

TAX BULLETIN

March 2026

COURT OF TAX APPEALS (“CTA”) DECISIONS

WRITING THE SALES AMOUNT BESIDE THE TERM “ZERO RATED SALES” SUBSTANTIALLY COMPLIES WITH THE REQUIREMENT OF WRITING/PRINTING THE TERM “ZERO-RATED” ON THE RECEIPT. *Commissioner of Internal Revenue vs. Stefanini Philippines, Inc., CTA En Banc (“EB”) No. 2864 (CTA Case No. 10226) dated March 2, 2026.*

FILED BUT SUBSEQUENTLY RETURNED APPLICATION FOR REFUND DUE TO ALLEGED DEFICIENCIES IS DEEMED A DENIAL APPEALABLE TO THE COURT OF TAX APPEALS. Petitioner assailed the jurisdiction of Court in Division contending that no administrative claim for refund was filed considering that the application received on July 14, 2020 was subsequently returned by the Bureau of Internal Revenue (“BIR”) upon the verbal directive of the Revenue Officer on the ground of alleged non-compliance with Revenue Memorandum Circular (“RMC”) No. 47-2019. The alleged non-filing was confirmed in the BIR’s letter dated August 27, 2020. The Court held that it was proper to treat such communication as a denial of its refund claim so as not to preclude the respondent from timely instituting a judicial claim. To support the BIR’s position that this Court lacks jurisdiction over the refund claim on the ground that no valid application for refund was ever filed would permit the Commissioner of Internal Revenue (“CIR”) to unilaterally determine the completeness of the taxpayer-applicant’s submissions in support of its refund claim. Such a stance would effectively confer upon the tax authorities unbridled power to indefinitely delay the processing of an administrative claim, and, consequently, bar the filing of a judicial claim with the Court of Tax Appeals (“CTA”). ***Commissioner of Internal Revenue vs. Manulife Data Services, Inc., CTA EB No. 2971 (CTA Case No. 10381) dated March 2, 2026.***

SERVICE AGREEMENT DETERMINES THE PLACE WHERE THE SERVICE TO THE NON-RESIDENT FOREIGN CORPORATION WILL BE PERFORMED. *Offsourcing Philippines, Inc. v. Commissioner of Internal Revenue, CTA Case No. 10257 dated March 10, 2026.*

THE PROPER REMEDY TO AN AMENDED DECISION THAT SUBSTANTIALLY MODIFIES A PREVIOUS RULING IS A MOTION FOR RECONSIDERATION, NOT YET A FULL-BLOWN PETITION FOR REVIEW. The Court held that re-evaluation of evidence is not strictly necessary for an Amended

Decision since substantial modification is the actual requirement. Since re-computation of the refundable amount is still a substantial modification to its original ruling, the proper remedy to such a ruling would thus still be a Motion for Reconsideration. *Commissioner of Internal Revenue v. Halliburton Worldwide Limited-Philippine Branch, CTA EB Case No. 3070 (CTA Case No. 10467) (Resolution) dated March 2, 2026.*

A MERE REHASH OR REITERATION OF ARGUMENTS IN A MOTION FOR RECONSIDERATION CANNOT SET ASIDE OR MODIFY THE COURT'S DETERMINATION ON THE MERITS OF THE CASE. In the absence of new or substantial grounds that would justify a departure from the previous conclusion and finding of the Court En Banc, there is no cogent reason to depart from its ruling in the assailed Decision. *Commissioner of Internal Revenue v. Bangko Sentral ng Pilipinas, CTA EB Case No. 2944 (CTA Case No. 10278) (Resolution) dated March 2, 2026; Syngenta Philippines, Inc. v. Commissioner of Internal Revenue, CTA Case No. 11067 (Resolution), March 2, 2026; Powersource Philippines Energy Incorporated v. Commissioner of Internal Revenue, CTA Case No. 11078, dated March 11, 2026; Commissioner of Internal Revenue v. Ayala Corporation, CTA EB Case No. 3099, dated March 23, 2026; Commissioner of Internal Revenue v. Tullet Prebon (Philippines), Inc., CTA EB No. 3016, dated March 16, 2026.*

THE COURT OF TAX APPEALS HAS THE AUTHORITY TO RULE ON ISSUES NOT RAISED AT THE ADMINISTRATIVE OR EVEN THE JUDICIAL LEVEL. The CTA can rule on issues raised for the first time on appeal provided that the issue (1) is related to the principal issue to be resolved by the court and (2) resolving the issue would not necessitate the introduction of new evidence and must rely solely on factual bases already present in the records of the case. *Provident Tree Farms, Inc. v. Commissioner of Internal Revenue, CTA Case No. 10459 dated March 2, 2026.*

