STSR TAXBITS

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Tax Treatment of Political Contributions

by

Clinton S. Martinez
SLSO II
Office of the Director General

Come May 9, 2016, qualified Philippine voters will once more elect a new set of public officials including, among others, a President, Vice-President, Senators and Congressmen. It is not unusual for candidates to receive contributions, monetary or otherwise, from various well-meaning organizations and individuals. To remind the candidates, the following article and issuance are reproduced hereunder:

The following article appeared in the Business Mirror on February 26, 2016:

> *"The Bureau of Internal Revenue (BIR) is reminding all candidates, political parties/ party-list groups and campaign contributors for the May 2016 national elections to comply with their tax duties and obligations.*
>
> *"Under existing issuances, candidates, political parties/party-list groups and campaign contributors shall register and secure official receipts (ORs) with the BIR. Political parties and party-list groups shall register with the revenue district offices (RDO) having jurisdiction over their head office or principal office. Individual candidates, on the other hand, shall register with the RDO having jurisdiction over the political subdivision where the candidate is seeking election and, if this is not applicable, registration shall be made at the RDO having jurisdiction over their principal residence or registered address.*

"Upon registration, the BIR will tag them as withholding tax agents, among others. As withholding agents, they must withhold the corresponding withholding tax for election-related expenses such as, but not limited to, purchases of campaign materials like tarpaulins, t-shirts, boleros, fans, flyers, talent fees of the composer and singer of the campaign jingle and others related thereto.

"All contributions received shall be reported as required by law. Any unused/excess funds shall be treated as income for purposes of taxation pursuant to Revenue Regulations 07-2011 (dated February 16, 2011), which provides the tax treatment of campaign contributions and expenditures.

"Any single nonissuance of OR upon receipt of contribution shall be penalized with a fine of not less than P1,000 but not more than P50,000 and imprisonment of not less than four years, as stipulated in Revenue Memorandum Order 7-2015.

"Further, expenditures incurred shall be reported. Unreported expenses, as well as those not subjected to appropriate withholding tax, shall not be allowed as deductions from contributions. Excess contributions will be treated as income subject to income tax.

"The registration of individual candidates shall automatically end after 30 days from the date of election.

"However, the registration of political parties and party-list groups shall subsist.

Furthermore, Candidates should also be reminded of the existence of Revenue Memorandum Circular (RMC) No. 48-2013 which was issued on 23 June 2013. Said RMC provides:

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
June 28, 2013

REVENUE MEMORANDUM CIRCULAR NO. 48-2013

SUBJECT : *Tax Compliance Reminders under the May 13, 2013 Midterm Elections*

TO : *All Internal Revenue Officers and Others Concerned*

"This Circular is being issued to remind everyone, particularly those who ran as candidates or participated in any other manner in the last midterm elections held last May 13, 2013, of their obligations under pertinent revenue issuances.

"I. ON INCOME TAX

"Revenue Regulations No. 07-2011 provides for the following income tax treatment of political contributions-

"1. As a general rule, campaign contributions are not included in the taxable income of the candidate to whom they were given, the reason being that such contributions were given not for the personal expenditure/enrichment of the concerned candidate, but for the purpose of utilizing such contributions for his/her campaign. Thus, to be considered as exempt from income tax, these campaign contributions must have been utilized to cover a candidate's expenditures for his/her electoral campaign.

"2. Unutilized/excess campaign funds, that is, campaign contributions net of the candidate's campaign expenditures, shall be considered as subject to income tax, and as such, must be included in the candidate's taxable income as stated in his/her Income Tax Return (ITR) filed for the subject taxable year.

"3. Any candidate — winning or losing — who fails to file with the COMELEC the appropriate Statement of Expenditures required under the Omnibus Election Code, shall be automatically precluded from claiming such expenditures as deductions from his/her campaign contributions. As such, the entire amount of such campaign contributions shall be considered as directly subject to income tax.

