

REPUBLIC OF THE PHILIPPINES
Court of Tax Appeals
QUEZON CITY

SPECIAL SECOND DIVISION

**TPSC PHILIPPINES
CORPORATION,**

CTA CASE NO. 10995

Petitioner, *Present:*

vs.

**RINGPIS-LIBAN, P.J., Chairperson,
MODESTO-SAN PEDRO, and
FERRER-FLORES, JJ.**

**COMMISSIONER OF
INTERNAL REVENUE,**

Promulgated:

Respondent.

SEP 23 2026

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RESOLUTION

FERRER-FLORES, J.:

For resolution of this Court are the following:

1. Respondent's **Motion for Partial Reconsideration (Re: Decision dated April 20, 2026)** filed on May 13, 2026, with petitioner's **Comment/Opposition (Re: Respondent's Motion for Partial Reconsideration dated 13 May 2026)** filed on May 28, 2026; and
2. Petitioner's **Motion for Partial Reconsideration (Re: Decision dated 20 April 2026)** filed on May 14, 2026, with respondent's **Comment/Opposition** filed on June 15, 2026.

On April 20, 2026, the Court promulgated a Decision partially granting petitioner's claim for refund of its unutilized input value-added tax (VAT), in the reduced amount of ₱13,198,543.05, attributable to its zero-rated sales of services for fiscal year (FY) 2021 (April 1, 2020 to March 31, 2021), the dispositive portion of which reads as follows:

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 2 of 13

ACCORDINGLY, the present **Petition for Review** is **PARTIALLY GRANTED**.

In view thereof, respondent is **ORDERED TO REFUND** or **ISSUE A TAX CREDIT CERTIFICATE** in favor of petitioner, the amount of **₱13,198,543.05**, representing the latter's unutilized input VAT attributable to its zero-rated sales for fiscal year 2021.

SO ORDERED.

Undaunted, both parties implore the Court to revisit the conclusions reached in the above Decision and pray that the same be partially reconsidered based on the arguments raised in their respective *Motions*.

Respondent's Motion for Partial Reconsideration

In his *Motion*, respondent argues that, in a claim for tax refund, the applicant must prove not only entitlement to the amount sought but also compliance with all the documentary and evidentiary requirements therefor. He contends that the burden of proof is on the taxpayer to establish its entitlement to the claim, which necessitates the submission of all relevant documents in the administrative level and failure to sustain the burden is fatal to the claim for refund. According to respondent, petitioner must comply with the relevant provisions of the National Internal Revenue Code (NIRC) of 1997, as amended, and with Revenue Memorandum Circular (RMC) No. 47-2019¹ and Revenue Memorandum Order (RMO) No. 47-2020² to fully support its claim for refund. Respondent continues that petitioner's failure to prove compliance with the abovementioned requirements during the administrative level, renders the present *Petition for Review* vulnerable, weak, and unworthy of refund.

Citing the case of *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue (Pilipinas Total Gas)*,³ respondent further asserts that judicial review is not a *de novo* trial, but an inquiry into whether the findings of the administrative body are consistent with law, supported by evidence, and fraud-free. He expounds that, when a judicial claim for tax refund in the Court is an appeal of an unsuccessful administrative claim, the taxpayer has to convince the Court that respondent had no reason to deny its claim. It, thus, becomes imperative for petitioner to show the Court that, not only is it entitled under substantive law to its claim for refund, but also that all the

¹ SUBJECT: Prescribes the revised guidelines and mandatory requirements for the processing and grant of Value-Added Tax refund claims within the 90-day period.

² SUBJECT: Consolidated and Updated Guidelines and Procedures on the Processing of Claims for Value-Added Tax Credit/Refund Except Those under the Authority and Jurisdiction of the Legal Group

³ G.R. No. 207112, December 8, 2016.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 3 of 13

documentary and evidentiary requirements for an administrative claim has been satisfied.

On the other hand, in its *Comment*, petitioner contends that the present *Motion for Partial Reconsideration* merely reiterates the matters already raised in respondent's *Answer* filed on January 17, 2023, and that the Court should summarily dismiss the same as it presents no compelling grounds and its content is too unsubstantial to require any reconsideration.

In any case, petitioner argues that the Court correctly ruled that cases before it are litigated *de novo*. Citing the case of *Philippine Airlines, Inc. vs. Commissioner of Internal Revenue*,⁴ petitioner asserts that, as a court of record, the parties may present and formally offer evidence anew, and are not limited to those presented in the administrative level.

