



Republic of the Philippines
 Supreme Court
 Manila

SECOND DIVISION

PEOPLE OF THE G.R. No. 264192
 PHILIPPINES,

Petitioner, Present:

-versus-

REBECCA S. TIOTANGCO,
 Respondent.

LEONEN, S.A.J., Chairperson,
 LAZARO-JAVIER,
 LOPEZ, M.,
 LOPEZ, J., and
 KHO, JR., JJ.

Promulgated:

NOV 13 2023

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DECISION

LOPEZ, M., J.:

Once again, we encounter the question of whether a final assessment is necessary to a judgment for civil liability for unpaid taxes in the same criminal action for violation of tax laws. Indeed, this Court is aware that in various tax-related criminal actions filed before the Court of Tax Appeals (CTA), the CTA ruled on the innocence or guilt of the taxpayer-accused but without a finding for the civil liability for taxes due to the absence of a formal assessment from the Commissioner of Internal Revenue (CIR). In this case, we reiterate that a final decision on disputed assessment is not a condition precedent to the imposition of civil liability in the criminal action.¹ Under the expanded jurisdiction of the CTA,² the tax court should make a determination on the civil liability for unpaid taxes of the taxpayer-accused since the civil action for collection is deemed instituted with the criminal action for the tax laws violation.

¹ *People v. Mendez*, G.R. Nos. 208310-11 and 208662, March 28, 2023, [Per J. M. Lopez, *En Banc*].

² See Republic Act (RA) No. 9282, entitled "An Act Expanding the Jurisdiction of the Court of Tax Appeals (CTA), Elevating Its Rank to the Level of A Collegiate Court With Special Jurisdiction and Enlarging Its Membership, Amending for the Purpose Certain Sections of Republic Act No. 1125, As Amended, Otherwise Known as the Law Creating the Court of Tax Appeals, and for Other Purposes," approved on March 30, 2004.

For the Court's resolution is a Petition for Review on *Certiorari*³ under Rule 45 of the Rules of Court filed by the People of the Philippines (People), through the Office of the Solicitor General (OSG), seeking to reverse the Decision⁴ dated June 9, 2022 and the Resolution⁵ dated November 4, 2022 of the CTA *En Banc* in CTA EB Crim. No. 086 that affirmed the Decision⁶ dated February 26, 2020 and the Resolution⁷ dated December 9, 2020 of the CTA Division. The CTA Division did not rule on the civil liability of Rebecca S. Tiotangco (Rebecca) despite the finding of guilt beyond reasonable doubt of two counts of violation of Section 255⁸ of the National Internal Revenue Code of 1997, as amended (1997 Tax Code), in CTA Crim. Case Nos. O-602 and O-605 for lack of valid assessment.

ANTECEDENTS

Rebecca was charged with violation of Section 255 of the 1997 Tax Code in two Informations filed before the CTA on August 17, 2016.⁹ The accusatory of the Informations read:

CTA Crim. Case No. O-602

That on or about April 15, 2011 and thereafter, in Puerto Prinsesa City, and within the jurisdiction of this Honorable Court, the above-named accused, a registered taxpayer and entrepreneur of Anilos Trading and Construction and required by law to file income tax returns and to pay the corresponding tax, did then and there willfully, unlawfully and feloniously fail to supply correct and accurate information in her income tax returns for the taxable year 2010 by not declaring her other sources of income amounting to Eleven Million[,] Five Hundred Seventy[-]Nine Thousand[,] Three Hundred Seventy[-]Four Pesos and 8/100 ([PHP] 11,579,374.08), thereby resulting in deficiency tax in the amount of Three Million[,] Four

³ *Rollo*, pp. 41–62.

⁴ *Id.* at 10–25. Penned by Associate Justice Ma. Belen M. Ringpis-Liban, with the concurrence of Presiding Justice Roman G. Del Rosario and Associate Justices Juanito C. Castaneda, Jr., Erlinda P. Uy, Catherine T. Manahan, Maria Rowena Modesto-San Pedro, Marian Ivy F. Reyes-Fajardo, and Lanee S. Cui-David. Associate Justice Jean Marie A. Bacorro-Villena concurred in the result.