"Thus, individual candidates, political parties and party-list groups falling under items No. 2 and 3 above shall file the proper income tax return and pay as follows:

"a. In the case of a candidate registered as a self-employed individual, such unutilized/excess/unreported funds coming from contributions/donations shall be declared for the quarter ending June 30, 2013 not later than August 15, 2013 using BIR Form No. 1701Q. It should be noted that no further deduction, either itemized or optional, should be made against this taxable income;

"b. In the case of a candidate who is purely a compensation income earner within the year 2013, such taxable income shall be declared in BIR Form No. 1700 for taxable year 2013 not later than April 15, 2014;

"c. In the case of a candidate who is neither a self-employed individual nor a compensation income earner as of May 13, 2013, he/she shall declare said taxable income by filing a short-period return, for the period from January 1, 2013 to May 13, 2013, using BIR Form No. 1700 not later than August 15, 2013; and

"d. In the case of political parties or party-list groups, the above taxable income shall be reported in the manner by which domestic corporations are required to file returns and pay taxes. Accordingly, the above taxable income shall be declared for the second quarter ending June 30, 2013 not later than August 29, 2013 using BIR Form No. 1702Q.

"The above returns shall be filed and the income tax shall be paid in any of the authorized agent banks (AABs) or through the Revenue Collection Officer/s, in places where there are no AABs, within the jurisdiction of the Revenue District Office (RDO) where the candidate, political party or party list group is registered.

"ON CREDITABLE WITHHOLDING TAX (CWT)

"Pursuant to Section 2.57.2(X) of RR No. 2-98, as amended by RRs No. 08-09 and 10-09, income payments made by political parties and candidates of local and national elections of all their purchase of goods and services as campaign expenditures, and income payments made by individuals or juridical persons for their purchases of goods and services intended to be given as campaign contribution to political parties and candidates shall be subject to a creditable withholding tax at the rate of five percent (5%). The obligation to withhold 5% is uniform in both payments for goods and services and, likewise, there is no distinction whether the source is through donations/ contributions or from the personal funds of the payor, or elsewhere. Thus, payments for various media services, printing jobs, talent/entertainment fees, rentals of both real and personal property and the like are among those covered by the CWT herein. Whether or not a candidate/payor/ withholding agent is engaged in business or practice of profession, he/she/it is a regular taxfiler and, thus, required to remit the 5% 3 CWT, along with the other CWT, not later than the 10th day of the month following the month of payment/ disbursement, using BIR Form No. 1601-E through the authorized agent banks (AABs) or Revenue Collection Officers (RCOs) under the jurisdiction of the BIR office where the withholding agent is registered. As withholding agents, they are required to attach the Monthly Alphalist of Payees (MAP).

"The payor/withholding agent, who may be an individual, candidate or otherwise, a political party or a party list group, or any other juridical entity, is further required to file with the BIR Office where he/it is registered as withholding agent, on or before March 1, 2014, an Annual Information Return of Creditable Taxes Withheld (Expanded)/Income Payments Exempt from Withholding Tax (BIR Form No. 1604E) as well as the Statement of Contributions and Expenditures duly stamped "Received" by the Commission on Elections (COMELEC). For those withholding agents for a limited time during the election period only, the due date to file the aforestated documents is on August 12, 2013.

"Expenses from which the above 5% creditable withholding tax were not deducted, remitted or reported as herein required are not considered utilized campaign funds for purposes of Section I above.

"OTHER MATTERS

"Pursuant to Revenue Memorandum Circular (RMC) No. 15-2013, candidates, political parties and party list groups are reminded of the following:

"1. Their registration with the BIR as special withholding agents under the just concluded midterm elections automatically ended last June 12, 2013. However, those who are engaged in business or practice of profession, including political parties and party list groups, remain to be regular withholding agents;

"2. They are required to file report of utilization of BIR-issued Non-VAT official receipts as well as surrender to the BIR the unused Non-VAT official receipts not later than August 15, 2013; and,

"3. They shall preserve the Cash Receipts and Disbursements Journals, including the official receipts and other supporting documents, and withholding tax returns until May 13, 2016.

Everyone is hereby enjoined to give this Circular as wide a publicity as possible."