Lastly, petitioner maintains that it has sufficiently substantiated its VAT zero-rated sales to Philippine Economic Zone Authority (PEZA)-registered entities for FY 2021, including the source documents for its purchases. Petitioner continues that even the supporting documents of input VAT, that were submitted in support of its claim for refund, are all compliant with the invoicing and substantiation requirements prescribed under existing tax laws, rules, and regulations.

After due consideration, the Court finds respondent's *Motion for Partial Reconsideration* bereft of merit.

With emphasis, this Court upholds its ruling that cases filed before the Court are litigated *de novo*. The power of the Court to exercise its appellate jurisdiction does not preclude it from considering evidence that was not presented in the administrative claim in the Bureau of Internal Revenue (BIR).⁵ The question of whether the evidence submitted by a party is sufficient to warrant the granting of its prayer lies within the sound discretion and judgment of the Court.⁶ More so, this Court, being a court of record, is not governed strictly by technical rules of evidence, thus, is not precluded from considering evidence not presented at the administrative level for the paramount consideration remains the ascertainment of truth.⁷

⁴ G.R. Nos. 206079-80 and 206309, January 17, 2018.

⁵ *Philippine Airlines, Inc. vs. Commissioner of Internal Revenue and Commissioner of Internal Revenue vs. Philippine Airlines, Inc.*, G.R. Nos. 206079-80 and 206309, January 17, 2018.

⁶ *Pilipinas Total Gas, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 207112, December 8, 2015.

⁷ *Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc. (formerly Nissan Motor Philippines, Inc.)*, G.R. No. 231581, April 10, 2019.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 4 of 13

In *Commissioner of Internal Revenue vs. Philippine Bank of Communications*,⁸ the Supreme Court categorically ruled that cases filed in the Court are litigated *de novo* and that the Court is not limited by the evidence presented in the administrative claim, to wit:

In the case of *Commissioner of Internal Revenue v. Manila Mining Corporation*, this Court held that cases before the CTA are litigated *de novo* where party litigants should prove every minute aspect of their cases, to wit:

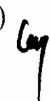
Under Section 8 of Republic Act No. 1125 (RA 1125), the CTA is described as a court of record. As cases filed before it are litigated *de novo*, party litigants should prove every minute aspect of their cases. No evidentiary value can be given the purchase invoices or receipts submitted to the BIR as the rules on documentary evidence require that these documents must be formally offered before the CTA. (Underscoring supplied)

As applied in the instant case, since the claim for tax refund/credit was litigated anew before the CTA, the latter's decision should be solely based on the evidence formally presented before it, notwithstanding any pieces of evidence that may have been submitted (or not submitted) to the CIR. Thus, what is vital in the determination of a judicial claim for a tax credit/refund of CWT is the evidence presented before the CTA, regardless of the body of evidence found in the administrative claim.

In *Commissioner of Internal Revenue v. Univation Motor Philippines, Inc. (Formerly Nissan Motor Philippines, Inc.)*, this Court has explained that the CTA is not limited by the evidence presented in the administrative claim, to wit:

The law creating the CTA specifically provides that proceedings before it shall not be governed strictly by the technical rules of evidence. The paramount consideration remains the ascertainment of truth. Thus, the CTA is not limited by the evidence presented in the administrative claim in the Bureau of Internal Revenue. The claimant may present new and additional evidence to the CTA to support its case for tax refund.

Cases filed in the CTA are litigated *de novo* as such, respondent "should prove every minute aspect of its case by presenting, formally offering and submitting x x x to the Court of Tax Appeals all evidence x x x required for the successful prosecution of its administrative claim." Consequently, the CTA may give credence to all evidence presented by respondent, including those that may not have been submitted to the CIR as the case is being essentially decided in the first instance. (Citations omitted)



⁸ G.R. No. 211348, February 23, 2022.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 5 of 13

Correspondingly, as the Supreme Court has already spoken on the matter, this Court has no other option but to uphold and apply the same. Notably, the Supreme Court, by tradition and in our system of judicial administration, has the last word on what the law is. It is the final arbiter of any justiciable controversy. There is only one Supreme Court from whose decisions all other courts should take their bearings.⁹

As for respondent's argument that petitioner failed to fully support its claim for refund with the necessary documents required to be submitted, petitioner correctly pointed out that the respondent merely reiterated the same arguments that were previously raised in his *Answer*,¹⁰ which have already been considered and discussed extensively in the assailed Decision. To reiterate, the Court already found that petitioner satisfied all the documentary and evidentiary requirements for it to be entitled to the refund amounting to ₱13,198,543.05 out of its original claim of ₱25,109,019.62. To discuss them anew would only be mere superfluity.

