, transaction date, and account title (e.g. PLASE, Income from Assets Acquired, and Rent Income). P 8,462,031.27

Income/loss of which were traced to the 2000 general ledger transaction history using as reference the amount of income/loss reflected in the transaction tickets, branch name, transaction date and account title. However, the names of the withholding agents were not indicated in the GL. 7,185,275.34

Income/loss of which were traced in the 2000 general ledger (GL) transaction history using as reference the amount of income/loss reflected in the transaction tickets, branch name, transaction date and account title properties. 5,806,814.92

Income of which were recorded either in 1999 and 2001 1,574,572.56

No income earned or loss incurred from the transaction, only recovery of expenses. 978,870.33

Income/loss of which were traced in the 2000 general ledger (GL) transaction history using as reference the names of the previous owners of the properties as reflected in the accounting tickets showing the reciprocal entries between the Branch concerned and the Head Office to take-up the taxes withheld on the transaction. 513,662.61

Income of which were only supported by documents (i.e. transaction ticket, and/or input sheet), the details of which cannot be traced to the general ledger transaction history. 1,067,205.98

Income of which were not verified in the general ledger transaction history in the absence of supporting documents (i.e. transaction ticket and/or input sheet). 878,302.39

TOTAL **P26,466,735.40**

²³ Exhibit RR.

Based on the above findings, the creditable withholding taxes in the amounts of P1,067,205.98 and P878,302.39 amounting to P1,945,508.37, the related income of which were not traced to the general ledger must be denied. However, this Court notes that the following creditable withholding taxes of P37,666.40 disallowed earlier due to petitioner's failure to substantiate the same by proper certificates were also included in the amount of P1,945,508.37, to wit:

<u>Exhibit</u>	<u>Withholding Agent</u>	<u>Tax Withheld</u>
K, QQ	PNB Forex	P 25,696.40
K, QQ	Ruhaida Amed	2,970.00
L, PP	Agnes Esmile	9,000.00
	TOTAL	<u>P 37,666.40</u>

Hence, only the net creditable withholding taxes in the amount of P1,907,841.97 (P1,945,508.37 less P37,666.40) shall be denied for failure to satisfy the third requirement.

Consequently, out of the claimed amount of P25,670,189.80 supported by valid certificates, only the creditable withholding taxes of P23,762,347.83, the related income of which were verified to have been recorded in petitioner's general ledger and reported in petitioner's income tax return either in the year 1999, 2000 or 2001, satisfied the third requisite, computed as follows:

Creditable Taxes Withheld With Valid Certificates	P 25,670,189.80
Less: Creditable Taxes Withheld, the related income of which was not verified against the general ledger	<u>1,907,841.97</u>
Refundable Excess Creditable Taxes Withheld	<u>P 23,762,347.83</u>

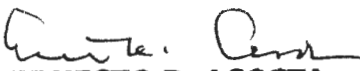
WHEREFORE, premises considered, the petition is hereby **GRANTED**.
Accordingly, respondent is hereby **ORDERED TO REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** to petitioner in the reduced amount of **Twenty Three** 

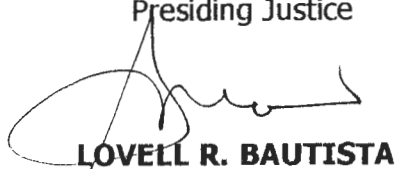
Million Seven Hundred Sixty Two Thousand Three Hundred Forty Seven Pesos and 83/100 (P23,762,347.83) representing unutilized excess creditable withholding taxes for taxable year 2000.

SO ORDERED.


CAESAR A. CASANOVA
Associate Justice

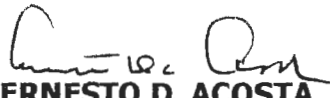
WE CONCUR:


ERNESTO D. ACOSTA
Presiding Justice


LOVELL R. BAUTISTA
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ERNESTO D. ACOSTA
Presiding Justice
Chairperson, First Division