It is hoped that the above article would assist all concerned in the conduct of their tax obligations with the Bureau of Internal Revenue (BIR) concerning strict compliance with the latter's rules and regulations regarding contributions for the forthcoming 2016 elections.

TAX NEWS DIGEST

"*PH needs to address key challenges to sustain growth, says Am Cham*"

"The next administration is deemed well positioned to move forward the Philippine economy but it would need to address key challenges in infrastructure, education and business environment to better leverage on the gains achieved under the current leadership.

"Rick M. Santos, president of the American Chamber of Commerce of the Philippines (AmCham), said in a briefing on Tuesday that it was important for Filipinos to be able to pick the right leaders in the elections in May as the year 2016 was seen to offer "great opportunities" and present "great challenges" that might hamper growth.

"From the perspective of a foreign investor, it would be important for the next administration to be able to push for strong good governance, transparency, accountability; further level the playing field for all investors; continue with judicial reforms; invest heavily in infrastructure and education, and give more emphasis on security, Santos said.

"Improving infrastructure is deemed important to support a growing economy like the Philippines while investments in improving the country's educational system was similarly significant to ensure the competitiveness of the local talent pool, which holds a distinct advantage of being young, highly skilled and English proficient, compared to its peers in the region." (PDI, 13 January 2016)

"*Government spending up 10-16% in Q4*"

"Government spending jumped by 10-16 percent in the fourth quarter of last year, speeding up economic growth during the period, according to Budget Secretary Florencio B. Abad.

"Expenditures on infrastructure, meanwhile, increased by about 13 percent between October and December, Abad told reporters late Tuesday, without disclosing specific figures.

"Based on Department of Budget and Management data, a 16-percent growth in disbursements during the fourth quarter would be equivalent to about P609.6 billion spent on public goods and services.

"The estimated figure spent between October and December exceeded the P525.5 billion in actual expenditures during the fourth quarter of 2014, but would be below the program of almost P652 billion. This means that the increase in government spending still failed to catch up with the amount needed to support economic growth during the period.

"The latest Treasury data showed that as of end-November, disbursements rose 13 percent year-on-year to P1.99 trillion, although the amount was 15-percent lower than the program as slow spending persisted. The government was programmed to spend a total of P2.56 trillion in 2015.

"As for infrastructure spending, a 13-percent rise in the fourth quarter would be equivalent to nearly P91.1 billion, higher than the P80.6 billion spent by the government on vital infrastructure a year ago but lower than the program of P142.2 billion." (PDI, 14 January 2016)

By: Mr. Clinton S. Martinez

* For this Issue, student interns from Far Eastern University, Ms. Glaricel D. Odulio and Ms. Kristine May A. Parcon, gave their assistance.

"*Filipino ADB employees tax-exempt, CA affirms*"

"Filipino personnel of the Asian Development Bank (ADB) scored another victory against the taxman, as the Court of Appeals (CA) last week denied the move of the Bureau of Internal Revenue (BIR) to have the Manila-based employees taxed.

"BIR Commissioner Kim S. Jacinto-Henares told the Inquirer on Wednesday that the country's biggest tax-collection agency will appeal the latest CA ruling before the Supreme Court.

"For former internal revenue chief Liwayway Vinzons-Chato, who now serves as legal counsel for the ADB employees, the high court will also likely dismiss BIR's appeal. "We are praying it will be dismissed [by the Supreme Court] outright if the procedure is to be followed," Vinzons-Chato said in a telephone interview.

"In a resolution dated January 4, 2016, the CA's former second division denied the BIR's appeal, noting there was "no review of evidence required in resolving this issue."

"There is nothing here for the courts to do but to interpret the provision of [Revenue Memorandum Circular] 20-86 and the Administrative Code in order to determine the validity of RMC 31-2013," the decision penned by Associate Justice Agnes Reyes-Carpio read.

"The case stemmed from a petition filed by two ADB employees before a Mandaluyong court after being slapped with tax evasion cases. They questioned Section 2(d)(1) of BIR's RMC 31-2013 that said "only officers and staff of the ADB who are not Philippine nationals shall be exempt from Philippine income tax."

"The Mandaluyong court later ruled that the BIR ruling was "void in absence of legislation and/or regulation to the contrary."