As held in *Social Justice Society (SJS) Officers, et al. vs. Alfredo S. Lim, et seq.*,¹¹ it would be a useless formality for the Court to reiterate the reasons already set forth in the assailed Decision, and it suffices for the Court to deal generally and summarily with the motion for reconsideration and merely state a legal ground for its denial, thus:

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 time, these being, 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. (*Emphasis added*)

⁹ *Commissioner of Internal Revenue v. Michel J. Lhuillier Pawnshop, Inc.*, G.R. No. 150947, July 15, 2003.

¹⁰ Docket – Vol. I, pp. 564 to 572.

¹¹ G.R. No. 187836, March 10, 2015 (Resolution on Motion for Reconsideration), citing *Ortigas and Company Limited Partnership v. Judge Tirso Velasco, et al., et seq.*, G.R. No. 109645, March 4, 1996.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 6 of 13

That having been settled, the Court shall now proceed to discuss the merit of petitioner's *Motion for Partial Reconsideration*.

Petitioner's Motion for Partial Reconsideration

In its *Motion*, petitioner primarily argues that the Court erred in holding that not all of petitioner's zero-rated sales qualify for VAT zero-rating. Petitioner asserts that the determination of whether a transaction qualifies for VAT zero-rating should primarily rest on the supporting source documents evidencing the sale [i.e., official receipts (ORs) and invoices], and not merely on the manner by which such transactions were reflected in the Summary List of Sales (SLS). As such, petitioner contends that the subject zero-rated sales should not have been disallowed solely on the basis of alleged formal deficiencies in the ORs, notwithstanding the competent and corroborative documentary evidence presented establishing the nature of the services rendered and the legitimacy of the zero-rated transactions.

Petitioner likewise asserts that the discrepancies identified by Mr. Sonny S. Bonilla, the court-commissioned Independent Certified Public Accountant (ICPA), were purely the result of reconciliation between the SLS and the underlying VAT invoices and/or ORs. Petitioner expounds that the characterization by the ICPA of certain input VAT as unsupported by the required documents is misplaced and fails to appreciate that the controlling proof of input VAT is the underlying primary documents, not the Summary List of Purchases (SLP). Petitioner continues that the SLP, being a mere summary listing, cannot substitute for nor prevail over duly issued VAT invoices and/or ORs, which are the statutorily required evidence of the underlying purchases and the input VAT therein. Thus, where the required supporting documents have in fact been submitted and are on record, any conclusion that the input VAT is "unsupported" merely because of the SLP-based assessment is erroneous, constitutes a misappreciation of the nature and evidentiary weight of the SLP vis-à-vis primary VAT documents.

Moreover, petitioner also avers that the alleged insufficiency in describing the nature of services on the face of certain documents should not, by itself, justify disallowance where other competent records duly submitted adequately establish the character and legitimacy of the transactions, including the nature of the services rendered and their direct relation to petitioner's registered business activities. Similarly, petitioner maintains that the alleged unreadable details in certain invoices or ORs do not, by themselves, negate the existence, validity, or taxability of the underlying transactions, especially where the essential information necessary to establish the purchase and corresponding input VAT may be reasonably

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 7 of 13

ascertained from the records taken as a whole. Additionally, petitioner argues that the supposed alterations on the date and/or VAT amount, as well as the claimed inability to verify countersignatures, do not automatically render the documents invalid. At most, these concern formal or clerical aspects which do not defeat the substantive entitlement to input VAT. In any case, the subject invoices and ORs were properly countersigned and duly acknowledged by petitioner, thereby further affirming their authenticity and due receipt of the underlying goods and services.

With respect to the disallowance of input VAT on capital goods on the ground of failure to defer the input tax over 60 months, petitioner argues that, while the Court found that petitioner did not apply the prescribed amortization, such non-deferment does not warrant outright disallowance of the input VAT. According to petitioner, the governing rule on capital goods merely prescribes the manner and timing of recognition of input tax credit, particularly the spreading of input VAT over a period of 60 months where applicable. It does not, however, operate to extinguish the taxpayer's substantive right to claim input VAT duly supported by valid VAT invoices and/or ORs.