⁵ *Id.* at 27–32. Penned by Associate Justice Ma. Belen M. Ringpis-Liban, with the concurrence of Associate Justices Erlinda P. Uy, Catherine T. Manahan, Maria Rowena Modesto-San Pedro, Marian Ivy F. Reyes-Fajardo, and Lanee S. Cui-David. Presiding Justice Roman G. Del Rosario with Concurring Opinion. Associate Justice Jean Marie A. Bacorro-Villena maintained her concurrence in the result. Associate Justice Corazon G. Ferrer-Flores took no part.

⁶ *Id.* at 95–118. Penned by Associate Justice Catherine T. Manahan, with the concurrence of Associate Justice Esperanza R. Fabon-Victorino. Presiding Justice Roman G. Del Rosario with Concurring and Dissenting Opinion. The Decision was issued by the Court of Tax Appeals, First Division.

⁷ *Id.* at 119–127. Penned by Associate Justice Catherine T. Manahan. Presiding Justice Roman G. Del Rosario maintained his Concurring and Dissenting Opinion. Associate Justice Jean Marie A. Bacorro-Villena with Concurring Opinion. The Resolution was issued by the Court of Tax Appeals, First Division.

⁸ **Section 255. Failure to File Return, Supply Correct and Accurate Information, Pay Tax, Withhold and Remit Tax and Refund Excess Taxes Withheld on Compensation.** — Any person required under this Code or by rules and regulations promulgated thereunder to pay any tax, make a return, keep any record, or supply correct and accurate information, **who willfully fails to pay such tax, make such return, keep such record, or supply such correct and accurate information, or withhold or remit taxes withheld, or refund excess taxes withheld on compensation,** at the time or times required by law or rules and regulations shall, in addition to other penalties provided by law, upon conviction thereof, be punished by a fine of not less than Ten thousand pesos ([PHP] 10,000) and suffer imprisonment of not less than one (1) year but not more than ten (10) years. (Emphasis supplied)

⁹ CTA Crim. Case No. O-602 was raffled to the Third Division while CTA Crim. Case No. O-605 was raffled to the First Division; *rollo*, p. 97

Hundred Sixty[-]Three Thousand[,] Nine Hundred Seventy Pesos and 01/100 ([PHP]3,463,970.01), exclusive of surcharges and interests.

Contrary to law.¹⁰

CTA Crim. Case No. O-605

That on or about April 15, 2009 and thereafter, in Puerto Prinsesa City, and within the jurisdiction of this Honorable Court, the above-named accused, a registered taxpayer and entrepreneur of Anilos Trading and Construction and required by law to file income tax returns and to pay the corresponding tax, did then and there willfully, unlawfully and feloniously fail to supply correct and accurate information in her income tax returns for the taxable year 2008 by not declaring her other sources of income amounting to FIFTY[-]NINE MILLION[,] SEVEN HUNDRED ONE THOUSAND[,] FIVE HUNDRED EIGHTY[-]EIGHT AND 44/100 ([PHP] 59,701,588.44), thereby resulting in deficiency tax in the amount of NINETEEN MILLION[,] FOUR HUNDRED FOUR THOUSAND[,] THREE HUNDRED NINETY[-]NINE AND 40/100 ([PHP] 19,404,399.40), exclusive of surcharges and interests.

Contrary to law.¹¹

The tax court found probable cause for the issuance of arrest warrants. Subsequently, Rebecca posted bail and pleaded “not guilty” on arraignment. The cases were consolidated, and then trial on the merits ensued.¹²

On February 26, 2020, the CTA Division found Rebecca guilty beyond reasonable doubt of the offense charged. The prosecution proved that Rebecca willfully failed to supply correct and accurate information in her annual income tax returns for the taxable years 2008 and 2010. However, the CTA Division ruled that no proper determination of Rebecca’s civil liabilities could be made since the required assessment procedures to collect taxes were not complied with.¹³ The excerpts of the Decision follow:

There is no civil liability against the accused.