"The BIR raised the issue before the appellate court, but subsequently received an unfavorable ruling in July last year.

"The CA had said the BIR had "improperly elevated" the case before it by ordinary appeal when it should have been raised by petition for review on certiorari before the Supreme Court under Rule 45 of the Rules of Civil Procedure. Reyes-Carpio had explained the case filed by the BIR did not call for a review of the evidence, but involved a question of law.

"Questions of law are usually raised before the SC. "The main question now lies in the interpretation of the exemption provided by the ADB charter and its applicability to petitioners-appellees. Thus, there is no review of evidence required. Consequently, the issue of the instant case is one which is a question of law," read Reyes-Carpio's previous ruling, to which Associate Justices Remedios Salazar-Fernando and Romeo F. Barza concurred." (PDI, 14 January 2016)

"*More companies keen on locating at ecozones. DOF objects to new perks*"

"Manufacturing firms, including automotive companies, have expressed strong interest to locate in the planned domestic economic zones. However, establishment of new industrial parks still hangs at the Cabinet Economic Cluster following strong objection from the Department of Finance (DOF) due to revenue loss impact.

"Elmer San Pascual, spokesperson of the Philippine Economic Zone Authority (PEZA), told reporters that the incentives and the investment environment in an ecozone proved to be attractive for investors.

"There have been strong interest from manufacturers including automotive firms and even food processing because the incentive is attractive since there is no local government intervention,' San Pascual said.

"San Pascual, however, explained that the tax exemptions will certainly outweigh the economic benefits of creating domestic ecozones.

"First, he said, the only tax incentives PEZA can give to these domestic economic zone locators is the perpetual 5 percent tax on gross income earned (GIE).

"Section 24 of the PEZA Law allows its registered firms 5 percent GIE on all national and local taxes except real estate tax.

"PEZA also grants certain allowance tax deduction on cost of sales like compensation to direct workers/ operators of machines, depreciation of machinery, direct salaries on production, raw materials like supplies and fuels used in production and in factory leases and utility charges associated with production." (Manila Bulletin [MB], 17 January 2016)

Rohm Apollo Semiconductor Philippines, Petitioner vs. Commissioner of Internal Revenue, Respondent, GR No. 168950, January 14, 2015 (Sereno, *CJ*)

Facts:

Petitioner (Rohm) is a domestic corporation registered with the Securities and Exchange Commission (SEC) and Philippine Export Zone Authority (PEZA) as an Ecozone Export Enterprise. Rohm hired a contractor to construct its factory prior to the start of its operations on September 1, 2001. It considered the payments as capital goods purchases and filed with the Bureau of Internal Revenue (BIR) an administrative claim for refund or credit of accumulated unutilized creditable input taxes on December 11, 2000. The claim was filed within the two-year prescriptive period provided in the Tax Code. The Commissioner of Internal Revenue (CIR) failed to act on the claim.

Instead of filing a judicial claim within the required period, petitioner filed a Petition for Review with the Court of Tax Appeals (CTA), *under the belief that a judicial claim had to be filed within the two-year prescriptive period ending on 30 September 2002*. The CTA Division and *En Banc* denied the judicial claim. The CTA *En Banc* said that: "*the failure to present the VAT returns for the subsequent taxable year proved to be fatal to the claim for a refund/tax credit, considering that it could not be determined whether the claimed amount to be refunded remained unutilized.*"

Issue:

Whether the CTA acquired jurisdiction over the claim for the refund or tax credit of unutilized input Value-Added Tax (VAT) of Rohm.

By: Mr. Clinton S. Martinez

* For this Issue, student interns from De La Salle University, Manila; Ms. Sophia Patrice R. Velasco, Ms. Mylin-Deina L. Espiritu and Aira Rowena A. Talactac gave their assistance.

Held:

The Supreme Court (SC) denied the petition reasoning that the judicial claim for refund/tax credit was filed beyond the prescriptive period.