On the other hand, in his *Comment*, respondent avers that petitioner failed to raise any new, material, or persuasive argument in its *Motion for Partial Reconsideration* to justify a reversal or modification of the Court's ruling. He points out that the arguments raised by petitioner have already been sufficiently addressed in the assailed Decision.

Respondent maintains that, 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 its claim. Respondent reiterates his previous arguments, that judicial review is not a *de novo* trial, citing *Pilipinas Total Gas*, and petitioner's failure to comply with the relevant provisions of the NIRC of 1997, as amended, RMC No. 47-2019, and RMO No. 47-2020. Additionally, respondent contends that the source documents for purchases and input VAT amounting to ₱13,329,607.56 failed to comply with the invoicing and substantiation requirements pursuant to Sections 110 and 113 of the NIRC of 1997, as amended, as well as mandatory and substantiation requirements prescribed under RMO No. 47-2020.

Lastly, respondent asserts that, partaking the nature of an exemption, claims for refund are strictly construed against the claimant and cannot be allowed unless granted in the most explicit and categorical language.

After due consideration, the Court likewise finds petitioner's *Motion for Partial Reconsideration* devoid of merit. 

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 8 of 13

At the onset, there is nothing in the Court's Decision stating that the Court considered the SLS as the primary or exclusive evidence of the existence and validity of zero-rated sales transactions. Petitioner's argument that the discrepancies identified by the ICPA were purely the result of reconciliation between the SLS and the underlying VAT invoices and/or ORs and do not negate the zero-rated nature of the underlying transactions, has no leg to stand on. In this regard, the Court quotes the relevant part of its ruling as follows:

As aptly found by the ICPA, the zero-rated sales reported in the VAT returns/SLS, net of withholding taxes, while the zero-rated sales reflected in the ORs were stated in gross amounts, resulting in differences totaling ₱1,275,209.38. Hence, considering that the amount of zero-rated sales of **₱1,275,209.38** was covered by VAT zero-rated ORs, albeit excluded from the VAT return/SLS, the same shall be considered as part of the total zero-rated sales for the period.

On the other hand, the amounts of ₱938,366.83 and ₱1,102,086.57 or a total of **₱2,040,453.40** shall be denied VAT zero-rating as the said amounts pertain to sales unsupported by VAT zero-rated ORs.

Moreover, further verification reveals that the sales to Toshiba Information Equipment Phils. Inc. in the amount of **₱885,268.00** (i.e., OR No. 0000516), although not reported in the VAT return/SLS, was determined to be VAT zero-rated and properly substantiated by VAT zero-rated OR. As such, the same shall be considered as VAT zero-rated sales for purposes of computation.¹²

Clearly, the Court did not treat the SLS as conclusive evidence of petitioner's zero-rated sales. To the contrary, the Court considered the evidence presented and examined the underlying VAT zero-rated ORs, allowing sales duly supported by such ORs notwithstanding their exclusion from the VAT returns/SLS, while disallowing those that remained unsupported.

As for petitioner's disallowed zero-rated sales for failure to indicate the nature of services in the supporting VAT ORs, the Court already discussed in the assailed Decision that, in order for a "*considered export sale*" to qualify for VAT zero-rating, the supporting sales invoices or ORs must comply with the pertinent invoicing requirements, containing all the required information under Section 113(A) and (B) of the NIRC of 1997, as amended, as implemented by Section 4.113-1 (A) and (B) of RR No. 16-2005¹³ and must be duly registered with the BIR as prescribed under Section 237, in relation to Section 238 of the NIRC of 1997, as amended.

¹² Decision, p. 21, Docket – Vol. IV, p. 2239.

¹³ Consolidated Value-Added Tax Regulations of 2005, September 1, 2005.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 9 of 13

In particular, Section 113(B)(3) and Section 237 of the NIRC of 1997, as amended, state as follows:

SEC. 113. Invoicing and Accounting Requirements for VAT-registered Persons. —

X X X

(B) *Information Contained in the VAT Invoice or VAT Official Receipt.* — **The following information shall be indicated in the VAT invoice or VAT official receipt:**

X X X

- (3) The date of transaction, quantity, unit cost and description of the goods or properties or **nature of the service**; and

X X X.