ISSUANCE OF THE FORMAL LETTER OF DEMAND WITH FINAL ASSESSMENT NOTICE ("FLD/FAN") WITHIN THE 15-DAY GRACE PERIOD FROM RECEIPT OF THE PRELIMINARY ASSESSMENT NOTICE ("PAN") VIOLATES THE DUE PROCESS RIGHTS OF THE TAXPAYER. *Provident Tree Farms, Inc. v. Commissioner of Internal Revenue, CTA Case No. 10459 dated March 2, 2026.*

PETITIONER'S RIGHT TO DUE PROCESS WAS VIOLATED WHEN THE BIR ISSUED THE FLD/FAN WHICH WAS A COMPLETE REPLIC OF THE PAN. Section 228 of the Tax Code explicitly requires that the taxpayer be informed in writing of the law and of the facts on which the assessment is made. In this case, the Court ruled that the respondent violated the petitioner's right to due process when

the FLD/FAN issued was a complete replica of the PAN as it failed to address the arguments raised by petitioner in its Reply to the PAN, without stating the or explaining the demerits of the petitioner's contentions. *Helix Mining and Development Corporation (Formerly "Holcim Mining And Development Corporation") v. Commissioner of Internal Revenue, CTA Case No. 10974, dated March 11, 2026.*

AN FLD/FAN, ALONG WITH THE DETAILS OF DISCREPANCIES THAT IS IDENTICAL TO THE PAN, MAY BE DECLARED VOID FOR VIOLATING THE TAXPAYER'S RIGHT TO DUE PROCESS. While it is true that petitioner is not obligated to give credence to respondent's arguments when they lack merit, petitioner must state so on record and explain why they lack merit. A bare assertion of rejection is insufficient; the basis for such rejection must be clearly communicated to the taxpayer. Petitioner cannot claim that no due process violation occurred simply because respondent was given the opportunity to file a protest, when respondent was never informed why its defenses were rejected. Whether respondent's arguments have merit is precisely what petitioner must determine and explain on record. Otherwise, the protest stage is effectively reduced to a mere formality-an appearance of a hearing without its substance. *Commissioner of Internal Revenue v. Wipro Philippines, Inc. CTA EB Case No. 3040, dated March 13, 2026.*

LACK OF A DUE DATE IN THE FLD/FAN RENDERS TAX ASSESSMENTS NULL. SUBSEQUENT STATEMENT OF DUE DATES IN THE FINAL DECISION ON DISPUTED ASSESSMENT DOES NOT CURE THE DEFECT. *Commissioner of Internal Revenue v. Grand Union Supermarket, Inc., CTA Case No. CTA EB No. 2893 (CTA Case No. 10299) dated March 12, 2026.*

LETTER OF AUTHORITY ISSUED BY THE CHIEF OF REGULAR LARGE TAXPAYER AUDIT DIVISION I OF THE BIR AUTHORIZING REVENUE OFFICERS TO PERFORM AUDIT IS IMPROPER AN VOID. *Commissioner of Internal Revenue v. First Telecom Philippines, Inc., CTA EB Case No. 3079, dated March 13, 2026.*

THERE IS ONLY ONE CONTINUOUS 180-DAY PERIOD FOR THE CIR OR HIS AUTHORIZED REPRESENTATIVE TO ACT ON A TAXPAYER'S PROTEST UNDER SECTION 228 OF THE NIRC, AND NO NEW 180-DAY PERIOD ARISES FROM AN ADMINISTRATIVE APPEAL TO THE CIR. In this case, petitioner mistakenly treated its administrative appeal filed on December 21, 2018 as the starting point of a new 180-day period. However, the law contemplates only a singular 180-day period, reckoned from the filing of the protest, which in this case had already lapsed on May 20, 2018. Thus, when RD De Guzman issued the FDDA on November 26, 2018, the 180-day period had long been exhausted. Petitioner's only available remedy was to await respondent's adverse decision and to

appeal such decision to the Court in Division within thirty (30) days from receipt thereof. Consequently, upon petitioner's administrative appeal to respondent, there was no remaining 180-day period to speak of, and petitioner could not validly premise its remedy on "inaction" after such lapse. Therefore, petitioner's belief that it had thirty (30) days from the supposed expiration of a fresh 180-day period or until July 19, 2019 to file a Petition for Review was not sanctioned by law. Consequently, petitioner's appeal was filed out of time, and the CTA had no jurisdiction over the case. *Friendlycare Foundation, Inc. v. Commissioner of Internal Revenue, CTA EB No. 3056, dated March 17, 2026.*