The SC said:

"Section 112(D) of the 1997 Tax Code states the time requirements for filing a judicial claim for the refund or tax credit of input VAT. The legal provision speaks of two periods: the ***period of 120 days****, which serves as a waiting period to give time for the CIR to act on the administrative claim for a refund or credit; and the* ***period of 30 days****, which refers to the period for filing a judicial claim with the CTA. It is the 30-dayperiod that is at issue in this case.*

"The landmark case of Commissioner of Internal Revenue v. San Roque Power Corporation has interpreted Section 112 (D). The Court held that the taxpayer can file an appeal in one of two ways: (1) file the judicial claim within 30 days after the Commissioner denies the claim within the 120-day waiting period, or (2) file the judicial claim within 30 days from the expiration of the 120-day period if the Commissioner does not act within that period.

"x x x.

"The old rule that the taxpayer may file the judicial claim, without waiting for the Commissioner's decision if the two-year prescriptive period is about to expire, cannot apply because that rule was adopted before the enactment of the 30-day period. The 30-day period was adopted precisely to do away with the old rule, so that under the VAT System the taxpayer will always have 30 days to file the judicial claim **even if the Commissioner acts only on the 120th day, or does not act at all during the 120-day period**. With the 30-day period always available to the taxpayer, the taxpayer can no longer file a judicial claim for refund or credit of input VAT without waiting for the Commissioner to decide until the expiration of the 120-day period.

"To repeat, a claim for tax refund or credit, like a claim for tax exemption, is construed strictly against the taxpayer. One of the conditions for a judicial claim of refund or credit under the VAT System is with the 120+30 day mandatory and jurisdictional periods. ***Thus, strict compliance with the 120+30 day periods is necessary for such a claim to prosper****, whether before, during, or after the effectivity of the Atlas* doctrine, **except for the period from the issuance of BIR Ruling No. DA-489-03 on 10 December 2003 to 6 October 2010 when the** *Aichi* **doctrine was adopted, which again reinstated the 120+30 day periods as mandatory and jurisdictional.**

"x x x.

"A final note, the taxpayers are reminded that that when the 120-day period lapses and there is inaction on the part of the CIR, they must no longer wait for it to come up with a decision thereafter. The CIR's inaction is the decision itself. It is already a denial of the refund claim. Thus, the taxpayer must file an appeal within 30 days from the lapse of the 120-day waiting period."

The SC declared that the claim of Rohm was *belatedly filed*. Petition was denied for lack of merit.

***CBK Power Company Limited, Petitioner vs. Commissioner of Internal Revenue, Respondent*, GR No. 193383-84**

and

***Commissioner of Internal Revenue, Petitioner vs. CBK Power Company Limited*, Respondent, GR No. 193407-08, January 14, 2015 (Perlas-Bernabe, *J*)**

Facts:

This case is a claim for refund filed by petitioner CBK Power Company Limited (CBK) with the Commissioner of Internal Revenue (CIR) of the excess final withholding taxes they withheld and collected for Bureau of Internal Revenue (BIR) Region No. 9. CBK obtained loans from banks with different countries of residences.

CBK alleges that instead of basing the rates at fifteen percent (15%) and twenty percent (20%), the preferential rate of ten percent (10%) under the relevant tax treaty should have been applied.

The CIR failed to act on the claims, hence CBK was moved to file petitions for review with the Court of Tax Appeals (CTA).

The CTA First Division granted the petition of CBK and ordered the refund, stating that the applicable rate is 10%. Upon Motion for Reconsideration filed by the BIR, the amount was reduced by the CTA First Division on the ground that CBK failed to obtain an International Tax Affairs Division (ITAD) ruling on one transaction.

The CTA *En Banc* affirmed the ruling of the First Division that a prior application with ITAD is needed under a Revenue Memorandum Order (RMO No. 1-2000).

Issues:

1. Whether the BIR may add a requirement – prior application for an ITAD ruling – that is not found in the income tax treaties signed by the Philippines before a taxpayer can avail of preferential tax rates under said treaties.

2. Whether CBK exhausted its administrative remedies prior to seeking judicial intervention.

Held:

The Supreme Court (SC), with respect to the first controversy, stated:

> "*The Philippine Constitution provides for adherence to the general principles of international law as part of the law of the land. The time-honored international principle of pacta sunt servanda demands the performance in good faith of treaty obligations on the part of the states that enter into the agreement. In this jurisdiction, treaties have the force and effect of law.*
>
> *"The issue of whether the failure to strictly comply with RMO No. 1-2000 will deprive persons or corporations of the benefit of a tax treaty was squarely addressed in the recent case of Deutsche Bank AG Manila Branch v. Commissioner of Internal Revenue*, where the Court emphasized that **the obligation to comply with a tax treaty must take precedence over the objective of RMO No. 1-2000**, *viz*:
>
> *"We recognize the clear intention of the BIR in implementing RMO No. 1-2000, but the CTA's outright denial of a tax treaty relief for failure to strictly comply with the prescribed period is not in harmony with the objectives of the contracting state to ensure that the benefits granted under tax treaties are enjoyed by duly entitled persons or corporations.*
>
> *"Bearing in mind the rationale of tax treaties, the period of application for the availment of tax treaty relief as required by RMO No. 1-2000* ***should not operate to divest entitlement to the relief*** *as it would constitute a* ***violation of the duty*** *required by good faith in complying with a tax treaty. The denial of the availment of tax relief for the failure of a taxpayer to apply within the prescribed period under the administrative issuance would* ***impair the value*** *of the tax treaty. At most, the application for a tax treaty relief from the BIR should* ***merely operate to confirm*** *the entitlement of the taxpayer to the relief.*
>
> ***"The obligation to comply with a tax treaty must take precedence over the objective of RMO No. 1-2000.*** *Logically, non-compliance with tax treaties has negative implications on international relations, and unduly discourages foreign investors. While the consequences sought to be prevented by RMO No. 1-2000 involve an administrative procedure, these may be remedied through other system management processes, e.g.*, the imposition of a fine or penalty. **But we cannot totally deprive those who are entitled to the benefit of a treaty for failure to strictly comply with an administrative issuance requiring prior application for tax treaty relief."**

The second puzzle was solved by the SC in favor of CBK. The High Court pronounced:

> "*Sections 204 and 229 of the NIRC pertain to the refund of* ***erroneously*** *or illegally collected taxes. Section 204 applies to administrative claims for refund, while Section 229 to judicial claims for refund. In both instances, the taxpayer's claim must be filed within two (2) years from the date of payment of the tax or penalty. However, Section 229 of the NIRC further states the condition that a judicial claim for refund may not be maintained until a claim for refund or credit has been duly filed with the Commissioner.*"

The SC cited the pertinent Tax Code provisions:

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

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

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

"x x x.

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

In any case, no such suit or proceeding shall be filed after the expiration of two (2) years from the date of payment of the tax or penalty regardless of any supervening cause that may arise after payment: x x x.

The SC declared that CBK Power timely filed its claim for refund of its excess final withholding taxes.

Further, the High Court quoted the Tax Code:

"SEC. 306. Recovery of tax erroneously or illegally collected. — No suit or proceeding shall be maintained in any court for the recovery of any national internal revenue tax hereafter alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, until a claim for refund or credit has been duly filed with the Collector of Internal Revenue; but such suit or proceeding may be maintained, whether or not such tax, penalty, or sum has been paid under protest or duress. In any case, no such suit or proceeding shall be begun after the expiration of two years from the date of payment of the tax or penalty."

In explaining the above proviso, the SC said:

"The preceding provisions seem at first blush conflicting. It will be noticed that, whereas the first sentence requires a claim to be filed with the Collector of Internal Revenue before any suit is commenced, the last makes imperative the bringing of such suit within two years from the date of collection. But the conflict is only apparent and the two provisions easily yield to reconciliation, which it is the office of statutory construction to effectuate, where possible, to give effect to the entire enactment.