The prosecution presented a Letter of Authority SN: eLA201100045739 (LOA-211-2013-00000180) dated September 25, 2013 authorizing revenue officers May Quiambao, Cristina Kahulugan, and group supervisor Jose Maria Reyes of the National Investigation Division to examine the books of accounts and other accounting records of Rebecca S. Tiotangco for all internal revenue taxes for the period January 1, 2008 to December 31, 2012, pursuant to the Run After Tax Evaders (RATE) Program.

Also presented in evidence were the Preliminary Assessment Notice (PAN) dated June 18, 2018 and Formal Letter of Demand/Final Assessment Notice (FLD/FAN) dated July 13, 2018.

¹⁰ *Id.* at 96.

¹¹ *Id.* at 96–97.

¹² *Id.* at 11–12 and 96–97.

¹³ *Id.* at 101–113.

However, accused denied receiving the assessments:

32.) Q - Awhile ago you said that you were shocked and confused when you learned that the Bureau of Internal Revenue is suing you for deficiency in payment of Value Added Tax in your projects with the Provincial Government of Palawan, can you elaborate on these?

A - I was shocked because I did not receive any assessment from the BIR regarding the alleged tax deficiency. x x x

The prosecution presented only the registry receipts attached to the PAN and FLD/FAN which proved at most that the said notices were mailed. However, the prosecution did not present any evidence that such notices were indeed received by the accused. Failing that, the assessment is deemed void for failure to comply with due process.

While an assessment of the tax before a criminal action is not necessary, a civil action for collection for the tax requires that the assessment procedures be first complied with. As such, no proper determination of the civil liabilities can be made by the Court in the instant case.

WHEREFORE, the Court finds accused Rebecca S. Tiotangco **GUILTY BEYOND REASONABLE DOUBT** on two (2) counts of violation of Section 255 of the National Internal Revenue Code of 1997, as amended, and sentences her for **each offense charged** in CTA Criminal Case No. O-602 and CTA Criminal Case No. O-605, to suffer an indeterminate penalty of one (1) year, as minimum, to two (2) years as maximum term of imprisonment, and is **ORDERED TO PAY** a fine in the amount of [PHP] 10,000.00, with subsidiary imprisonment in case she has no property with which to meet such fine pursuant to Section 280 of the NIRC of 1997, as amended.

SO ORDERED.¹⁴ (Emphasis in the original)

On reconsideration, the CTA Division affirmed Rebecca's conviction. The CTA Division reiterated that it cannot properly determine Rebecca's civil liability for deficiency taxes for lack of a valid assessment.¹⁵

Before the CTA *En Banc*, the sole issue raised was whether the CTA Division "erred in holding that a tax deficiency cannot be collected in a criminal proceeding in court without an assessment."¹⁶

On June 9, 2022, the CTA *En Banc* ruled that while Section 205 of the 1997 Tax Code explicitly mandates the inclusion of an order for payment of the unpaid taxes in the judgment in the criminal case, it is also clear that there must first be a final determination of such civil liability by the CIR. Without such final determination, there will be no basis for the CTA to rule on the civil

¹⁴ *Id.* at 112-113.

¹⁵ *Id.* at 122-125.

¹⁶ *Id.* at 13.

liability of the taxpayer-accused, as in this case.¹⁷ Thus:

WHEREFORE, the present Petition for Review is **DENIED**. Accordingly, the Assailed Decision and Resolution of the CTA Division in CTA Crim. Case Nos. O-602 and O-605 are both **AFFIRMED**.