Section 237. *Issuance of Receipts or Sales or Commercial Invoices.* — **All persons subject to an internal revenue tax shall**, for each sale or transfer of merchandise or for services rendered valued at Twenty-five pesos (P25.00) or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or **nature of service**: xxx. (*Emphasis and underscoring supplied*)

Notably, the use of the word “shall” in the above-quoted Sections connotes a mandatory order to indicate, among others, in the OR, the nature of the service rendered. In fact, jurisprudence provides that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.¹⁴ It must be further emphasized that, in cases filed before this Court, which are litigated *de novo*, party-litigants must prove every minute aspect of their case.¹⁵ It, thus, behooves petitioner to show compliance with each of the foregoing requisites and invoicing requirements.

Evidently, the nature of the service rendered must be stated in the VAT OR. There is nothing in Section 113 of the NIRC of 1997, as amended, that even remotely suggests that such information may be indicated in any document other than the VAT OR, the principal supporting document for sale of services. Thus, petitioner’s compliance with all the

¹⁴ *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 183531, March 25, 2015.

¹⁵ *Commissioner of Internal Revenue vs. Univation Motor Philippines, Inc.*, G.R. No. 231581, April 10, 2019; citing *Commissioner of Internal Revenue vs. Lucio L. Co, et al.*, G.R. No. 241424, February 26, 2020; *Edison (Bataan) Cogeneration Corporation vs. Commissioner of Internal Revenue, et seq.*, G.R. Nos. 201665 and 201668, August 30, 2017.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 10 of 13

VAT invoicing requirements is required to be able to file a claim for input taxes attributable to zero-rated sales.¹⁶ The invoicing and substantiation requirements should be followed because it is the only way to determine the veracity of the taxpayer's claims.¹⁷ Moreover, it must be pointed out that compliance with all the VAT invoicing requirements provided by tax laws and regulations is mandatory.¹⁸ Furthermore, the alleged corroborative documents do not cure the deficiency in the VAT ORs. The VAT ORs (related to the disallowed zero-rated sales) themselves do not indicate the nature of the services rendered, nor do they contain any reference to the purported supporting documents that would enable the Court to verify the exact nature of services rendered.

Hence, the Court finds no reversible error in its disallowance of petitioner's zero-rated sales due to the failure of the VAT zero-rated ORs to state the nature of the services rendered in accordance with Section 113(B)(3) of the NIRC of 1997, as amended.

With regard to petitioner's argument that the Court erred in holding that a portion of its claimed input taxes were not duly substantiated or unsupported by competent evidence, despite its submission of invoices, ORs, and other corroborative documents establishing that the corresponding input VAT was validly paid in the course of trade or business, the Court is not convinced.

Admissibility of evidence should not be confused with its probative value. Admissibility refers to the question of whether certain pieces of evidence are to be considered at all, while probative value refers to the question of whether the admitted evidence proves an issue. Thus, a particular item of evidence may be admissible, but its evidentiary weight depends on judicial evaluation within the guidelines provided by the rules of evidence.¹⁹ Although the Court admitted in evidence the pertinent exhibits, the Court is not precluded from evaluating the probative value thereof. It is worthy to note that the burden is on the taxpayer to prove its entitlement to the refund.²⁰ Hence, it is the duty of the taxpayer to ensure that the documents it submits in support of its claim for refund are sufficiently readable for the verification to be conducted by the Court, and that the same should bear the important and critical details to ascertain the validity of the claim.

¹⁶ *J.R.A. Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 171307, August 28, 2013.

¹⁷ *Kepeco Philippines Corporation vs. Commissioner of Internal Revenue*, G.R. No. 181858, November 24, 2010.

¹⁸ *Eastern Telecommunications Philippines, Inc. vs. Commissioner of Internal Revenue*, G.R. No. 168856, August 29, 2012.

¹⁹ *People of the Philippines vs. Pilen*, G.R. No. 254875, February 13, 2023.

²⁰ *Team Energy Corporation (Formerly: Mirant Pagbilao Corporation and Southern Energy Quezon, Inc. vs. Commissioner of Internal Revenue)*, et seq., G.R. Nos. 197663 and 197770, March 14, 2018.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 11 of 13

Notably, in determining the refundable amount, the Court scrutinized the evidence presented and evaluated the probative value thereof to ascertain whether petitioner had sufficiently established its entitlement to the claimed input VAT refund in accordance with the requirements under existing tax laws, rules, and regulations.