"To this end, and bearing in mind that the Legislature is presumed to have understood the language it used and to have acted with full idea of what it wanted to accomplish, it is fair and reasonable to say without doing violence to the context or either of the two provisions, that by the first is meant simply that the Collector of Internal Revenue shall be given an opportunity to consider his mistake, if mistake has been committed, before he is sued, but not, as the appellant contends that pending consideration of the claim, the period of two years provided in the last clause shall be deemed interrupted. ***Nowhere and in no wise does the law imply that the Collector of Internal Revenue must act upon the claim, or that the taxpayer shall not go to court before he is notified of the Collector's action.*** *x x x* ***. We understand the filing of the claim with the Collector of Internal Revenue to be intended primarily as a notice of warning that unless the tax or penalty alleged to have been collected erroneously or illegally is refunded, court action will follow."***

The refund sought by CBK Power Company Limited was granted by the High Court. The amount of P15,672,958.42 representing its excess final withholding taxes for the taxable years 2001 to 2003 was restored by the SC.

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SENATE FLAG CEREMONY HOSTED BY STSRO

Sen. Panfilo "Ping" M. Lacson as Guest Speaker

February 15, 2016









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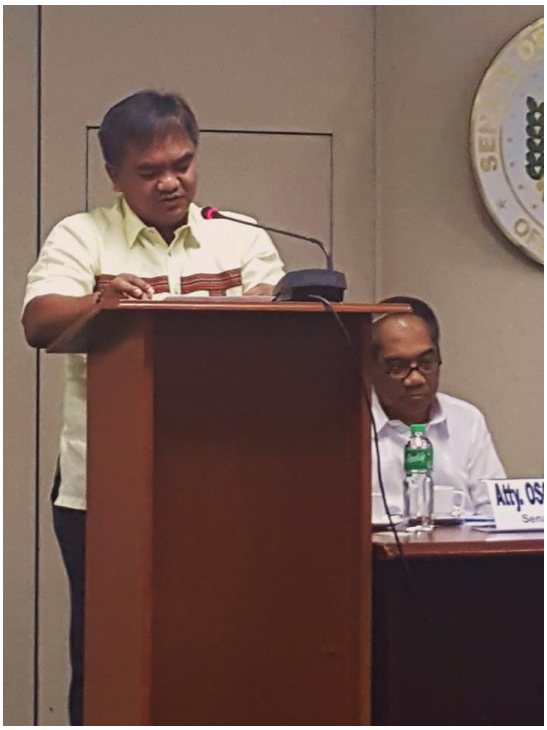
Atty. Rodelio T. Dascil, Director General,
delivering the Welcome Remarks in behalf of Sen. Sonny Angara at
Centennial Lecture on Assessing the Proposals to Amend Personal Income Tax Law

February 16, 2016



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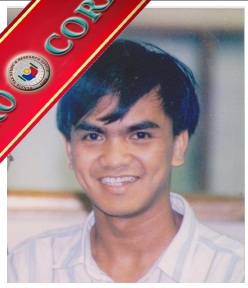

Happy 28th year of Service in the Senate

DG Rodelio T. Dascil

March 1, 1988 - 2016

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A RUN FOR 100 DAYS MATERNAL LEAVE IN THE 100 YEARS OF THE PHILIPPINE SENATE

February 29, 2016

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Website : http://www.senate.gov.ph
Email : stsro1989@gmail.com
Facebook : https://www.facebook.com/stsro.stsro
Telefax No. : 552-6850; Local 5506, 5508

Editors and Contributing Writers

Atty. RODELIO T. DASCIL, MNSA
Director General

Atty. EMMANUEL M. ALONZO
Director III, Legal & Tariff

RECHILDA B. GASCON, MNSA
Director III, Tax Policy & Admin

MARIA LUCRECIA R. MIR, PhD DA, MNSA
Director III, Direct Taxes

VIVIAN A. CABILING
Director III, Indirect Taxes

JULIETA M. FONTIVEROS
Director II, Legal & Tariff

NORBERTO M. VILLANUEVA
Director II, Tax Policy & Admin

ELVIRA P. CRUDO
Director II, Direct Taxes

Atty. SHERRY ANNE C. SALAZAR
Director II, Indirect Taxes

BONIFACIO R. JOSON
LSA-III, ODG - Layout Artist

CLINTON S. MARTINEZ
SLSO II, Indirect Taxes