PHOTOCOPY OF THE REGISTRY RECEIPT IS NOT SUFFICIENT EVIDENCE OF ACTUAL SERVICE OF THE PAN WITHOUT AN AFFIDAVIT UNDER OATH OF THE PERSON WHO ACTUALLY MAILED THE PAN. THE AUTHENTICATION THROUGH AN AFFIDAVIT OF THE MAILER IS NECESSARY FOR THE SERVICE BY REGISTERED MAIL TO BE REGARDED AS CLEAR PROOF OF THE PAN'S SERVICE TO THE TAXPAYER. MORE IMPORTANTLY, THE REGISTRY RECEIPT MUST CONTAIN SUFFICIENTLY IDENTIFIABLE DETAILS OF THE TRANSACTION WHICH WILL CONSTITUTE ADEQUATE PROOF OF MAILING. *Commissioner of Internal Revenue v. Bohol JSL Enterprises Incorporated, CTA EB No. 2989, dated March 17, 2026.*

RECEIPT OF A DEMAND FOR PAYMENT PAST THE DUE DATE IS A VIOLATION OF THE TAXPAYER'S RIGHT TO DUE PROCESS. The fundamental right to due process, as a limitation to governmental power, requires prior notice and hearing. A due date necessarily implies that payment is fixed at a definite date that will inevitably arrive. If a taxpayer only receives the demand for payment past the due date, then clearly the written demand does not give the taxpayer any time to consider the demand and prepare for payment when it falls due. The purpose of prior notice is negated. The taxpayer's right to due process is clearly breached. *Eastern Petroleum Corporation v. Commissioner of Internal Revenue, CTA Case No. 10342, dated March 18, 2026.*

COMPROMISE PENALTIES ARE ONLY AMOUNTS SUGGESTED IN SETTLEMENT OF CRIMINAL LIABILITY AND MAY NOT BE IMPOSED OR EXACTED ON THE TAXPAYER IF THE TAXPAYER REFUSES TO PAY THE SUGGESTED AMOUNT. Considering that there is no indication that petitioner consented to the subject compromise penalties, the said total amount cannot likewise be sustained. *Eastern Petroleum Corporation v. Commissioner of Internal Revenue, CTA Case No. 10342, dated March 18, 2026.*

LETTER RECEIVED BY THE TAXPAYER (1) ISSUED BY A REGIONAL DIRECTOR, A POSITION EQUIVALENT TO A DIVISION CHIEF; AND (2)

STATING THAT THE BIR WOULD BEGIN ATTEMPTING TO COLLECT THE ASSESSED AMOUNT IS A STATEMENT OF INTENT TO COLLECT THAT SIGNALS THAT BIR CONSIDERS THE ASSESSMENT FINAL. WITH THE ABSENCE OF A MORE TRADITIONAL FINAL DECISION ON DISPUTED ASSESSMENT, SUCH RECEIVED LETTER MUST BE CONSIDERED EQUIVALENT TO A FINAL DECISION. *Gensbio Marketing Corp., represented by the President, Abnil O. Mercado v. Commissioner of Internal Revenue, CTA Case No. 10054, dated March 18, 2026.*

PROOF THAT THE ASSESSMENT NOTICES WERE ISSUED, POSTED AND SENT OUT BY REGISTERED MAIL IS NOT SUFFICIENT WITHOUT PROOF OF RECEIPT BY TAXPAYER. Petitioner claims that because it did not receive any LOA, PAN, or FLD/FAN, the subject assessment should be declared void and without any force and effect. Consequently, it is further prayed that the WDL be quashed and ruled invalid. In view of petitioner's categorical denial of receipt of the required assessment notices, the onus probandi therefore shifted to respondent to prove by contrary evidence that the notices were received by petitioner. Yet, in the respective Judicial Affidavits of GS Gerald Mart Gatinga and RO Norlika B. Datu-Haron, witnesses of respondent, both testified on the issuance of the assessment notices, but did not touch any bases on whether or not the same was received by petitioner. Additionally, nothing on record shows that the required assessment notices were actually received by petitioner. While respondent included in the BIR records proof that the assessment notices were issued, posted with PhilPost, and were sent out by registered mail, respondent failed to show any evidence that conclusively proves receipt of the same by petitioner. According to Section 228 of the NIRC, the Bureau of Internal Revenue is strictly mandated to issue a written notice to the taxpayer, detailing the factual and legal bases upon which an assessment is predicated. Failure to comply with this statutory due process requirement shall render the assessment void ab initio and of no legal effect. *Mac Graphics Carranz International Corporation, represented by Maria Elsa Carranza Gallego v. Commissioner of Internal Revenue, CTA Case No. 11150, dated March 18, 2026.*

THE PRESUMPTION OF THE CORRECTNESS OF THE ASSESSMENT DOES NOT APPLY WHEN IT IS ARBITRARILY ISSUED, WITHOUT FOUNDATION AND WITHOUT RATIONAL BASIS. More tellingly, RO Pascasio's testimony on record reveals a misunderstanding of the proper tax treatment of the productivity incentives to be exact, she assessed the entire productivity incentives as fringe benefits subject to fringe benefit tax ("FBT"). On the other hand, she stated that productivity incentives are not fringe benefits and should instead be treated as part of salary, subject to withholding tax on compensation. This equivocation as to the proper tax treatment of productivity incentives, coupled with the failure to segregate the amounts attributable to rank-and-file and supervisory employees, impressed upon Our mind that respondent failed to sufficiently establish

the legal and factual bases for the subject FBT assessment. Respondent did not offer evidence to demonstrate that the entire amount of productivity incentives was exclusively granted to managerial or supervisory employees, or that the same properly falls within the ambit of FBT. Such failure to present evidence is fatal respondent's cause. To be clear, the presumption of the correctness of the assessment does not apply when it is arbitrarily issued, without foundation and rational basis. Respondent's conundrum as to the proper tax treatment of the productivity incentives reveals lack of foundation and rational basis for the FBT assessment. Ergo, the presumption of correctness ordinarily accorded to tax assessments is inapplicable. ***Somnomed Philippines Inc. v. Commissioner of Internal Revenue, CTA Case No. 10845, dated March 19, 2026.***

PRIOR VALID FILING OF AN ADMINISTRATIVE PROTEST ON THE FLD/FAN IS NOT REQUIRED FOR THE CTA TO EXERCISE JURISDICTION OVER A COLLECTION CASE WHICH FALLS UNDER "OTHER MATTERS". ***Zoom Celero Courier Inc., v. Commissioner of Internal Revenue, CTA Case No. 10660, dated March 19, 2026.***

IN CASE BIR FAILED TO ACT ON THE DISPUTED ASSESSMENT WITHIN THE 180-DAY PERIOD, THE TAXPAYER MAY EITHER: (1) FILE A PETITION FOR REVIEW WITH THIS COURT WITHIN 30 DAYS AFTER THE EXPIRATION OF THE 180-DAY PERIOD FIXED BY LAW FOR THE RESPONDENT TO ACT ON THE DISPUTED ASSESSMENT; OR (2) AWAIT THE FINAL DECISION OF THE RESPONDENT ON THE DISPUTED ASSESSMENTS AND APPEAL SUCH FINAL DECISION TO THIS COURT WITHIN 30 DAYS AFTER RECEIPT OF A COPY OF SUCH DECISION.. ***Fatima L. Simbre v. Commissioner of Internal Revenue, CTA Case No. 11112, dated March 19, 2026.***

A MEMORANDUM OF ASSIGNMENT DOES NOT GIVE VALID AUTHORITY FOR THE BIR TO CONTINUE THE INVESTIGATION OF TAXPAYERS. In this case, no new LOA was issued by the BIR naming RO Cayabyab as the new examiner. Their authority was anchored only on the *Memorandum of Assignment* signed by Ms. Shirley A. Calapatia, Chief of the Regular LT Audit Division 1. The lack of a valid LOA issued by the CIR or his duly authorized representative giving the Revenue Officer the power to conduct an audit on petitioner's books of accounts makes the assessment void. The importance of the lack of the Revenue Officer's authority to conduct an audit cannot be overemphasized because it goes into the validity of the assessment. It is tantamount to the absence of a LOA itself which results in a void assessment. Being a void assessment, the same bears no fruit. ***Commissioner of Internal Revenue v. NCR Corporation Philippines, CTA EB Case No. 2967, dated March 23, 2026.***

A TAXPAYER IS ESTOPPED FROM DENYING THE VALIDITY OF SERVICE OF A FAN WHEN IT PREVIOUSLY RECOGNIZED THE SAME RECIPIENT AS AUTHORIZED TO RECEIVE EARLIER BIR NOTICES. Applying the ruling held by the CTA in *Factory Automation and Instrumentation Corp. v. Commissioner of Internal Revenue*, it held that by attending the Informal Conference, petitioner gave the impression that Lenon is authorized to receive the NIC on its behalf. Petitioner later doubled down on this impression in another step of the assessment process. Thus, receipt through such a person is deemed valid, and the taxpayer's subsequent denial is barred. Applying this, the Court held that the FAN was properly served, and since the taxpayer filed its protest beyond the 30-day period, the assessment became final, executory, and demandable, warranting enforcement through WDL and garnishment. *Siriwai Plywood and Lumber Corporation v. Commissioner of Internal Revenue, CTA Case No. 10810, dated March 31, 2026.*

COMMUNICATIONS FROM THE BANK DO NOT CONSTITUTE ACTS OF THE BIR. Correspondence from the bank informing a taxpayer of the garnishment of his accounts does not partake of the nature of decisions or inaction of the CIR. Since it is not rendered in the exercise of quasi-judicial authority nor does it adjudicate or resolve any tax controversy, bank correspondence is not an appealable "other matter" contemplated under the National Internal Revenue Code. *Baligod v. Bureau of Internal Revenue, CTA Case No. 11090 dated March 2, 2026.*

THE PUBLIC PROSECUTOR IN A CRIMINAL CASE REMAINS THE PRINCIPAL COUNSEL NOTWITHSTANDING THE DEPUTATION OF PRIVATE OR SPECIAL PROSECUTORS. *People of the Philippines v. Juanita L. Ilagan, CTA EB CRIM. NO. 158 (CTA Crim. Case No. 0-978) dated March 4, 2026.*

RECEIPT OF THE DECISION BY THE OFFICE OF THE SOLICITOR GENERAL, NOT THE BIR, IS CONTROLLING. Officials of the BIR remain as deputized officers under the direct control and supervision of the Solicitor General. Thus, the receipt of the assailed decision of the OSG as the principal counsel shall be controlling, and not the receipt of the BIR. *Commissioner of Internal Revenue v. First Telecom Philippines, Inc., CTA EB No. 3140 (CTA Case No. 10688) dated March 11, 2026.*

BOTH THE ADMINISTRATIVE AND JUDICIAL CLAIMS FOR REFUND OF ERRONEOUSLY PAID INCOME TAX MUST BE FILED WITHIN TWO (2) YEARS FROM THE DATE OF PAYMENT. *SAS Institute (Philippines), Inc. v. Commissioner of Internal Revenue, CTA EB Case Nos. 2991 & 2994 (CTA Case No. 10537) dated March 4, 2026.*

CTA REAFFIRMS THE THREE MANDATORY REQUISITES FOR A TAX CLAIM. The CTA En Banc reaffirmed that in claims for refund or issuance of a tax credit certificate (TCC) for excess creditable withholding taxes, the following must be established, to wit: (i) timely filing with the Commissioner of Internal Revenue within the two-year period, (ii) inclusion of the corresponding income in gross income, and (iii) proof of withholding through BIR Form 2307 or equivalent. Applying this, the Court held that once these requisites are sufficiently substantiated by the taxpayer's AITRs and supporting documents, entitlement to a TCC arises, subject only to reduction for unsupported amounts. *Commissioner of Internal Revenue v. Ayala Corporation, CTA EB Case No. 3099, dated March 23, 2026.*

THE CTA HAS JURISDICTION OVER THE CLAIM FOR REFUND OF BANGKO SENTRAL NG PILIPINAS. Respondent contends that the Court of Tax Appeals lacks jurisdiction over the refund claim as it is vested in the Secretary of Justice or the Solicitor General pursuant to Presidential Decree ("PD") No. 242 considering that the case allegedly involves disputes between or among departments, bureaus, offices, agencies, or instrumentalities of the National Government. As held in various rulings of the Court, PD 242 is a general law that governs administrative settlement or adjudication of disputes, claims and controversies between or among government offices, agencies and instrumentalities, including government-owned or controlled corporations, while Republic Act ("RA") No. 1125 as amended by RA 9282, is a special law dealing with a specific subject matter – the creation of the CTA, which shall exercise exclusive appellate jurisdiction over the tax disputes and controversies enumerated therein. Thus, RA 1125 prevails over PD 242 following the rule on statutory construction that special law shall prevail general law. Given this, the CTA shall have exclusive appellate jurisdiction. *Bangko Sentral ng Pilipinas v. Commissioner of Internal Revenue, CTA Case No. 11147 dated March 11, 2026.*

DIVIDEND INCOME OF HOLDINGS COMPANIES IS NOT SUBJECT TO LOCAL TAXES. THE POWER OF AN LGU TO IMPOSE OR LEVY TAXES CANNOT GO BEYOND THE LIMITATIONS SET FORTH BY THE PROVISIONS OF THE LOCAL GOVERNMENT CODE OF 1991. The City of Taguig enacted Ordinance No. 04 7-06 (An Ordinance Adopting a Local Government Tax Rate on Holding Companies), which imposes a local government tax on the dividend income and gross sales/receipts on other activities of holding companies. The Court reiterated its ruling in the assailed decision which held that each Local Government Unit ("LGU") is empowered to create its own sources of revenue, and to levy taxes, fees, and charges, but subject to the provisions of the Local Government Code of 1991 ("1991 LGC"). Among the common limitations on the taxing powers of LGU set forth in Section 133 of the 1991 LGC is that the exercise of the taxing powers of provinces, cities, municipalities, and barangays shall not extend to the levy of income tax, except when levied on banks and other financial institutions. Ordinance

No. 04 7-06 exceeds the limitations provided for by 1991 LGC as it imposed tax on the dividend income of non-bank financial intermediaries, which includes holding companies. *The City of Taguig v. Union Cement Holdings Corporation, CTA AC No. 294 dated March 5, 2026*

IF GENERATION OF REVENUE IS THE PRIMARY PURPOSE, THE IMPOSITION IS A TAX BUT, IF REGULATION IS THE PRIMARY PURPOSE, THE IMPOSITION IS PROPERLY CATEGORIZED AS A REGULATORY FEE. The Environmental Tax imposed by Davao City Ordinance No. 0310-07 is not a local tax as the fees imposed is primarily regulatory in nature and not revenue-raising. Hence, the Court of Tax Appeals has no jurisdiction to entertain the appeal of the decision issued by the Regional Trial Court. *Dole Philippines, Inc. - Stanfilco Division v. The Sangguniang Panlungsod of the City of Davao, CTA AC No. 325 dated March 11, 2026.*

LOCAL GOVERNMENT UNITS CANNOT CONDITION LOCAL BUSINESS TAX PAYMENT ON REAL PROPERTY TAX COMPLIANCE. The CTA held that local government units (“LGU”) cannot refuse acceptance of local business tax (“LBT”) payments on the ground of unpaid real property taxes (“RPT”), absent any express legal basis under the LGC. Applying the rule *expressio unius est exclusio alterius*, the Court ruled that neither the LGC nor the relevant ordinances authorize making RPT payment a prerequisite to LBT compliance, and such requirement pertains only to the issuance of a business permit. Consequently, the LGU’s refusal to accept the taxpayer’s timely tender of LBT payments was unwarranted, and the resulting surcharges and penalties were invalid as the delay was not attributable to the taxpayer. *The Municipality of Pagbilao, Shierre Ann Portes-Palicip in her capacity as Municipal Mayor of the Municipality of Pagbilao and Rizalino O. Tina in his capacity as the Assistant Municipal Treasurer of the Municipality of Pagbilao v. Team Energy Corporation, CTA AC Case No. 350, dated March 13, 2026.*

PROCEDURAL RULES SHOULD NOT BE BELITTLED OR DISMISSED SIMPLY BECAUSE THEIR NON-OBSERVANCE MAY HAVE RESULTED IN PREJUDICE TO A PARTY'S SUBSTANTIAL RIGHTS. *Gutierrez v. Commissioner of Internal Revenue, CTA EB Case No. 3058 (CTA Case No. 10477) (Resolution) dated March 10, 2026.*

FOR INDIRECT TAXES SUCH AS THE EXCISE TAX, THE STATUTORY TAXPAYER REMAINS TO BE THE IMPORTER OR MANUFACTURER OF THE ARTICLE EVEN IF THE BURDEN OF TAXATION MAY BE TRANSFERRED TO THE BUYER. SINCE THE LIABILITY TO PAY THE TAX STILL REMAINS WITH THE STATUTORY TAXPAYER, THE STATUTORY TAXPAYER SHOULD THEREFORE BENEFIT FROM ANY TAX

EXEMPTION PROVIDED. Although the tax burden may be passed on to the buyer, the transfer of such burden is a contractual affair between the parties. Thus, the tax exemption under Section 135 shall benefit the one who actually bears the liability to pay the same and not the one who simply bears the economic burden thereof. *Commissioner of Internal Revenue v. Pilipinas Shell Petroleum Corporation, CTA EB NO. 3027 (CTA Case No. 10352) dated March 11, 2026.*