SO ORDERED.¹⁸ (Emphasis in the original)

Unsuccessful at reconsideration,¹⁹ the People, as represented by the OSG, elevates the case to this Court, insisting that a final assessment is not necessary for a finding of civil liability for deficiency taxes following Section 203,²⁰ in relation to Section 222²¹ of the 1997 Tax Code, which allows a proceeding in court for the collection of deficiency tax without prior assessment.²²

In her Comment,²³ Rebecca counters that the issues raised by the People in its Petition are questions of fact which are not the proper subject of an appeal by *certiorari*. Rebecca asserts that since she did not receive any formal assessment from the Bureau of Internal Revenue (BIR), there is no basis for the CTA to collect her civil liability.²⁴

ISSUE

The core issue in this case is whether a final assessment is necessary for the imposition of civil liability for taxes in the same criminal action.

RULING

The Petition is meritorious.

Preliminarily, the issue of whether a final assessment is necessary to determine the taxpayer-accused's civil liability for deficiency taxes is *not* a question of fact that is beyond the ambit of a Rule 45 petition. A question of fact exists when its resolution demands the calibration of evidence, the

¹⁷ *Id.* at 13–24.

¹⁸ *Id.* at 24.

¹⁹ *Id.* at 27–32.

²⁰ Section 203. *Period of Limitation Upon Assessment and Collection*.— Except as provided in Section 222, internal revenue taxes shall be assessed within three (3) years after the last day prescribed by law for the filing of the return, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: Provided, That in a case where a return is filed beyond the period prescribed by law, the three (3)-year period shall be counted from the day the return was filed. For purposes of this Section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

²¹ Section 222. *Exceptions as to Period of Limitation of Assessment and Collection of Taxes*. — (a) In the case of a false or fraudulent return with intent to evade tax or of failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be filed without assessment, at any time within ten (10) years after the discovery of the falsity, fraud or omission: Provided, That in a fraud assessment which has become final and executory, the fact of fraud shall be judicially taken cognizance of in the civil or criminal action for the collection thereof.

x x x x

²² *Rollo*, pp. 50–55.

²³ *Id.* at 187–192.

²⁴ *Id.* at 188–191.

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determination of the credibility of witnesses, the existence and the relevance of the attendant circumstances, and the probability of specific situations. In contrast, there is a question of law when there is doubt or controversy as to what the law is on a certain set of facts.²⁵

Thus, while the Court may rule on the necessity of a valid assessment as a precondition for the collection of the taxpayer-accused's civil liability, a question of law, it does not extend to the computation or determination of the taxpayer-accused's civil liability, a factual question that would require us to review and calibrate the evidence of record. Well-settled is the rule that the Court is not a trier of facts.

A valid assessment for deficiency taxes is not a prerequisite for collecting the taxpayer-accused's civil liability for unpaid taxes in the criminal prosecution for tax law violations

The CTA refused to impose civil liability for unpaid taxes on Rebecca despite the finding of guilt in the criminal case because of the lack of a valid assessment. According to the CTA, the BIR's failure to prove that Rebecca received the assessment notices was tantamount to violating her right to due process, which would invalidate the assessment.²⁶ Under Section 205 of the 1997 Tax Code, a formal assessment is required to award civil liability in criminal cases. Therefore, without a valid assessment, there is no basis for the CTA to rule on Rebecca's civil liability.²⁷

We disagree.

In the recent case of *People v. Mendez*,²⁸ the Court clarified that with the advent of Republic Act (RA) No. 9282, a formal assessment is no longer a condition precedent to the imposition of civil liability for unpaid taxes relative to the criminal tax case, viz.:

[B]efore the law expanded the jurisdiction of the CTA in RA No. 9282, the government was not required to collect taxes in the same criminal action for violation of the tax laws. In 2004, Congress enacted RA No. 9282, expanding the jurisdiction of the CTA. Section 7 (b)(1) of RA No. 9282, in relation to Section 11, Rule 9 of the Revised Rules of the Court of Tax Appeals, reads:

[Section 7 (b)(1), RA No. 9282]

[Section] 7. *Jurisdiction.* — The CTA shall exercise:

x x x x

²⁵ *People v. Olpindo*, G.R. No. 252861, February 15, 2022 [Per C.J. Gesmundo, *En Banc*].

²⁶ *Rollo*, p. 23.