Lastly, with respect to the disallowance of input VAT on capital goods on the ground of failure to defer the input tax over 60 months, it is well-settled that, while amortization of input VAT paid on capital goods is not among the requirements for claiming a tax refund, it is nevertheless a rule that must be complied with by a VAT-registered taxpayer engaged in zero-rated sales when claiming input VAT arising from its purchases of capital goods where its acquisition cost, excluding the VAT component thereof, exceeds ₱1,000,000.00. As held by the Supreme Court in *Taganito Mining Corporation vs. Commissioner of Internal Revenue*:²¹

The ruling of the Court of Tax Appeals En Banc is correct:

There is nothing in the above-quoted provisions of law which states that the amortization of VAT paid on capital goods with acquisition cost exceeding One Million Pesos (Php1,000,000.00), excluding the VAT component, applies only when the input VAT is creditable against the output VAT. The above-quoted provisions of law do not state that the same do not apply to claims for refund or applications for issuance of a tax credit certificate.

A perusal of Sections 4.110-3 and 4.110-4 of Revenue Regulations (RR) No. 16-05, implementing the VAT provisions of the 1997 NIRC, as amended by RA No. 9337, reveals that, insofar as the amortization of input VAT paid on capital goods is concerned, there is no distinction between the input VAT creditable against output VAT and input VAT subject of a claim for refund or application for issuance of a tax credit certificate.

“Ubi lex non distinguit, nec nos distinguere debemus. Where the law does not distinguish, we ought not to distinguish.” Thus, the law being silent, the same rule on amortization of input VAT necessarily applies to claims for refund.

XXX XXX XXX

While it is true that amortization of input VAT paid on capital goods is not among the requirements for claiming a tax refund, it is nevertheless a rule that must be complied with by a VAT-registered taxpayer

²¹ G.R. No. 216656, April 26, 2021.

RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 12 of 13

engaged in zero-rated sales when claiming input VAT arising from its purchases of capital goods where its acquisition cost, excluding the VAT component thereof, exceeds Php1,000,000.00.

Thus, the Court En Banc agrees with the Court in Division that petitioner's input VAT of Php8,850,141.45 paid on its capital goods with acquisition cost that exceeds Php1,000,000.00 shall be spread over sixty (60) months; and only the amortized input VAT in the amount of Php1,277,591.16 is creditable or refundable as of December 31, 2007[.] (Citations omitted)

A holistic reading of the provisions reveals that there is no limitation in applying the amortization rule to input tax credit/refund from zero-rated transactions. **Contrary to petitioner's argument, Section 110(B) does not give a VAT-registered taxpayer vested rights to refund any and all input VAT which are directly attributable to its zero-rated sales. Being statutory in nature, its right to refund depends on the limitations provided by law. The burden of proof is upon the claimant to prove the factual basis of its claim for refund as tax refunds, similar to exemptions, are strictly construed against the taxpayer. This burden, petitioner failed to discharge. (Emphasis supplied)**

To stress, the burden is on the taxpayer to show that it has strictly complied with the conditions for the grant of the tax refund or credit since actions for tax refund or credit, as in the present case, are in the nature of tax exemptions. As such, they are regarded as derogation of sovereign authority and to be construed *strictissimi juris* against the person or entity claiming the refund.²²

In view of the foregoing disquisitions, there being no new matter or substantial issue raised by both respondent and petitioner in their respective *Motions for Partial Reconsideration*, the Court finds no compelling reason to reverse or modify the Decision promulgated on April 20, 2026.

ACCORDINGLY, respondent's Motion for Partial Reconsideration (Re: Decision dated April 20, 2026) and petitioner's Motion for Partial Reconsideration (Re: Decision dated 20 April 2026) are both DENIED for lack of merit. 67

²² *Commissioner of Internal Revenue vs. S.C. Johnson and Son, Inc.*, G.R. No. 127105, June 25, 1999.

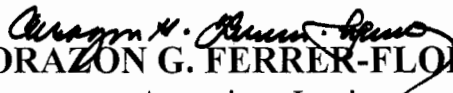
RESOLUTION

CTA Case No. 10995

TPSC Philippines Corporation vs. Commissioner of Internal Revenue

Page 13 of 13

SO ORDERED.


CORAZON G. FERRER-FLORES
Associate Justice

WE CONCUR:


MA. BELEN M. RINGPIS-LIBAN
Presiding Justice


MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice