



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila
SECOND DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Second Division, issued a Resolution dated 26 April 2021 which reads as follows:

“G.R. No. 255094 (Commissioner of Internal Revenue v. Trinity Franchising and Management Corporation). – The Court **NOTES** the payment made by the Office of the Solicitor General in the amount of ₱1,000.00 for Sheriff’s Trust Fund under O.R. No. 0290361 dated March 4, 2021.

After a judicious study of the case, the Court resolves to **DENY** the instant petition¹ and **AFFIRM** the Decision² dated July 14, 2020 and the Resolution³ dated January 12, 2021 of the Court of Tax Appeals (CTA) *En Banc* in CTA EB No. 2010 for failure of petitioner Commissioner of Internal Revenue (petitioner) to show any reversible error committed by the CTA *En Banc* in concluding that the Bureau of Internal Revenue (BIR) revenue officer who recommended the issuance of deficiency tax assessments against respondent Trinity Franchising and Management Corporation (respondent) was without authority to do so in the absence of a validly signed Letter of Authority (LOA) in its favor.⁴

As correctly ruled by the CTA *En Banc*, it was authorized to rule on the authority of Revenue Officer Luzviminda A. Pedrosa (RO Pedrosa) to conduct the audit and recommend the issuance of the deficiency tax assessments against respondent, notwithstanding the fact that this was neither raised in respondent’s petition nor during the trial. The Court has already upheld the CTA’s authority to do so on the basis of Rule 14, Section 1 of the Revised Rules of the Court of Tax Appeals⁵ and Section 7 of Republic Act No. 1125,⁶ as amended, given that such

¹ See Petition for Review on *Certiorari* dated February 26, 2021; *rollo*, pp. 11-28.

² *Id.* at 37-49. Penned by Associate Justice Maria Rowena Modesto-San Pedro with Associate Justices Juanito C. Castañeda Jr., Erlinda P. Uy, Ma. Belen M. Ringpis-Liban, Catherine T. Manahan, and Jean Marie A. Bacorro-Villena, concurring. Presiding Justice Roman G. Del Rosario issued a Dissenting Opinion which was joined by Associate Justice Esperanza R. Fabon-Victorino. Associate Justice Catherine T. Manahan issued a Concurring Opinion.

³ *Id.* at 57-64. Penned by Associate Justice Maria Rowena Modesto-San Pedro with Associate Justices Juanito C. Castañeda Jr., Erlinda P. Uy, Ma. Belen M. Ringpis-Liban, Catherine T. Manahan, and Jean Marie A. Bacorro-Villena, concurring. Presiding Justice Roman G. Del Rosario maintained his Dissenting Opinion and Associate Justice Catherine T. Manahan maintained her Concurring Opinion.

⁴ *Id.* at 47-48.

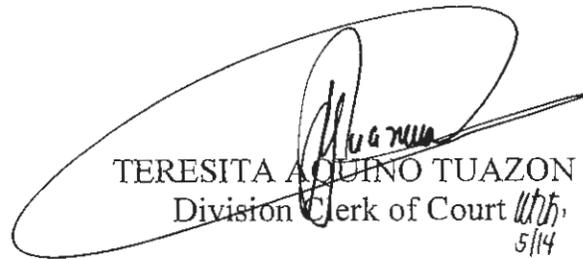
⁵ A.M. No. 05-11-07-CTA, November 22, 2005.

⁶ Entitled ‘AN ACT CREATING THE COURT OF TAX APPEALS,’ approved on June 16, 1954.

issue falls under the 'other matter' jurisdiction of the CTA.⁷ The CTA *En Banc* likewise correctly held that the deficiency tax assessments were invalid due to the revenue officer's lack of authority to conduct an audit against respondent. It is settled that 'unless authorized by the CIR himself or by his duly authorized representative, through an LOA, an examination of the taxpayer cannot ordinarily be undertaken.'⁸ As aptly observed by the CTA *En Banc*, the document which was alleged to be the new LOA re-assigning the audit to RO Pedrosa was neither signed by petitioner nor his duly authorized representatives as identified in the Tax Code and in prevailing BIR regulations. Consequently, RO Pedrosa did not have authority to examine respondent's books of accounts and tax records, much less recommend the issuance of tax assessments against it. Hence, the CTA *En Banc* correctly set aside the deficiency tax assessments against respondent.

SO ORDERED."

By authority of the Court:


TERESITA AQUINO TUAZON
Division Clerk of Court *WTF*,
5/14

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Please notify the Court of any change in your address.
GR255094. 04/26/2021A(128)URES

⁷ See *Commissioner of Internal Revenue v. Lancaster Philippines, Inc.*, 813 Phil. 622 (2017).

⁸ *Medicard Philippines, Inc. v. Commissioner of Internal Revenue*, 808 Phil. 528, 540 (2017).