²⁷ *Id.* at 13–17.

²⁸ G.R. Nos. 208310-11 and 208662, March 28, 2023 [Per J. M. Lopez, *En Banc*].

(b) Jurisdiction over cases involving criminal offenses as herein provided:

(1) Exclusive original jurisdiction over **all criminal offenses arising from violations of the National Internal Revenue Code** or Tariff and Customs Code and other laws administered by the Bureau of Internal Revenue or the Bureau of Customs: Provided, however, That offenses or felonies mentioned in this paragraph **where the principal amount of taxes and fees, exclusive of charges and penalties, claimed** is less than One million pesos ([PHP] 1,000,000.00) or where there is no specified amount claimed shall be tried by the regular Courts and the jurisdiction of the CTA shall be appellate. Any provision of law or the Rules of Court to the contrary notwithstanding, **the criminal action and the corresponding civil action for the recovery of civil liability for taxes and penalties shall at all times be simultaneously instituted with, and jointly determined in the same proceeding by the CTA, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action will be recognized.**

[Section 11, Rule 9, Revised Rules of the Court of Tax Appeals]

[Section] 11. *Inclusion of civil action in criminal action.* — In cases within the jurisdiction of the Court, **the criminal action and the corresponding civil action for the recovery of civil liability and penalties shall be deemed jointly instituted in the same proceeding. The filing of the criminal action shall necessarily carry with it the filing of the civil action. No right to reserve the filing of such civil action separately from the criminal action shall be allowed or recognized.**

Indeed, the institution of the criminal action **shall** carry with it the corresponding civil action for taxes and penalties. We have repeatedly held that the use of “shall” in a statute connotes the mandatory nature of the requirements and denotes an imperative obligation. Its use rendered the provision mandatory. Therefore, **the government cannot file a civil suit for tax collection independently from the related criminal case.** Simply, the filing of a complaint for an offense that involves liability for unpaid taxes, such as willful neglect to file a return and pay the tax, willful failure to supply correct information in the return, and willful failure to withhold, account for or remit withholding taxes, automatically carries with it the filing of a collection case for deficiency taxes.

It may be asked: **since the civil action for collection is deemed instituted in the criminal tax case, is a final decision of the CIR on the disputed assessment still required for the BIR to collect delinquent tax in the same criminal case pursuant to Section 205?**

We answer in the **negative.**

Section 17 of RA No. 9282 is a general repealing clause as it fails to identify or designate the laws or rules intended to be repealed. As such, the presumption against implied repeals will be applied. It must be noted that repeals by implication are not favored in our jurisdiction. The legislature is presumed to know the existing laws so that if repeal is intended, the proper step is to express it. The failure to add a specific repealing clause indicates that the intent was not to repeal any existing law unless there is a showing that a plain, unavoidable, and irreconcilable inconsistency and repugnancy exists in the terms of the new and old laws.

There is an implied repeal of Section 205 of the Tax Code (1) requiring a prior finding of delinquency for the government to exercise its remedy to collect in a criminal action and (2) allowing a separate civil suit for collection and criminal action by Section 7 (b)(1) of RA No. 9282.

To begin with, Section 205 of the Tax Code specifically prescribes the “civil remedies for the collection of internal revenue taxes, fees, or charges, and any increment thereto resulting from delinquency x x x by criminal action.” Further, “[t]he judgment in the criminal case shall not only impose the penalty but shall also order payment of the taxes subject of the criminal case as finally decided by the Commissioner.” Next, Section 205 gives the CIR discretion to pursue the civil and criminal action simultaneously. On the other hand, the clear import of Section 7 (b)(1) of RA No. 9282 is to treat the criminal action as a collection case for unpaid taxes relative to the criminal case. Verily, both provisions cover the institution of a collection case for delinquent taxes in a criminal case.