COLOGNES, INCLUDING SPLASH COLOGNES, ARE PROPERLY CLASSIFIED AS “TOILET WATERS” SUBJECT TO EXCISE TAX UNDER SECTION 150(B) OF THE NIRC, THE DEFINITION UNDER REVENUE REGULATIONS (“RR”) NO. 8-1984 IS INAPPLICABLE TO THE CURRENT EXCISE TAX REGIME. The CTA ruled that the shift from percentage tax to excise tax effectively rendered RR No. 8-1984 obsolete, and in the absence of a controlling statutory definition, the BIR’s interpretation classifying colognes as toilet waters prevails; thus, petitioner’s splash colognes are subject to excise tax regardless of essential oil content. *Green Cross, Inc. v. Commissioner of Internal Revenue, CTA Case No. 11163, dated March 17, 2026.*

THE TRANSACTION MUST BE READILY UNDERSTANDABLE AND CLASSIFIABLE ON THE FACE OF THE OFFICIAL RECEIPT OR INVOICE ITSELF, WITHOUT ANY EXTERNAL REFERENCES TO TESTIMONIES OR OTHER DOCUMENTS. The invoicing requirements under the Tax Code are not mere formalities. They were set to properly document the nature of the transaction and to determine the propriety of the claimed zero-rating. *Regus Service Centre Philippines B.V., v. Commissioner of Internal Revenue, CTA CASE No. 10813 dated March 11, 2026.*

AN APPEAL RECKONED FROM THE COLLECTION LETTERS RECEIVED AFTER THE WARRANT OF DISTRRAINT AND/OR LEVY (WDL) OR WARRANT OF GANISHMENT (WOG) IS DISMISSIBLE FOR HAVING FILED BEYOND THE PERIOD TO APPEAL. *Delicious Kakanin Enterprises Corporation v. Commissioner of Internal Revenue, and Regional Director of Revenue Region No. 5, Caloocan City, CTA Case No. 10988, dated March 12, 2026.*

ONLY THE CIR OR HIS AUTHORIZED REPRESENTATIVE MAY ISSUE A DECISION APPEALABLE TO THE COURT OF TAX APPEALS. The CTA applied the Supreme Court’s ruling in the case of *V. Y. Domingo Jewelers, Inc. v. Commissioner of Internal Revenue*, where they clarified that the “decision” contemplated by law refers specifically to a decision of the CIR or his duly authorized representative. Regional Director Tabule (“RD Tabule”) is neither the CIR nor his authorized representative. Accordingly, RD Tabule's Denial Letter does not constitute the final decision contemplated by law that may be directly appealed to the

CTA. *Bioenergy 8 Corporation v. Commissioner of Internal Revenue, CTA EB Case No. 3004, dated March 13, 2026.*

CTA EN BANC DOES NOT HAVE JURISDICTION OVER PETITIONS FOR CERTIORARI CHALLENGING INTERLOCUTORY ORDERS OR JUDGEMENTS OF A CTA DIVISION. The Court explained that *certiorari* presupposes a hierarchical relationship where a higher tribunal corrects errors of jurisdiction of a subordinate body. This relationship does not exist between the CTA *En Banc* and the Divisions. Both are mere configurations of the same collegial court. The CTA *En Banc*'s authority to review final decisions, resolutions, or orders of the Divisions does not transform it into a separate or higher court, nor does it confer supervisory power to issue writs of *certiorari* against its divisions. ***People of the Philippines, as represented by the Solicitor General through the Bureau of Internal Revenue v. Danilo De Quintos Calugay and the Court of Tax Appeals Third Division, CTA EB SCA No. 0009, dated March 13, 2026.***

JURISDICTION OF THE CTA IN CRIMINAL TAX CASES MUST BE DETERMINED FROM THE ALLEGATIONS IN THE INFORMATION, AND THE PRINCIPAL AMOUNT OF TAX MUST BE CLEARLY STATED, EXCLUSIVE OF SURCHARGE AND PENALTIES, OTHERWISE, THE CTA HAS NO JURISDICTION. The CTA ruled that where the Information merely states a gross amount without indicating whether it is exclusive of surcharges and interest, and where supporting documents do not clearly establish the basic deficiency tax, the CTA cannot acquire jurisdiction, warranting dismissal of the case for want of jurisdiction. ***People of the Philippines v. Eduardo C. Fontanilla, CTA EB Crim Case No. 179, dated March 13, 2026.***