There is a substantial inconsistency between the terms of the two laws. Section 205 requires delinquency, meaning the taxpayer must have failed to pay the assessed tax within the period stated in the **notice and demand**. On the other hand, RA No. 9282 mandates “the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action.” However, **a formal assessment is not required** in the prosecution of criminal cases for violation of tax laws. Therefore, by requiring the simultaneous institution of the criminal case for violation of the tax laws and the civil case for collection of taxes and penalties relative to the criminal case in the same proceeding with the CTA, **Congress dispensed with the requirement of delinquency as a pre-condition to collection**. In other words, while Section 205 of the Tax Code mandates a final decision of the CIR on the disputed assessment so that “[t]he judgment in the criminal case shall not only impose the penalty but shall also order payment of the taxes subject of the criminal case *as finally decided by the [CIR]*,” Section 7(b)(1) of RA No. 9282 impliedly repealed the same by allowing the government to collect from the taxpayer its tax liabilities without the formal assessment. ¹

....

It is observed that Section 7 (b)(1) of RA No. 9282 and Section 11, Rule 9 of Revised Rules of the Court of Tax Appeals (RRCTA) contemplate a scenario **where no civil suit for collection has yet been instituted at the time of filing the criminal action**. In case the civil action was filed before the institution of the criminal action, or the government filed an answer to the taxpayer’s petition for review before the CTA, the civil action (or the resolution of the taxpayer’s petition) shall be suspended before judgment on the merits, and shall last until final judgment is rendered in the criminal

action. However, before judgment on the merits is rendered in the civil action, it may be consolidated with the criminal action. Section 2, Rule 111 of the Rules of Court, which applies suppletory to the RRCTA, reads:

....

Therefore, **the government is not precluded from assessing the taxpayer for deficiency taxes in accordance with Section 228 of the Tax Code** – the issuance of Preliminary and Final Assessment Notices, allowing the taxpayer to respond to the notices and contest the assessment, and the issuance of the final notice and demand – *while the criminal case is pending*. It may then introduce in evidence the taxpayer-accused's liability for unpaid taxes as finally determined by the CIR in the same criminal case. The taxpayer, on the other hand, may avail itself of the remedies outlined in the law to prevent the assessment from becoming final and executory – file its protest to the Final Assessment Notice within 30 days from receipt and thereafter appeal to the CTA within 30 days the decision or inaction of the CIR on the disputed assessment. . . .

....

Accordingly, the CTA erroneously refused to make a determination on the civil liability for unpaid taxes on the part of accused Joel on the ground of lack of a formal assessment duly issued by the CIR. Under RA No. 9282, a formal assessment is no longer a condition precedent to the imposition of civil liability for unpaid taxes relative to the criminal tax case.²⁹ (Emphasis in the original)

The Court *En Banc* laid down these guidelines:

(1) When a criminal action for violation of the tax laws is filed, a prior assessment is not required. Neither [is] a final assessment . . . a precondition to *collection* of delinquent taxes in the criminal tax case. The criminal action is deemed a collection case. Therefore, the government must prove two things: *one*, the guilt of the accused by proof beyond reasonable doubt, and *two*, the accused's civil liability for taxes by competent evidence (other than an assessment).

(2) If *before* the institution of the criminal action, the government filed ([a]) a civil suit for collection, or ([b]) an answer to the taxpayer's petition for review before the CTA, the civil action or the resolution of the taxpayer's petition for review shall be suspended before judgment on the merits until final judgment is rendered in the criminal action. However, before judgment on the merits is rendered in the civil action, it may be consolidated with the criminal action. In such a case, the judgment in the criminal action shall include a finding of the accused's civil liability for unpaid taxes relative to the criminal case.³⁰

Here, the prosecution did not file a civil action for collection of deficiency taxes apart from the criminal case for violation of Section 255 of the 1997 Tax Code. The criminal action is deemed a collection case. Therefore, a prior assessment is not required for the CTA to rule on Rebecca's deficiency tax liability. The amount of unpaid taxes and the corresponding

²⁹ *Id.*; citations omitted.

³⁰ *Id.*

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penalties can be determined by competent evidence, other than the formal assessment.

At this juncture, we clarify that the order for payment of taxes in the criminal case despite the absence of a valid assessment is not a violation of the taxpayer-accused's right to due process. The essence of due process is that taxpayers are able to present their case and adduce supporting evidence.³¹ Since both the civil and criminal liabilities will be tried jointly,³² the taxpayer-accused can dispute the alleged deficiency taxes in the same criminal action by presenting competent evidence. Unlike in a civil case for collection, where notices of the assessment are part of the due process requirement,³³ a precise computation and final determination of a deficiency tax is not required in a criminal case for tax violations.³⁴ As decreed in *Mendez*, in a criminal action for tax violation, the government must prove not only the guilt of the accused by proof beyond reasonable doubt, but also the civil liability for taxes by competent evidence (other than an assessment).³⁵

Proper recourse is to remand the case to the CTA

The Court is not a trier of facts. We are only confined to the issues raised by the parties that are qualified as questions of law. Hence, there is a need to remand the case to the CTA Division to determine Rebecca's civil liability in CTA Crim. Case Nos. O-602 and O-605 for willful failure to file to supply correct and accurate information in her income tax returns for the taxable years 2010 and 2008.

ACCORDINGLY, the Petition is **GRANTED**. The Decision dated June 9, 2022 and the Resolution dated November 4, 2022 of the Court of Tax Appeals *En Banc* in CTA EB Crim. No. 086 are **REVERSED**. The case is **REMANDED** to the Court of Tax Appeals, First Division to determine Rebecca S. Tiotangco's civil liability for taxes and penalties for the taxable years 2008 and 2010. The Court of Tax Appeals, First Division is **DIRECTED** to conduct the proceedings with reasonable dispatch.

³¹ *CIR v. Metro Star Superama, Inc.*, 652 Phil. 172, 184 (2010) [Per J. Mendoza, Second Division].

³² See Section 7 (b)(1) of RA No. 9282.

³³ In *CIR v. Pilipinas Shell Petroleum Corporation*, 835 Phil. 875, 904 (2018) [Per J. Leonardo-De Castro, First Division], this Court reiterated the importance of a valid tax assessment in a civil action for collection of taxes as part of due process:

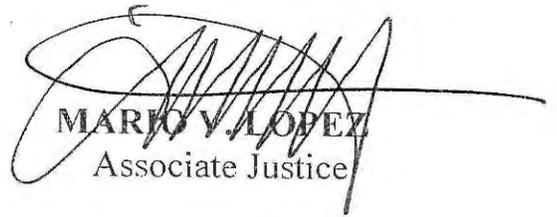
In the normal course of tax administration and enforcement, the BIR must first make an assessment then enforce the collection of the amounts so assessed. "An assessment is not an action or proceeding for the collection of taxes. x x x It is a step preliminary, but essential to warrant distraint, if still feasible, and, also, to establish a cause for judicial action." The BIR may summarily enforce collection only when it has accorded the taxpayer administrative due process, which vitally includes the issuance of a valid assessment. A valid assessment sufficiently informs the taxpayer in writing of the legal and factual bases of the said assessment, thereby allowing the taxpayer to effectively protest the assessment and adduce supporting evidence in its behalf.

³⁴ See *Ungab v. Cusi, Jr.*, 186 Phil. 604, 610 (1980) [Per J. Concepcion, Jr., Second Division].

³⁵ *Peepie v. Mendez*, G.R. Nos. 208310-11 and 208562, March 28, 2023 [Per J. M. Lopez, *En Banc*].

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SO ORDERED.



MARIO V. LOPEZ
Associate Justice

WE CONCUR:



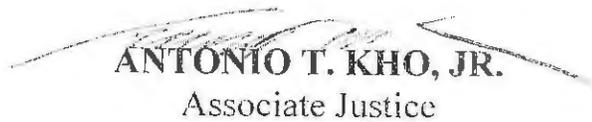
MARVIC M.V.F. LEONEN
Senior Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice



JHOSEP V. LOPEZ
Associate Justice



ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALEXANDER G. GESMUNDO
Chief Justice