BUREAU OF INTERNAL REVENUE ISSUANCES

ISSUANCE PROVIDING FOR AMENDMENTS AND SUPPLEMENTAL GUIDELINES GOVERNING THE IMPLEMENTATION OF REVENUE MEMORANDUM ORDER NO. 1-2026 [PRESCRIBING REVISED POLICIES, CONTROLS AND PROCEDURES FOR TAX AUDIT AND ASSESSMENT FOLLOWING THE LIFTING OF THE SUSPENSION]. *Revenue Memorandum Order No. 6-2026 dated March 4, 2026 (published on March 4, 2026).*

ISSUANCE CLARIFYING REVENUE MEMORANDUM CIRCULAR NO. 8-2026 ON THE LIFTING OF THE SUSPENSION OF TAX AUDIT AND FIELD OPERATIONS, REVENUE MEMORANDUM ORDER (RMO) NOS. 1-2026 AND 6-2026 ON THE IMPLEMENTATION OF REVISED AUDIT POLICIES, PROCEDURES, AND SAFEGUARDS. *Revenue Memorandum Circular No. 14-2026 dated March 4, 2026 (published on March 4, 2026).*

ISSUANCE CIRCULARIZING THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 11650, OTHERWISE KNOWN AS THE “INSTITUTING A POLICY OF INCLUSION AND SERVICES FOR LEARNERS WITH DISABILITIES IN SUPPORT OF INCLUSIVE EDUCATION ACT”. *Revenue Memorandum Circular No. 19-2026 dated March 11, 2026 (published on March 11, 2026).*

ISSUANCE PROVIDING GUIDELINES FOR FILING OF ANNUAL INCOME TAX RETURNS AND PAYMENT OF CORRESPONDING TAXES DUE THEREON FOR CALENDAR YEAR 2025. *Revenue Memorandum Circular No. 20-2026 dated March 16, 2026 (published on March 16, 2026).*

ISSUANCE PROVIDING GUIDELINES FOR AVAILING OF THE FISCAL INCENTIVES UNDER SECTION 38 OF REPUBLIC ACT NO. 12120, OTHERWISE KNOWN AS THE “PHILIPPINE NATURAL GAS INDUSTRY DEVELOPMENT ACT”. *Revenue Regulations No. 2-2026 dated March 5, 2026 (published on March 17, 2026).*

ISSUANCE CLARIFYING THE PROVISIONS OF REVENUE REGULATIONS NO. 13-2025, THE CONSOLIDATED PROVISIONS TO SIMPLIFY AND STREAMLINE THE PROCEDURES AND REQUIREMENTS RELATIVE TO THE AVAILMENT OF THE TAX EXEMPTIONS AND INCENTIVES GRANTED TO THE PARTICIPATING PRIVATE ENTITIES UNDER REPUBLIC ACT NO. 8525 (ADOPT-A-SCHOOL ACT OF 1998), REPUBLIC ACT NO. 12063 (ENTERPRISE-BASED EDUCATION AND TRAINING (EBET) FRAMEWORK ACT), AND THE TAX CODE. *Revenue Memorandum Circular No. 23-2026 dated March 30, 2026 (published on March 30, 2026).*

ISSUANCE CLARIFYING THE APPLICATION OF REVENUE MEMORANDUM CIRCULAR NOS. 5-2024 AND 38-2024 ON THE TAX TREATMENT OF CROSS-BORDER SERVICES. *Revenue Memorandum Circular No. 24-2026 dated March 30, 2026 (published on March 30, 2026).*

SECURITIES AND EXCHANGE COMMISSION OPINIONS

OPINION RE: ALLOWABLE ACTIVITIES OF A REPRESENTATIVE OFFICE. In evaluating whether activities conducted by a representative office are permissible, this Office has applied the statutory construction principle of *ejusdem generis*. Under the principle of *ejusdem generis*, “where a general word or phrase follows the former, the general word or phrase is to be construed to include or to be restricted to persons, things or cases akin to, resembling, or of the same kind or class those specially mentioned.” Thus, this Office has opined that, “any permissible act of a representative office should be akin to or resemble the same kind or class as those

of information dissemination and promotion of the company's products, or any passive act that does not involve the earning of any income." ***SEC OGC Opinion No. 26-05 dated March 16, 2026.***

Note: The information provided herein is general and may not be applicable in all situations. It should not be acted upon without specific legal advice based on particular situations. If you have any questions, please feel free to email us at mail@baniquedlaw.com.